

Texas Department of Housing and Community Affairs



Thursday, June 4, 2026

10:00 AM

**Dewitt C. Greer State Highway Building
Williamson Board Room
125 E. 11th Street
Austin, TX 78701**

Governing Board

*Leo Vasquez III, Chair
Kenny Marchant, Vice-Chair
Ajay Thomas, Member
Anna Maria Farias, Member
Holland Harper, Member
Cindy Conroy, Member*

**Texas Department of Housing and Community Affairs
Programmatic Impact Fiscal Year 2026**

CY26 9% LIHTC Program

- Total Applications Received: 115
- Total Market Rate Units Proposed: 318
- Total Low-Income Units Proposed: 7,394
- Total HTCs Requested: \$190,306,987

Construction Type:

- Total Proposed New Construction Projects: 92
- Total Proposed Reconstruction Projects: 3
- Total Proposed Rehab Projects: 20

CY26 4% LIHTC Program

Active or Approved Applications:

- Total Applications: 19
- Total Market Rate Units Proposed: 0
- Total Low-Income Units Proposed: 4,015

Closed Applications:

- Total Applications: 0
- Total Market Rate Units Proposed: 0
- Total Low-Income Units Proposed: 0

Construction Type

- Total Proposed New Construction Projects: 10
- Total Proposed Rehab/Reconstruction Projects: 9

Owner Financing and Down Payment

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

Programs:

- Single Family Homeownership

Expended Funds:	\$775,364,827
Households Served:	2,967

Energy Related Assistance

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

Programs:

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

Expended Funds:	\$68,697,699
Households Served:	43,685

Homelessness Services

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

Programs:

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

Expended Funds:	\$5,787,889
Persons Served:	13,676

Rental Assistance

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

Programs:

- Tenant-Based Rental Assistance (TBRA)
- Section 8 Housing Choice Vouchers
- Section 811

Expended Funds:	\$6,316,100
Households Served:	2,729

Owner Rehabilitation Assistance

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

Programs:

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

Expended Funds:	\$7,503,729
Households Served:	83

Single Family Development

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

Programs:

- Single Family Development Program (SFD)*
- Texas Bootstrap Loan Program (Bootstrap)

Expended Funds:	\$1,237,500
Households Served:	25

Supportive Services

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

Program:

- Community Services Block Grant Program (CSBG)

Expended Funds:	\$18,294,475
Persons Served:	151,318

Total Expended Funds: \$1,170,477,186

Total Households Served: 223,956

All FY2026 data as reported in TDHCA's 2026 performance measures.

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

Reporting Period: 9/1/2025-2/28/2026 (4% LIHTC Program figures as of 3/6/2026; 9% LIHTC Program figures as of 3/12/2026)

* Administered through the federally funded HOME Investment Partnerships Program

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

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

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

CONSENT AGENDA

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

EXECUTIVE

1. Presentation, discussion, and possible action on the Board meeting minutes summary for May 7, 2026 Beau Eccles

ASSET MANAGEMENT

2. Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Summit Senior Village (HTC #03159) Rosalio Banuelos
3. Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Ekos City Heights (HTC #20701) Rosalio Banuelos
4. Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Oleanders at Broadway (HTC #21418) Rosalio Banuelos
5. Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Park Boulevard Lofts (HTC #23061) Rosalio Banuelos
6. Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Las Fuentes (HTC #25053) Rosalio Banuelos

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| 7. | Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Lofts at Birdwell (HTC #25271) | Rosario Banuelos |
| 8. | Presentation, discussion, and possible action regarding an increase to the Housing Tax Credit amount for The Henderson at Reinli (HTC #21429) | Rosario Banuelos |
| 9. | Presentation, discussion, and possible action regarding a waiver and extension of the 10% Test submission deadline in 10 TAC §10.401(a) and 10 TAC §11.2(a) for Cypress Creek Apartment Homes at Montfort Drive (HTC #22110/23806/24802) | Rosario Banuelos |

RULES

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| 10. | Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 8, Project Rental Assistance Program Rule; an order proposing new retitled 10 TAC Chapter 8, 811 PRA Program Rule; and directing their publication for public comment in the Texas Register | Brooke Boston |
| 11. | Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 23, Single Family HOME Program, Subchapter B, and Subchapter F; an order proposing new 10 TAC Chapter 23, Single Family HOME Program, Subchapter B and Subchapter F; and an order directing their publication for public comment in the Texas Register | Abigail Versyp |
| 12. | Presentation, discussion, and possible action on an order proposing the amendment of 10 TAC Chapter 6, Community Affairs Programs, §6.2 Definitions, and directing its publication for public comment in the Texas Register | Brooke Boston |
| 13. | Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 27, Texas First Time Homebuyer Program Rule; an order proposing new 10 TAC Chapter 27, Texas First Time Homebuyer Program and Taxable Mortgage Program Rules; and directing their publication for public comment in the Texas Register | Brooke Boston |
| 14. | Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 28, Taxable Mortgage Program, and directing its publication for public comment in the Texas Register | Brooke Boston |
| 15. | Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule, and directing its publication for public comment in the Texas Register | Brooke Boston |

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| 16. | Presentation, discussion, and possible action on the proposed repeal of 10 TAC §10.801, Affirmative Marketing Requirements; proposed new 10 TAC §10.801, Affirmative Marketing Requirements; and directing their publication for public comment in the Texas Register | Jeremy Stremmer |
| 17. | Presentation, discussion, and possible action on an order adopting an amendment to 10 Texas Administrative Code Chapter 10, Uniform Multifamily Rules, Subchapter J, Housing Finance Corporation Compliance Monitoring, §10.1204 Audit Requirements; and order directing its publication in the Texas Register | Brooke Boston |

MULTIFAMILY BOND

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| 18. | Presentation, discussion, and possible action on Resolution No. 26-015 on the reassignment of the 2023 Traditional Carryforward Designation for Airport Commerce Multifamily Apartments (#23612) in the amount of \$29,000,000 | Teresa Morales |
| 19. | Presentation, discussion, and possible action on Inducement Resolution No. 26-016 for Multifamily Housing Revenue Bonds or Notes regarding authorization for filing an application for private activity bond authority for The Preserve at Dominion Park | Teresa Morales |

CONSENT AGENDA REPORT ITEMS

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| 20. | Media Analysis and Outreach Report, April 2026 | Michael Lyttle |
| 21. | TDHCA Quarterly Status Report on Temporary Allocations - June 2026 | Brooke Boston |

ACTION ITEMS

Executive Session: the Chair may call an Executive Session at this point in the agenda in accordance with the below-cited provisions

EXECUTIVE

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| 22. | Executive Director's Report | Bobby Wilkinson |
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INTERNAL AUDIT

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| 23. | Report on the Meeting of the Internal Audit and Finance Committee | Ajay Thomas
Board Member |
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FINANCIAL ADMINISTRATION

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| 24. | Presentation, discussion, and possible action on the SFY 2027 Operating Budget | Paul Ford |
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| 25. | Presentation, discussion, and possible action on the SFY 2027 Housing Finance Division Budget | Paul Ford |
| 26. | Presentation, discussion, and possible action regarding a Request for Proposal for audit services and selection thereof | Joe Guevara |

FUNDING ANNOUNCEMENTS AND AWARDS

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| 27. | Presentation, discussion, and possible action regarding the Issuance of a Multifamily Housing Governmental Note (Waters at Waterchase) Series 2026 Resolution No. 26-007, and a Determination Notice of Housing Tax Credits | Teresa Morales |
| 28. | Presentation, discussion, and possible action on the approval of a loan for Crossroads Redevelopment | Priscilla Stevenson |
| 29. | Presentation, discussion, and possible action on the approval of a loan for McAdams Haven | Priscilla Stevenson |

ACTION REPORT ITEMS

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| 30. | Report relating to the conclusion of the 2025 Non-competitive 4% Housing Tax Credit Program and an update on the 2026 Non-competitive 4% Housing Tax Credit Program. | Jonathan Galvan |
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ASSET MANAGEMENT

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| 31. | Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for The Ashbourne (HTC #25073) | Rosario Banuelos |
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COMMUNITY AFFAIRS

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| 32. | Presentation, discussion, and possible action on the 2027 Low Income Home Energy Assistance Program State Plan and Awards. | Michael De Young |
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SECTION 811

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| 33. | Presentation, discussion, and possible action authorizing the Department to submit an application in response to the U.S. Department of Housing and Urban Development's 2025 Notice of Funding Opportunity for Section 811 Project Rental Assistance for Persons with Disabilities funds, and if successfully awarded to operate such program | Bill Cranor |
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SINGLE FAMILY & HOMELESS PROGRAMS

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| 34. | Presentation, discussion, and possible action authorizing the Department to amend the service area for the Foster Youth to Independence Initiative | Andre Adams |
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MULTIFAMILY FINANCE

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| 35. | Presentation, discussion, and possible action on an appeal for The Trails (26043) | Cody Campbell |
| 36. | Presentation, discussion, and possible action on an appeal for Paredes Apartments (26096) | Cody Campbell |
| 37. | Presentation, discussion, and possible action on a request for an extension of the previously approved deadline to Place in Service for Sunset Ridge | Josh Goldberger |
| 38. | Presentation, discussion, and possible action to issue a list of approved Applications for 2026 Housing Tax Credits (HTC) in accordance with Tex. Gov't Code §2306.6724(e) | Cody Campbell |

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

The Board may go into Executive Session Pursuant to Tex. Gov't Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;

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

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

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

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

OPEN SESSION

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

ADJOURN

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

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Nancy Dennis, at 512-475-3959 or Relay Texas at 1-800-735-2989, at least five days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Danielle Leath, 512-475-4606, at least five days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Danielle Leath, al siguiente número 512-475-4606 por lo menos cinco días antes de la junta para hacer los preparativos apropiados.

There is not a remote online or telephone option for public participation in this meeting, so those wishing to make public comment during the meeting must appear in person. This meeting will, however, be streamed online for public viewing.



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1484

Agenda Date: 6/4/2026

Agenda #: 1.

Presentation, discussion, and possible action on the Board meeting minutes summary for May 7, 2026

RECOMMENDED ACTION

Approve the Board meeting minutes summary for May 7, 2026.

RESOLVED, that the Board meeting minutes summary for May 7, 2026, is hereby approved as presented.

**Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
May 7, 2026**

On Thursday, the seventh day of May 2026, at 10:00 a.m., the monthly meeting of the Governing Board (Board) of the Texas Department of Housing and Community Affairs (“TDHCA” or “the Department”) was held at the UT Austin AT&T Hotel and Conference Center, Guadalupe Classroom, 1900 University Avenue, Austin, TX 78705.

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

- Leo Vasquez, III, Chair
- Kenny Marchant, Vice Chair
- Cindy Conroy
- Anna Maria Farias
- Holland Harper
- Ajay Thomas

Mr. Vasquez served as Chair, and James “Beau” Eccles served as Secretary.

1) The Board unanimously approved the Consent Agenda items (1-17) and the Consent Agenda Report Items (18-20) as presented.

2) Action Item 21 – the Executive Director’s Report – was presented by Bobby Wilkinson, TDHCA Executive Director. The Board heard the report and took no further action.

3) Chairman Vasquez exercised his right to have the Board take up agenda items out of order and the Board addressed Action Item 24 – Report on the Department’s 2nd Quarter Investment Report related to funds held under Bond Trust Indentures – which was presented by Scott Fletcher, TDHCA Deputy Executive Director of Housing Finance. The Board heard the report and took no further action.

4) Action Item 25 – Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for The Ashbourne (HTC #25073) – was pulled from the agenda.

5) Action Item 26 – Presentation, discussion, and possible action on recommendation to debar Jon P. Venetos, Lurin, Inc. Lurin Holdings, LLC, Lurin Advisors, LLC, Lurin Equity Partners LIX, LLC, Lurin Real Estate Holdings LIX, LLC, Lurin Equity Partners XXXVI, LLC, and Lurin Real Estate Holdings XXXVI, LLC, relating to The Declan I (Bond MF007 / CMTS 2510), The Declan II (Bond MF008 / CMTS 2509), and The Henley Apartments (HTC 93003 / CMTS 2299) – was presented

by Sascha Stremmer, TDHCA Lead Enforcement Attorney. The Board unanimously adopted staff recommendation to debar the parties referenced in the item for 30 years.

6) Ms. Stremmer continued and presented Action Item 27 – Presentation, discussion, and possible action on recommendation to debar The Chosen Ones Outreach Ministries of Galveston, Incorporated, Reverend Edward Lawson, and Teresa Finch, and presentation of a related report to the Board regarding intention to issue a Notice of Violation seeking the assessment of administrative penalties through a contested case hearing with the State Office of Administrative Hearings. Additional information was provided by Mr. Wilkinson and Megan Sylvester, TDHCA Federal Compliance Counsel.

Following public comment (listed below), the Board did not adopt staff recommendation but unanimously approved a measure to debar the parties referenced in the item for 20 years.

- Reverend Edward Lawson via telephone provided comment in opposition to staff recommendation

7) Action Item 28 – Report on TDHCA Performance Measures for the second quarter of Fiscal Year 2026 and introduction of Board Performance Measures – was presented by Matthew Lovitt, TDHCA Senior Legislative Affairs Advisor, with additional information from Mr. Wilkinson. The Board heard the report and took no further action.

8) Action Item 29 – Presentation, discussion, and possible action on an appeal from HTX H.O.P.E. Haven related to a determination of ineligibility for an award of funds from the 2026 Emergency Solutions Grants Notice of Funding Availability – was presented by Rosy Falcon, TDHCA Manager of Homeless Programs, with additional information from Abigail Versyp, TDHCA Director of Single Family and Homeless Programs.

Following public comment (listed below), the Board unanimously adopted staff recommendation to deny the appeal but approve a limited rule waiver relating to the general threshold criteria for a certain application submitted under the competitive application round of the 2026 ESG NOFA

- Joey Mouton, representing HTX H.O.P.E. Haven, provided comments on the item

9) Action Item 30 – Presentation, discussion, and possible action on an appeal of the termination of Ave O Village (#26505) – was presented by Cody Campbell, TDHCA Director of Multifamily Finance. Staff recommended that the appeal be denied, and the Board concurred by approving a unanimous motion.

10) The Board returned to the regular order of business from the published agenda and took up Action Item 22 – Presentation, discussion, and possible action to authorize the issuance of the 2026 Emergency Solutions Grants Program Notice of Funding Availability and publication in

the Texas Register – presented by Ms. Falcon. Ms. Versyp provided additional information. The Board unanimously adopted staff recommendation to approve issuing the NOFA.

11) Action Item 23 – Presentation, discussion, and possible action on an amendment to the Department’s 2026-2 HOME Notice of Funding Availability – was presented by Priscilla Stevenson, TDHCA Manager of the Multifamily Direct Loan Program. The Board unanimously adopted staff recommendation to approve amending the NOFA.

12) Action Item 31 – Presentation, discussion, and possible action on point penalties for 2025 9% Housing Tax Credit Applications related to the Readiness to Proceed scoring item – was presented by Mr. Campbell. The Board unanimously approved staff’s recommended action to assess a one-point penalty for the 2027 competitive housing tax credit application round to the applicants and affiliates of the 10 applications referenced in the item.

13) Action Item 32 – Report on Third Party Request for Administrative Deficiency under 10 TAC §11.10 of the 2026 Qualified Allocation Plan – was presented by Mr. Campbell with additional information from Mr. Wilkinson and Mr. Eccles. The Board heard the report and public comment (listed below) and took no further action.

- Michael Beard, BETCO Consulting, provided comments on the item
- Lora Myrick, BETCO Consulting, provided comments on the item
- Donna Rickenbacker, Marque Development, provided comments on the item
- Sarah Anderson, S. Anderson Consulting, provided comments on the item
- Megan Lasch, O-SDA Industries, provided comments on the item
- Wallace Reed, representing Hudson Hallmark, provided comments on the item
- Michael Tamez, Madhouse Development, provided comments on the item
- Shane Lynch, Hudson Hallmark developer, provided comments on the item
- Sallie Burchett, Structure Development, provided comments on the item
- Robbye Meyer, Arx Advantage, provided comments on the item

14) Action Item 33 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Santa Fe Place – was presented by Joshua Goldberger, TDHCA Manager of the Competitive (9%) Housing Tax Credit Program. Mr. Eccles provided additional information. Following public comment (listed below), the Board by a 5-1 vote (Chairman Vasquez voted nay) adopted staff recommendation to approve the force majeure request.

- Kent Hance, Santa Fe developer, provided comments in support of staff recommendation
- Ryan Zent, Overland Property Group, provided comments on the item

15) Action Item 34 – Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and a request for an extension of the previously approved deadline to Place in Service for Maple Park Manor – was pulled from the agenda.

16) Action Item 35 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Sherry Pointe. The Board unanimously adopted staff recommendation to approve the force majeure request.

17) During the Public Comment section at the end of the meeting, Vice Chairman Marchant asked TDHCA staff to schedule a TDHCA Governing Board Rules Committee meeting for June 3, 2026.

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

There being no further business to come before the Board, the meeting adjourned at 1:02 p.m. The next meeting is scheduled for Thursday, June 4, 2026.

Secretary

Approved:

Chair



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1460

Agenda Date: 6/4/2026

Agenda #: 2.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Summit Senior Village (HTC #03159)

RECOMMENDED ACTION

WHEREAS, Summit Senior Village (Development) received an allocation of 9% Housing Tax Credits (HTCs) in 2003 for the new construction of 76 units for the elderly in Gainesville, Cooke County;

WHEREAS, the Land Use Restriction Agreement (LURA) for the Development states that throughout the 15-year Compliance Period, which ended on December 31, 2020, the Development must be a project which is solely occupied by persons 62 years of age or older, or at least 80% of the units in the Development must be operated for occupancy by at least one person 55 years or age or older per unit;

WHEREAS, MAEDC Gainesville Seniors, L.P. (Development Owner or Owner) has continued to operate the Development as restricted for the elderly and requests approval to extend the elderly designation throughout the 40-year affordability period; and

WHEREAS, 10 TAC §10.405(b)(2)(C) states that changes to the Target Population are material amendments to the Land Use Restriction Agreement (LURA);

NOW, therefore, it is hereby

RESOLVED, that the Board approves the amendment to the LURA of Summit Senior Village to extend the elderly restriction throughout the term of the LURA as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Summit Senior Village received an allocation of 9% Housing Tax Credits in 2003 for the new construction of 76 units, of which 68 units are designated as low-income, for the elderly in Gainesville, Cooke County. The LURA for the Development states that throughout the 15-year Compliance Period, which ended on December 31, 2020, the Development must be a project which is solely occupied by persons 62 years of age or older, or at least 80% of the units in the Development must be operated for occupancy by at least one person 55 years or age or older

per unit.

In a letter dated April 7, 2026, Charles Price, the representative for the Owner, requests approval to extend the elderly designation of the Development throughout the 40-year affordability period. The Owner has certified that the Development has continued to operate as elderly and meets the requirements of the Housing for Older Persons Act.

10 TAC §10.405(b)(2)(C) states that changes to the target population are material amendments to the LURA, requiring Board approval. 10 TAC §10.405(b)(1)(F) states that a change in target population if the elderly restrictions in the LURA expired at the end of the Compliance Period would be a non-material LURA amendment if the amendment is requested within one year of expiration and contains a certification from the Development Owner that the Development still qualifies as elderly. However, because it has been more than one year since the end of the Compliance Period for this Development, this request to extend the elderly requirement requires Board approval.

The Owner complied with the requirements for requesting a material LURA amendment, including holding a public meeting and notifying each resident of the Development and the lender for the Development that they are requesting a LURA amendment to extend the elderly requirement throughout the term of the LURA. There is no longer a syndicator involved with this Development. The public hearing was held on April 24, 2026. The Owner reported that many residents and other parties attended the public hearing, and the comments received were all in favor of maintaining the elderly designation at the Development.

Staff recommends approval of the amendment request as presented herein.



DCTC

DEVELOPMENT CORPORATION OF TARRANT COUNTY
& THE STATE OF TEXAS

CHDO Nonprofit

Amendment Request Cover Letter
Summit Senior Village CMTS#3359
April 7, 2026

Dear Sir or Madam,

The purpose of this letter is to formally request an amendment to the Land Use Restriction Agreement (LURA) for Summit Senior Village. Specifically, we request that the elderly designation remain in place throughout the Extended Use Period.

This change is necessary to ensure the continued availability of affordable housing for elderly residents in Gainesville, Texas. Currently, approximately 35.8% of Gainesville residents are over the age of 50. The median household income is \$58,809, and approximately 9% of seniors aged 65 and older live in poverty. These figures highlight the ongoing need for affordable housing options tailored to senior populations.

Maintaining the elderly designation throughout the Extended Use Period, which expires on April 20, 2045, will help preserve critical housing resources for both current and future elderly residents in the community.

Additionally, the Development Corporation of Tarrant County was not part of the ownership structure at the time of the original application for Summit Senior Village. On July 30, 2020, the Development Corporation of Tarrant County acquired the following entities associated with the property:

- MAEDC Gainesville Seniors, L.P.
- Gainesville DCTC, LLC
- Gainesville Senior Living, LLC

Given these factors, we believe there is strong justification and good cause for this amendment. We respectfully request approval to extend the elderly designation throughout the Extended Use Period.

Sincerely,

Charles Price
President
Development Corporation of Tarrant County

1509 S. University Dr., Suite B208, Fort Worth, TX 76107

(817) 870-9008 Office (817) 870-1023 Fax

www.dctctexas.org



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1461

Agenda Date: 6/4/2026

Agenda #: 3.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Ekos City Heights (HTC #20701)

RECOMMENDED ACTION

WHEREAS, Ekos City Heights (Development) received an award of 4% Housing Tax Credits (HTCs) in 2020 for the new construction of 179 units for the elderly population and was subsequently amended to be for the general population in Austin, Travis County;

WHEREAS, MHP City Heights, Ltd. (Development Owner or Owner) requests approval for a reduction in the Common Area from 37,641 square feet to 30,383 square feet, representing a reduction of 7,258 square feet or 19.28% from the Common Area represented at Application, which the Owner explains is due to the fact that the boundaries used to tabulate the corridors and circulation areas were accidentally double-counted in some areas at Application;

WHEREAS, Board approval is required for a reduction of 3% or more in the square footage of the Common Area as directed in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not negatively affect the Development, impact the viability of the transaction, impact the selection of the Application, or affect the amount of housing tax credits awarded;

NOW, therefore, it is hereby

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

BACKGROUND

Ekos City Heights received an award of 4% Housing Tax Credits in 2020 for the new construction of 179 low-income units for the elderly population in Austin, Travis County. A Material LURA Amendment was approved in January 2026 to change the Target Population from Elderly to General as a result of weak demand for senior affordable housing in the Austin market. Construction of the Development was completed in 2024, and the cost certification documentation for the Development is currently review by the Department.

In a letter dated March 25, 2026, Rebecca Broadbent, Consultant for the Development, requested approval for a reduction in the Common Area from 37,641 square feet to 30,383 square feet, a reduction of 19.28% or 7,258 square feet. Board approval is required for a reduction of 3% or more in the square footage of the Common Area as directed in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D). The amendment request letter states that at Application the boundaries used to tabulate the corridors and circulation areas were accidentally double counted in some areas. This resulted in numbers that were higher than actually intended. The Owner's consultant indicated that there was no real change between Application and as-built other than a math error that needs to be corrected and that there was no change in the amenity areas.

The change to the Common Area square footage does not materially alter the Development in a negative manner and was not reasonably foreseeable or preventable by the Development Owner at the time of Application. The Owner has indicated that there was no financial impact on the Development because of the proposed change. Staff has determined that this change does not affect the selection of the Application or the HTC award, and the Development will continue to meet the accessibility requirements. The final recommended HTC amount will be determined upon finalization of the cost certification process.

Staff recommends approval of the amendment request as presented herein.



March 25, 2026

Rene Ruiz, Asset Manager Region 7
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Re: Ekos City Heights, TDHCA #20701, Austin, Texas

Dear Mr. Ruiz:

Please accept this formal request for a Material LURA amendment to the above referenced development to adjust the Common Area for the development,

SECTION 1

Change Requested

- 1) Adjust the Common Area for the development from 37,641 sf to 30,383 sf. This represents a reduction of 19.28%.

Reason the Change is Necessary

- 1) At Application, the boundaries used to tabulate the corridors and circulation areas were accidentally double-counted in some areas. This resulted in numbers that were higher than was actually intended. There was no real change between Application and As-built—it was just a math error that needs to be corrected.

Good Cause for the Change

- 1) The error of double-counting areas needs to be corrected. Even though the numbers changed, what was designed from the beginning is what was actually built—there really was not a change in areas, it was just a math error.
- 2) It is important to note that the amenity areas in the development did not change. They remained the same from Application to As-Built.

Explanation of Foreseeable or Preventable Nature

- 1) We had no way of knowing that the architect made an error in double counting some circulation areas.

Financial Impact

- 1) Since there really was no change, there is no financial impact.

SECTION 2

Attachments

- Common Area calculation sheet showing the change in numbers from Application to As-Built calculations.

The \$3,000 amendment fee has been submitted. Thank you for marshalling the amendment request through the system. Please feel free to contact me if you have any additional questions.

Sincerely,

A handwritten signature in black ink that reads "Rebecca Broadbent". The signature is written in a cursive, flowing style.

Rebecca Broadbent
Consultant to the Project

Ekos City Heights Common Area				
	At Application	At Cost Cert	Difference	Not Common Area
Reception	395	395	0	
Media Center	226	226	0	
Parcel Storage	52	52	0	
Parcel Area	85	85	0	
Lobby/Lounge	876	876	0	
Café	91	91	0	
Club/Game Room	650	650	0	
Mens RR	158	158	0	
Womens RR	156	156	0	
Micro Office #1	89	89	0	
Micro Office #2	97	97	0	
Mail	149	149	0	
Fitness Room	669	666	-3	
Mens RR (Parking level)	120	120	0	
Womens RR (Parking level)	126	126	0	
Leasing	580	580	0	
Office	108	108	0	
Manager Office	123	123	0	
Work Room			0	208
IT/Storage			0	65
Unisex RR (employees)			0	66
Mechanical			0	48
Breakroom			0	105
Mechanical			0	21
Janitor			0	26
Maintenance			0	90
Mechanical (parking level)			0	22
Fire and Pump Room			0	318
Trash Collection Areas Parking level			0	803
Mechanical Support Areas Level 1			0	125
Mechanical Support Areas Level 2			0	160
Mechanical Support Areas Level 3			0	160
Mechanical Support Areas Level 4			0	160
Mechanical Support Areas Level 5			0	130
IT Data Closet Level 2			0	91
Janitor Closet Level 3			0	91
IT Data Closet Level 4			0	91
Janitor Closet Level 5			0	91
Elevator Closet Level 5			0	35
Clubhouse Balcony	267	267	0	
West End Balconies (levels 1-5)	740	740	0	
South Balconies (levels 1-5)	715	720	5	
Covered Terrace	413	275	-138	
Corridors Level 1	4020	3732	-288	
Corridors Level 2	6168	4689	-1479	
Corridors Level 3	6168	4689	-1479	
Corridors Level 4	6168	4689	-1479	
Corridors Level 5	6168	4689	-1479	
Parking Level Corridors	2064	1146	-918	
Total Common Area	37641	30383	-7258	2906

19.28% Reduction in Common Area



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1462

Agenda Date: 6/4/2026

Agenda #: 4.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Oleanders at Broadway (HTC #21418)

RECOMMENDED ACTION

WHEREAS, Oleanders at Broadway (the Development) received a 4% Housing Tax Credit (HTC) award in 2021 for the new construction of 348 units, of which 261 are low-income, of multifamily housing for the general population in Galveston, Galveston County;

WHEREAS, The Oleanders at Broadway, LP (Development Owner or Owner) requests approval to decrease the size of the Development site from 10.05 acres to 9.432 acres, which results in a 6.55% increase in residential density, going from 34.627 units per acre to 36.896 units per acre;

WHEREAS, the Owner is also requesting approval for a reduction in the Net Rentable Area from 328,267 square feet to 313,223 square feet, which represents a reduction of 15,044 square feet (4.58% decrease) from the Net Rentable Area represented at Application;

WHEREAS, Board approval is required for a reduction of 3% or more in the square footage of the units and for a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(4) and (6) and 10 TAC §10.405(a)(4)(D) and (F), and the Owner has complied with the amendment requirements therein; and

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

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment of the Application for Oleanders at Broadway is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the Board's determination.

BACKGROUND

Oleanders at Broadway received a 4% Housing Tax Credit (HTC) award in 2021 for the new construction of 348 units, of which 261 are low-income, of multifamily housing for the general population in Galveston, Galveston County. Construction of the Development has been

completed, and the cost certification documentation for the Development is currently under review by the Department. In a letter dated April 9, 2026, Mona Purgason, the representative for the Development Owner, requested approval for an increase in residential density and a reduction of the Net Rentable Area.

The Owner requests approval to decrease the size of the Development site from 10.05 acres to 9.432 acres, which results in a 6.55% increase in residential density, going from 34.627 units per acre to 36.896 units per acre. The acreage reflected in the original Application of 10.05 acres was based on an estimated site area excluding rights-of-way, as the land use entitlement process and preliminary plat approval were being pursued concurrently with the Application process. Following construction completion, the City of Galveston (the City) imposed additional infrastructure-related requirements that were subsequently completed in June 2025. Thereafter, the City proceeded with the remaining plat approval process. The final Plat Map and legal description formally established the final site acreage of 9.432 acres.

Additionally, the Net Rentable Area (NRA) has decreased from 328,267 square feet to 313,223 square feet, representing a decrease of 15,044 square feet or 4.58% from the Net Rentable Area represented at Application. The amendment request letter states that the underwriting report incorrectly identifies 328,267 square feet as the NRA and that per the plans submitted in the Application, the Gross Square Foot Area for the Development was 337,253. The amendment request letter further states that the submitted plans also show 309,884 square feet as the NRA and that the development team did not notice the error in the underwriting report and did not request a change. However, staff confirmed that, while the original Application identified NRA of 309,884 square feet, there were subsequent revisions to the Application ultimately reflecting NRA of 328,267 square feet as identified in the underwriting report.

The changes to the residential density and Net Rentable Area do not materially alter the Development in a negative manner and were not reasonably foreseeable or preventable by the Owner at the time of Application. Staff has determined that these changes do not affect the selection of the Application or the funding award. The final recommended HTC amount will be determined upon finalization of the cost certification process.

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

The Oleanders at Broadway, LP
100 N Broadway, Suite 100
St. Louis, MO 63102

April 9, 2026

Stephanie Givens
Asset Manager, Region 6
Texas Department of Housing & Community Affairs
221 E. 11th Street
Austin, TX 78707

**Re: The Oleanders at Broadway #21418 Request to Amend Acreage Size, Unit Density,
and Net Rentable Area Square Footage**

Dear Ms. Givens,

Please accept this letter and the attached documentation on behalf of The Oleanders at Broadway, LP, as a formal request for a material amendment pursuant to Section 10.405(a) of the Post Award and Asset Management Requirements.

By way of background, Galveston Housing Authority (GHA) and McCormack Baron Salazar, Inc. (MBS) received a 4% housing tax credit allocation in 2020 for The Oleanders at Broadway (Oleanders), a proposed 348-unit development in Galveston, TX. Oleanders closed construction financing in July 2021 and completed construction in June 2024. As part of land use entitlements, Oleanders is a Planned Unit Development (PUD) with a Plat Map that was recorded in December 2025.

Summary of Requested Amendment

There are two items in the requested material amendment. The first item deals with the total development acres and unit density. The land survey submitted in the Oleander 2020 4% LIHTC Application showed a total 11.483 acres that included the prior abandoned Right-of-Ways. The development site without the Right-of-ways was estimated at 10.08 acres. The land use entitlement required that Oleanders submit a Final Plat Map once the development was constructed and complete. With the replat, site acreage without the Right-of-Ways was reduced to 9.432 acres. With the acreage reduction from 10.08 to 9.432 acres, the unit density increases from 34.523 units/acre to 36.895 units/acre. The unit density increase is 6.87%, which is more than the 5% allowed for administrative approval.

The second item deals with correcting the Net Rentable Area (NRA) for the Oleanders at Broadway. The underwriting report lists 328,267 SF as the NRA; however, per the plans submitted in the application, the Gross Square Foot Area for the development was 337,253. The submitted plans also show 309,884 SF as the NRA. The development team did not notice the error in the underwriting report and did not request a change. The NRA for the completed development is 313,223 SF.

The Oleanders at Broadway, LP

100 N Broadway, Suite 100

St. Louis, MO 63102

Development Summary & Description of Request

Summary of The Oleanders on Broadway

The Oleanders at Broadway submitted an initial tax credit application in September 2020. The project received a 4% tax credit reservation in April 2021. The Oleanders at Broadway is a 348-unit development with a total of 261 low-income housing tax credit (LIHTC) units and 87 unrestricted units. Of the total LIHTC units, 174 are layered with public housing/RAD. The development comprises a total of five (5) city blocks and restored the original street grid with the construction of three (3) new streets. There is a total of seventeen (17) buildings, with five (5) large podium buildings and twelve (12) townhome buildings.

Amendment Request

The material amendment respectfully requests Items One (1) and Two (2) listed below.

Item One requests a reduction in the acreage of the development site and an increase in the residential unit density from 34.523 units/acre to 36.895 units/acre. The increase in residential density is a result of reducing the site acreage from 10.08 acres to 9.432 acres. Attachment A is the final Plat Map and legal description for The Oleanders submitted with the cost certification package. The tax credit application used an estimate for site acreage without the Right of Ways because the land use entitlements were sought concurrently, which included approval of a preliminary plat map. The City of Galveston (City) Plat Map process has specific steps that must be achieved prior to the approval and recordation of the final Plat Map, which is completed only after the City's formal acceptance of the public infrastructure. The acceptance of the infrastructure takes place once construction is complete and any additional requirements are satisfied. Regarding the Oleanders, the City of Galveston imposed subsequent requirements that were completed post construction. Once this additional work was completed in June 2025, the City moved through its process of issuing a staff report and officially accepting the public infrastructure via a Planning Commission meeting on December 2, 2025. The final Plat Map timeline, which formalized the site acreage and corresponding legal description, did not coincide with either the tax credit application or cost certification submittals.

Item Two requests a correction in the Net Rentable Area (NRA) for the Oleanders from 328,267 SF to 313,223 SF. The NRA listed in the application's architectural pages was 309,884 SF. However, the underwriting report listed 328,267 SF. Attachment C shows the gross square feet at 337,243 SF. The development team did not catch the error while reviewing the underwriting report or a correction would have been requested. As constructed, the NRA for the Oleanders at Broadway is 313,223 SF. While the NRA is higher than indicated in the application, it is 15,044 lower than the NRA incorrectly used in the underwriting report. This represents a 4.58% reduction. While this reduction is a result of a technicality, the NRA for the development is 7,325 SF or 2.39% higher than initially indicated in the application.

The Oleanders at Broadway, LP
100 N Broadway, Suite 100
St. Louis, MO 63102

Reason and Good Cause for Amendment Request

While requesting a material amendment is not the development team's preferred approach, it is necessary given that only an estimated site acreage was available for the LIHTC application. As mentioned above, the final legal description was not available until the Final Plat was recorded in December 2025. The amendment will also allow for the correct legal description to be utilized in the LURA. Lastly, the material amendment will also correct the Net Rentable Area for Oleanders.


Project Documents for Amendment Consideration

The listed documents are included for staff consideration.

1. Amendment Fee – A copy of the \$2,500 check sent to TDCHA for payment of the amendment fee.
2. Attachment A – Survey submitted in the Feasibility Study of the approved LIHTC application.
3. Attachment B – Final and recorded Plat Map and legal description.
4. Attachment C – Architectural Project Data Sheet and Specifications and Building/Unit Type Configuration Sheets from approved LIHTC application.
5. Attachment D – Oleander Underwriting Report.

GHA and MBS are proud that The Oleanders at Broadway achieved construction completion and opened its doors to its first residents beginning in November 2024. We appreciate TDHCA's consideration of these changes that will allow the LURA to be amended with the correct legal description. If there are any questions or need further information, please do not hesitate to contact Monique Chavoya at (210) 819-6494.

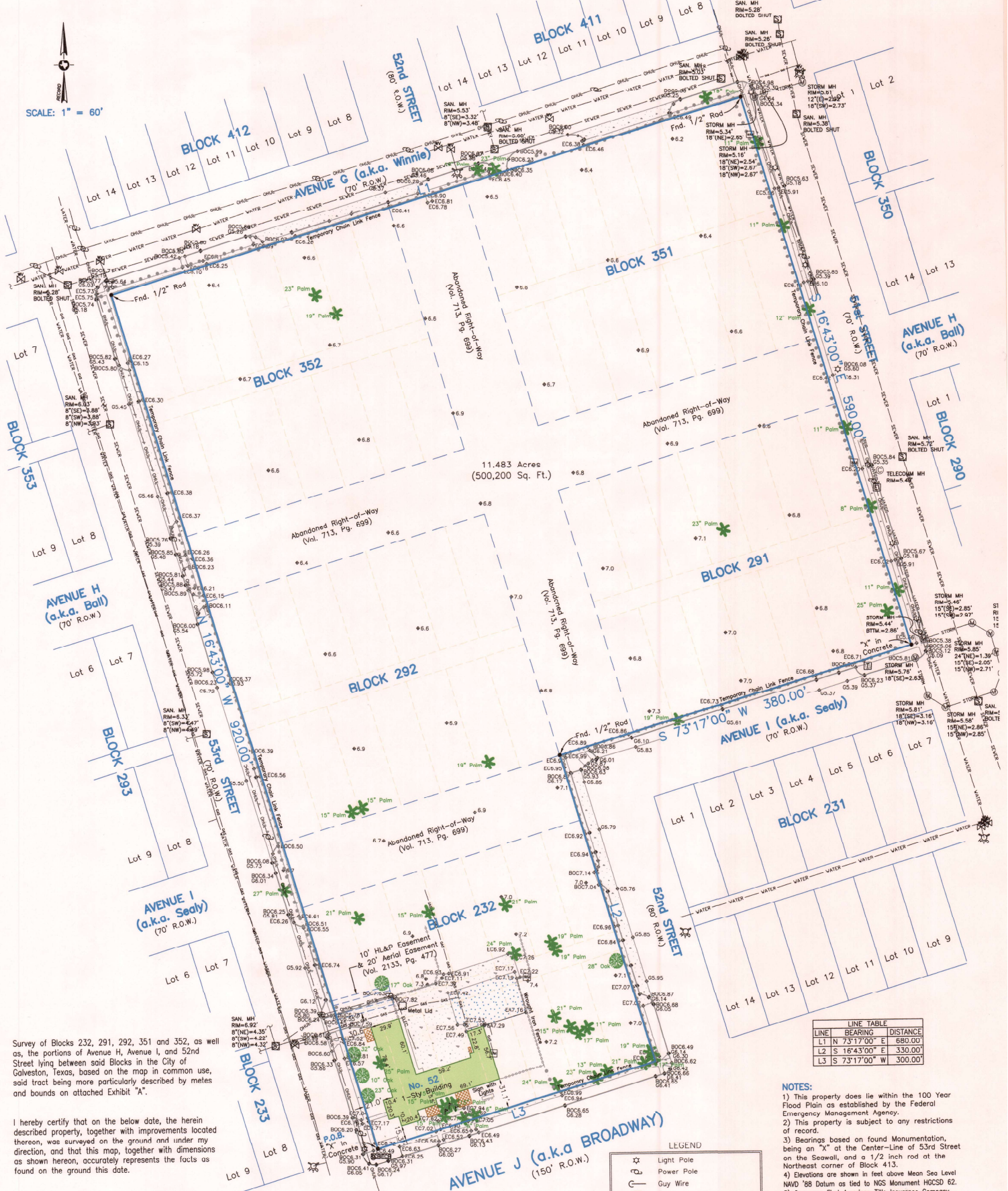
Sincerely,



Mona Purgason
Galveston Housing Authority



SCALE: 1" = 60'



Survey of Blocks 232, 291, 292, 351 and 352, as well as, the portions of Avenue H, Avenue I, and 52nd Street lying between said Blocks in the City of Galveston, Texas, based on the map in common use, said tract being more particularly described by metes and bounds on attached Exhibit "A".

I hereby certify that on the below date, the herein described property, together with improvements located thereon, was surveyed on the ground and under my direction, and that this map, together with dimensions as shown hereon, accurately represents the facts as found on the ground this date.

Brian S. Houso
Brian S. Houso
Registered Professional
Land Surveyor No. 6520



Original Drawing: 20-002B
Date January 16, 2020
Revised March 18, 2020

REVISION: SEPTEMBER 2, 2020
SURVEY DATE: MAY 4, 2020
FILE No.: 3505-0232-0000-000
DRAWING: ROW
JOB No.: 20-0229

New Job to capture trees on tract.
Revised September 2, 2020 (to add M&B)



GALVESTON OFFICE
Registration Number: 10193855
(408) 740-1517 www.hightidelandsurveying.com
8017 HARBORSIDE DRIVE | GALVESTON, TX 77554
Mailing | P.O. BOX 16142 | GALVESTON, TX 77552

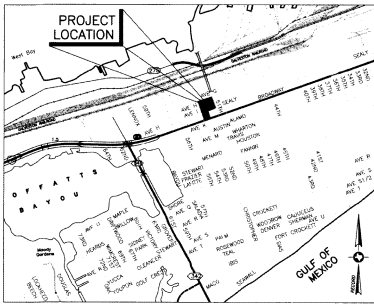
LEGEND

- Light Pole
- Power Pole
- Guy Wire
- Telephone Box
- Manhole
- Sanitary Sewer
- Gas Meter
- Water Meter
- Water Valve
- Fire Hydrant
- Traffic Signal Pole
- Traffic Signal Control Box
- Underground Gas Line
- Overhead Utility Line
- Underground Electrical Line
- Palm Tree
- Deciduous Tree

LINE TABLE

LINE	BEARING	DISTANCE
L1	N 73°17'00" E	680.00'
L2	S 16°43'00" E	330.00'
L3	S 73°17'00" W	300.00'

- NOTES:
- This property does lie within the 100 Year Flood Plain as established by the Federal Emergency Management Agency.
 - This property is subject to any restrictions of record.
 - Bearings based on found Monumentation, being an "X" at the Center-Line of 53rd Street on the Seawall, and 9 1/2 inch rod at the Northeast corner of Block 413.
 - Elevations are shown in feet above Mean Sea Level NAVD '88 Datum as to NGS Monument HCCS 62.
 - Company: First American Title Insurance Company
OF No.: NCS-997150-S1L0
Issue Date: February 3, 2020
 - Exception from Coverage:
Item 10: Subsurface right-of-way and Easement in favor of George Mitchell & Associates, Inc. filed in Volume 2077, Page 800;
Item 10: Terms, Conditions and stipulations in Galveston Townsite Unit No. 1 Decaration of Pool filed in Volume 2022, Page 628 and as affected by instruments filed in Volume 210, Page 169 and Volume 2289, Page 247;
Issue Date: February 3, 2020
 - Underground electrical, gas, sanitary sewer, storm sewer, and water utility lines, as shown hereon, are based on observed point stripes and pin flags, marked by others, and observed above ground features. Locations shown should be considered approximate and should be verified in the field prior to construction.
 - Sizes of trees, as shown hereon, are given in terms of chest-high diameter.



THE OLEANDERS AT BROADWAY

BEING A REPLAT OF

BLOCKS TWO HUNDRED THIRTY-TWO (232), TWO HUNDRED NINETY-ONE (291), TWO HUNDRED NINETY-TWO (292), THREE HUNDRED FIFTY-ONE (351), AND THREE HUNDRED FIFTY-TWO (352), IN THE CITY OF GALVESTON, TEXAS, ACCORDING TO THE MAP IN COMMON USE, ALONG WITH THOSE PORTIONS OF AVENUE "H", A 70.00 FEET RIGHT-OF-WAY; AVENUE "I", A 70.00 FEET RIGHT-OF-WAY; AND 52ND STREET, AN 80.00 FEET RIGHT-OF-WAY, AND THE ALLEYS WITHIN SAID BLOCK 232, 291, 292, 351, 352 ALL ABANDONED BY INSTRUMENT RECORDED IN VOLUME 713, PAGE 699 OF THE DEED RECORDS OF GALVESTON COUNTY, TEXAS, AND LYING BETWEEN SAID BLOCKS

STATE OF TEXAS ||
COUNTY OF GALVESTON || KNOW ALL MEN BY THESE PRESENTS

That Galveston Housing Authority, Mina Purpason, Executive Director of said Galveston Housing Authority, owner of that certain tract or parcel of land, lying and being situated in the City of Galveston, in Galveston County, Texas, subdivided in the above and foregoing plat do hereby make report of said property according to the lines and lots shown thereon, and designate said report "THE OLEANDERS AT BROADWAY" in the City of Galveston, Galveston County, Texas.

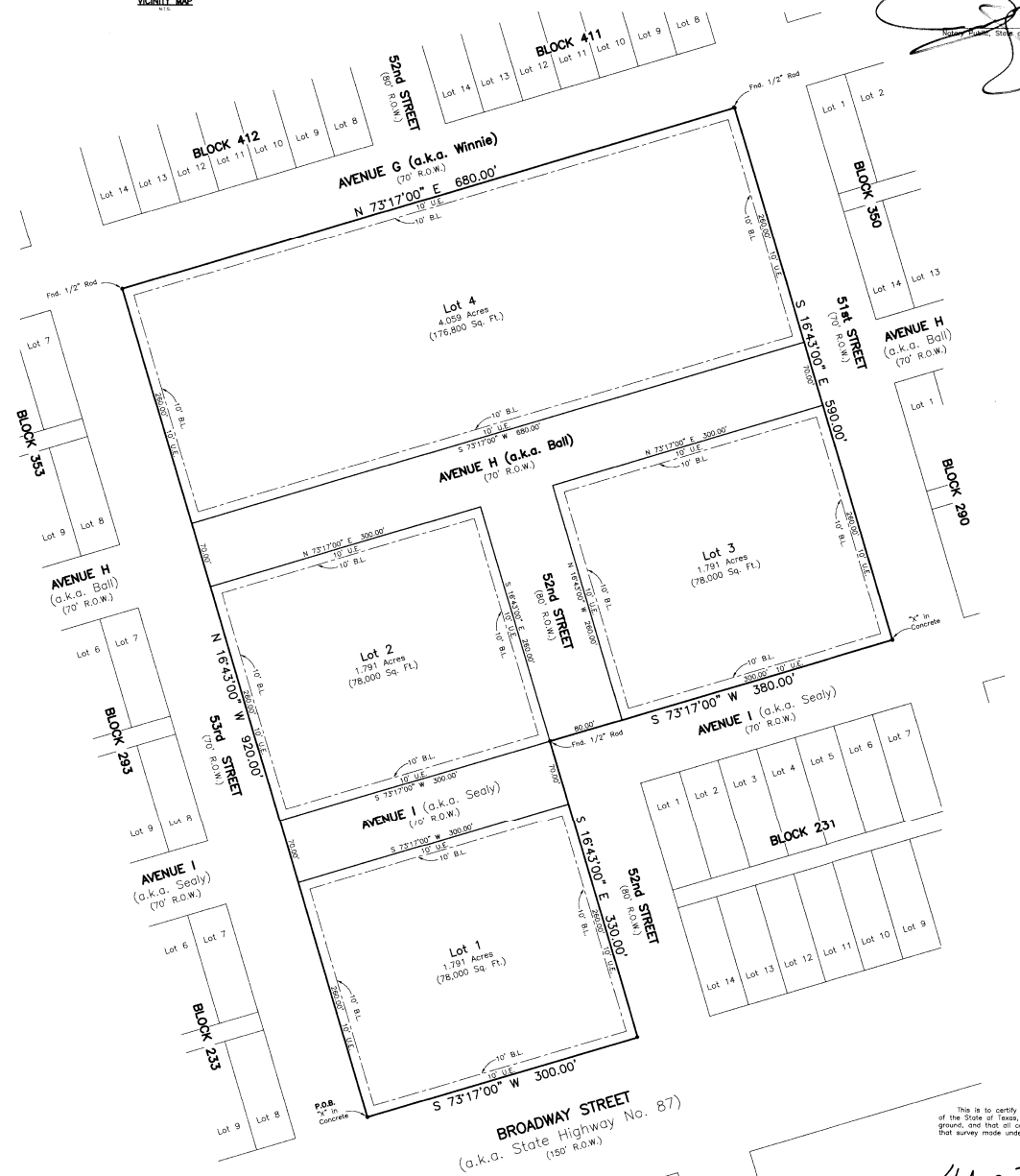
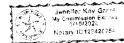
Mina Purpason
Mina Purpason
Executive Director of the
Galveston Housing Authority

OCTOBER, 2025
11.483 ACRES (500,200 SQ. FT.)

STATE OF TEXAS ||
COUNTY OF GALVESTON ||

Before me, on this day of October 24th, 2025, personally appeared Stephen C. Bliskey, Executive Director of said Galveston Housing Authority, known to me to be the person whose name is subscribed to the foregoing instrument.

Notary Public for the State of Texas



PROPERTY DESCRIPTION
All of that certain 11.483 acres tract of land situated in the City of Galveston, Galveston County, Texas, being all of Blocks Two Hundred Thirty-two (232), Two Hundred Ninety-one (291), Two Hundred Ninety-two (292), Three Hundred Fifty-one (351), and Three Hundred Fifty-two (352), in the CITY OF GALVESTON, TEXAS, according to the map in common use, along with those portions of Avenue "H", a 70.00 feet right-of-way; Avenue "I", a 70.00 feet right-of-way; and 52nd Street, an 80.00 feet right-of-way, and the alleys within said Block 232, 291, 292, 351, 352, all abandoned by instrument recorded in Volume 713, Page 699 of the Deed Records of Galveston County, Texas, and lying between said blocks, said tract being more particularly described by metes and bounds as follows:

BEGNNING of the Southwest corner of said Block 232 said corner being the intersection of the Eastern line of 53rd Street, on 80.00 feet right-of-way, and the Northern corner of Avenue "I" (also known as Broadway), a 150.00 feet right-of-way, and being marked by an "X" cut in concrete.

THENCE North 16°43'00" West, along the Eastern line of said 53rd Street, a distance of 920.00 feet to the Northeast corner of both said Block 352 and of the herein described tract said corner being on the Southern line of Avenue "I" (also known as Winnie), a 70.00 feet right-of-way, and being marked by a 1/2 inch rod.

THENCE North 73°17'00" East, along the Southern line of said Avenue "I", a distance of 680.00 feet to the Northeast corner of both Block 351 and of the herein described tract, said corner being on the Western line of 51st Street, and being marked by a 1/2 inch rod.

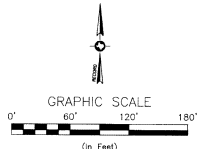
THENCE South 16°43'00" East, along the Western line of said 51st Street, a distance of 390.00 feet to the Southeast corner of said Block 291, being the most Easterly corner of the herein described tract, said corner being on the Northern line of said Avenue "I", and being marked by an "X" cut in concrete.

THENCE South 73°17'00" West, along the Northern line of said Avenue "I", a distance of 390.00 feet to the Southwest corner of said Block 292, being an interior corner of the herein described tract, said corner being on the Western line of said 52nd Street, and being marked by a 1/2 inch rod.

THENCE South 16°43'00" East, along the Western line of said 52nd Street, a distance of 330.00 feet to the Southeast corner of both Block 232 and of the herein described tract, said corner also being on the Northern line of said Avenue "I".

THENCE South 73°17'00" West, along the Northern line of said Avenue "I", a distance of 300.00 feet to the POINT OF BEGINNING and containing within said boundaries a calculated area of 11.483 acres (500,200 square feet) of land, more or less.

BROADWAY STREET
(a.k.a. State Highway No. 87)
(150' R.O.W.)



This is to certify that I, Stephen C. Bliskey, A Registered Professional Land Surveyor of the State of Texas, have plotted the above subdivision from an actual survey on the ground, and that all corners are properly marked and that this plat correctly represents that survey made under my direction.

Stephen C. Bliskey
Stephen C. Bliskey
Registered Professional
Land Surveyor No. 5856



STATE OF TEXAS ||
COUNTY OF GALVESTON ||

This Plat in the City of Galveston, Galveston County, Texas, as set forth on this plat, has been approved by the Galveston Planning Commission on this day of 02 December, 2025.

Tom Saylor
Tom Saylor
Chairman
Galveston Planning Commission 25P-049

STATE OF TEXAS ||
COUNTY OF GALVESTON ||

I, DWIGHT D. SULLIVAN, County Clerk, Galveston County, Texas, do hereby certify that the written instrument was filed for record in my office on December 8th, 2025, at 3:16 o'clock P.M., and duly recorded on December 8th, 2025, at 3:16 o'clock P.M., in 2025057211 Galveston County Map Records.

Witness my hand and seal of office, at Galveston, Texas, the day and date last above written.

DWIGHT D. SULLIVAN, County Clerk,
Galveston County, Texas.
By *Amelia Garcia*, Deputy
Amelia Garcia



GALVESTON OFFICE
Registration Number: 11164665
1800 7th Street, Suite B | Galveston, TX 77552
Mailing | P.O. Box 16142 | Galveston, TX 77552

SURVEY DATE: OCTOBER 19, 2025
FILE NO.: 3502-123-2025-000
DRAWING: EGM/BNW
JOB NO.: 23-0411-10

2025057211



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1463

Agenda Date: 6/4/2026

Agenda #: 5.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Park Boulevard Lofts (HTC #23061)

RECOMMENDED ACTION

WHEREAS, Park Boulevard Lofts (the Development) received a 9% Housing Tax Credit (HTC) award in 2023 for the new construction of 66 units of multifamily housing for the general population in Houston, Harris County;

WHEREAS, to allow for the construction of Silverleaf Senior Living (HTC #25126), which was awarded 9% tax credits in 2025, on part of the land that was approved for the Development, CHS Park Boulevard Lofts, Ltd. (Development Owner or Owner) requests approval to decrease the size of the Development site from 6.55 acres to 4.1855 acres, which results in a 56.49% increase in residential density, going from 10.076 units per acre to 15.769 units per acre;

WHEREAS, Board approval is required for a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Owner has complied with the amendment requirements therein; and

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

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment of the Application for Park Boulevard Lofts is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the Board's determination.

BACKGROUND

Park Boulevard Lofts received a 9% Housing Tax Credit (HTC) award in 2023 to construct 66 units of multifamily housing for the general population in Houston, Harris County. The Development was approved for a reallocation of tax credits under force majeure in 2024 (HTC #24811), and construction of the Development has been completed. In a letter dated May 7, 2026, Jervon Harris, the representative for the Development Owner, requested approval for a material amendment to the Application. The amendment is for a 56.49% increase in the

residential density, going from 10.076 units per acre to 15.769 units per acre, which requires approval by the Board under Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F). The change is a result of a decrease in the Development site acreage from 6.55 acres to 4.1855 acres, a decrease of 2.3645 acres (36.10% decrease).

The Development was originally underwritten and approved based on a total site area of 6.55 acres. Following planning and permitting, it was determined that only 4.1855 acres were required for the Development, with approximately 2.3645 acres remaining as excess land. This excess land was subsequently proposed for a separate low-income development known as Silverleaf Senior Living (HTC #25126) providing housing for the elderly population and awarded tax credits in 2025.

The net rentable area remains unchanged at 55,200 square feet. The amendment request letter states that Common Area increased slightly from 13,373 square feet to 13,862 square feet, but it should be noted that 11,990 square feet of Common Area were identified at Application.

The amendment request letter states that the reallocation of land acquisition costs between the two developments is not anticipated to impact the tax credit amount for the Development. However, staff's review indicates that, all else held equal in the underwriting analysis at Application, the proration of the land costs between to the two developments would have caused the Development to be over-sourced. The final tax credit amount will be determined at cost certification.

The Owner indicated that they could not have reasonably anticipated that a portion of the property would subsequently be awarded tax credits for a separate development. The requested amendment does not materially alter the Development. Rather, the change allows for the development of additional affordable housing for elderly residents.

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

CSH PARK BOULEVARD LOFTS, Ltd

3701 Kirby Drive, Suite 860

Houston, Texas 77098

May 7, 2026

Texas Department of Housing and Community Affairs

221 East 11th Street

Austin, Texas 78701

Attn: Rosalio.Banuelos@tdhca.state.tx.us

Re: Material Amendment Request - Density and Building Configuration - Park Boulevard Lofts TDHCA #23061

On behalf of CSH Park Boulevard Lofts, Ltd. (the "Applicant"), please accept this letter of request for approval of a material change to Park Boulevard Lofts (#23061). Below is a summary of the changes:

- Site Acreage changed from 6.55 acres to 4.1855 acres (Exhibit A)
- Density changed from 10.07 units/acre to 15.77 units/acre
- No change to Unit Count
- No change to Net Rentable Area
- Common Area increased by 489 SF from 13,373 SF to 13,862 SF (3.66%)

The site layout for Park Boulevard Lofts required only 4.1855 acres out of the original 6.55 acres to be utilized for the Development. Following the planning and permitting of Park Boulevard Lofts, a portion of the overall property being 2.36 acres would have remained vacant. Silverleaf Senior Living (25126), an affordable Elderly development was proposed and awarded 9% tax credits on the vacant land.

The Applicant completed a no cash land closing with Silverleaf Senior Living in order for Silverleaf Senior Living to meet the readiness-to-proceed deadline by March 31st, 2026. Closing on the financing for Silverleaf Senior Living is pending and will result in a reallocation of land acquisition cost from Park Boulevard Lofts to Silverleaf Senior Living. The pending reallocation and change to the land acquisition cost would have no impact on the tax credit amount for Park Boulevard Lofts. The Applicant anticipates the final HTC amount being determined at cost certification.

Park Boulevard Lofts was planned, permitted and recently completed with no significant changes to the original development plans. The Development remains a 66-unit Family development with two residential buildings, a free-standing clubhouse and no change to Net Rentable Area. Common Area changed slightly from 13,373 SF (Exhibit B – Original Site Plan) to 13,862 SF (Exhibit C – Current Site Plan) resulting in an increase of 489 SF (3.66%).

The only material change caused by the reduction to the site acreage is an increase to Project Density. There has been no change that would have affected scoring, financial feasibility and/or the tax credit amount.

A portion of the property remaining under-utilized and an award of tax credits for an Elderly development would have been unforeseen by the Applicant. The requested amendment does not materially alter the Development. The change allows for the development of more affordable housing for Elderly residents.

The Applicant kindly request approval of a amendment to the project density for Park Boulevard Lofts.

Sincerely,


Jervon Harris, Development Consultant

Exhibit A

Current Legal Description

STATE OF TEXAS §

COUNTY OF HARRIS §

A **METES & BOUNDS** description of a 4.1855 acre tract of land situated in the Mrs Ra Boatwright Survey, Abstract No. 1564 in Harris County, Texas, being out of Unrestricted Reserve "A" as shown on the plat of Blackhawk Boulevard Reserve, recorded under Film Code Number 707165 of the Harris County Map Records and being described in the deed to CSH Park Boulevard Lofts, LTD, recorded under Clerk's File Number RP-2024-284877 of the Harris County Official Public Records of Real Property; said 4.1855 acre tract being more particularly described as follows with all bearings being based on the Texas Coordinate System, South Central Zone, NAD 83;

BEGINNING at a found 5/8-inch iron rod at the southeasterly corner of said Unrestricted Reserve "A", common with the southwesterly corner of Lot 46, Block 1 of the Bridges at Blackhawk Sec 1 subdivision recorded under Film Code No. 665212 of the Harris County Map Records and being in the north line of a called 76.8135 acre tract of land conveyed to the City of Houston recorded under Clerk's File No. S362957 of the Harris County Official Public Records of Real Property;

THENCE, South 86 degrees 51 minutes 39 seconds West, along the south line of said Unrestricted Reserve "A", common with the northerly line of said 76.8135 acre tract, a distance of 500.58 feet to a found 5/8-inch iron rod with orange cap at the northwest corner of said 76.8135 acre tract and in the east right-of-way line of Blackhawk Boulevard (100' right-of-way) recorded under Clerk's File No. T959599 of the Harris County Official Public Records of Real Property and being the beginning of a curve to the right;

THENCE, along the easterly right-of-way line of said Blackhawk Boulevard and with the arc of said curve to the right having a radius of 1950.00 feet, a central angle of 13 degrees 17 minutes 06 seconds, an arc length of 452.14 feet, and a long chord bearing North 12 degrees 04 minutes 12 seconds East, a distance of 451.13 feet to a found 5/8-inch iron rod with orange cap;

THENCE, North 18 degrees 42 minutes 45 seconds East, continuing along said easterly right-of-way, a distance of 8.36 feet to a 5/8-inch iron rod with cap stamped "Quiddity Property Corner" set for the northwest corner of the herein described tract;

THENCE over and across said Unrestricted Reserve "A" the following 5 calls;


1. South 79°16'19" East, a distance of 81.18 feet to a set 5/8-inch iron rod with cap stamped "Quiddity Property Corner";
2. South 61°10'01" East, a distance of 23.57 feet to a set 5/8-inch iron rod with cap stamped "Quiddity Property Corner";
3. South 35°33'38" East, a distance of 23.08 feet to a set 5/8-inch iron rod with cap stamped "Quiddity Property Corner";
4. South 83°12'35" East, a distance of 32.70 feet to a set 5/8-inch iron rod with cap stamped "Quiddity Property Corner";
5. North 12°26'02" East, a distance of 27.98 feet to a set 5/8-inch iron rod with cap stamped "Quiddity Property Corner";

THENCE, South 78°51'25" East, continuing over and across said Unrestricted Reserve "A", a distance of 239.24 feet to a 5/8-inch iron rod with cap stamped "Quiddity Property Corner" set in the westerly line of said Bridges at Blackhawk Sec 1, common with the easterly line of said Unrestricted Reserve "A" and being the northwest corner of the herein described tract;

THENCE, South 02°33'04" East, with said common line, a distance of 353.98 feet to the **POINT OF BEGINNING, CONTAINING** 4.1855 acres in Harris County, Texas as shown on drawing number 19826 T1 in the offices of Quiddity in Bellaire, Texas.

Quiddity
6330 West Loop South, Suite 150
Bellaire, Texas 77401
(713) 777-5337
*Texas Board of Professional Land Surveying
Registration No. 10046100*




Acting By/Through ~~Jeremy Alvin Chandler~~ 02/18/25
Registered Professional Land Surveyor
No. 5755
JChandler@quiddity.com

GENERAL NOTES:

- Bearings shown hereon are based on the Texas Coordinate System, South Central Zone, NAD 83.
- This survey does not provide any determination concerning wetlands, fault lines, toxic waste or any other environmental issues. Such matters should be detected by the client or prospective purchaser to an expert consultant.
- The square footage totals are shown hereon are based on the mathematical closure of the courses and distances reflected on this survey. It does not include the tolerances that may be present due to platoon accuracy of the boundary monuments shown hereon.
- The subject property abuts Blackhawk Boulevard. Such streets are paved and dedicated public rights-of-way. This statement is subject to the exercise of power of the governmental authority to limit, control or deny access, ingress or egress.
- No Improvements/Utilities were located with this survey.

STATE OF TEXAS
COUNTY OF HARRIS

A METES & BOUNDS description of a 4.1855 acre tract of land situated in the Mrs RA Boatwright Survey, Abstract No. 1564 in Harris County, Texas, being all of Unrestricted Reserve 'A' as shown on the plot of Blackhawk Boulevard Reserve, recorded under Film Code Number 707165 of the Harris County Map Records and being described in the deed to CHS Park Boulevard Lots, LTD, recorded under Clerk's File Number RP-2024-284877 of the Harris County Official Public Records of Real Property, said 4.1855 acre tract being more particularly described as follows with all bearings being based on the Texas Coordinate System, South Central Zone, NAD 83:

BEGINS at a found 5/8-inch iron rod at the southeasterly corner of said Unrestricted Reserve 'A', common with the southwesterly corner of Lot 46, Block 1 of the Bridges at Blackhawk Sec 1 subdivision recorded under Film Code No. 662512, of the Harris County Map Records and being in the north line of a called 76.8135 acre tract of land conveyed to the City of Houston recorded under Clerk's File No. 5362957 of the Harris County Official Public Records of Real Property.

THENCE South 86 degrees 51 minutes 39 seconds West, along the south line of said Unrestricted Reserve 'A', common with the northerly line of said 76.8135 acre tract, a distance of 500.58 feet to a found 5/8-inch iron rod with orange cap at the northwest corner of said 76.8135 acre tract and in the east right-of-way line of Blackhawk Boulevard (100' right-of-way) recorded under Clerk's File No. 1956599 of the Harris County Official Public Records of Real Property and being the beginning of a curve to the right;

THENCE along the easterly right-of-way line of said Blackhawk Boulevard and with the arc of said curve to the right having a radius of 1950.00 feet, a central angle of 13 degrees 17 minutes 16 seconds, an arc length of 422.14 feet, and a long chord bearing North 12 degrees 04 minutes 12 seconds East, a distance of 401.13 feet to a found 5/8-inch iron rod with orange cap;

THENCE North 18 degrees 42 minutes 45 seconds East, continuing along said easterly right-of-way, a distance of 8.36 feet to a 5/8-inch iron rod with cap stamped 'Quiddity Property Corner' set for the northwest corner of the herein described tract;

THENCE over and across said Unrestricted Reserve 'A' the following 5 calls:

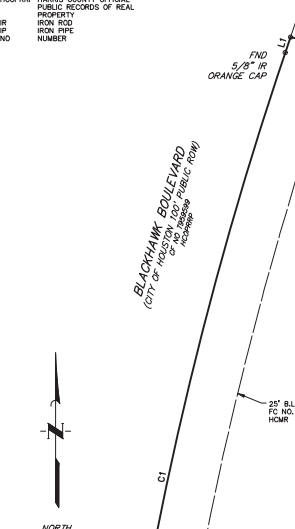
- South 79°16'19" East, a distance of 81.18 feet to a set 5/8-inch iron rod with cap stamped 'Quiddity Property Corner';
- South 81°10'01" East, a distance of 23.57 feet to a set 5/8-inch iron rod with cap stamped 'Quiddity Property Corner';
- South 35°33'38" East, a distance of 23.08 feet to a set 5/8-inch iron rod with cap stamped 'Quiddity Property Corner';
- South 83°23'05" East, a distance of 32.70 feet to a set 5/8-inch iron rod with cap stamped 'Quiddity Property Corner';
- North 12°26'02" East, a distance of 27.98 feet to a set 5/8-inch iron rod with cap stamped 'Quiddity Property Corner';

THENCE South 78°51'25" East, continuing over and across said Unrestricted Reserve 'A', a distance of 239.24 feet to a 5/8-inch iron rod with cap stamped 'Quiddity Property Corner' set in the westerly line of said Bridges at Blackhawk, Sec. 1, common with the westerly line of said Unrestricted Reserve 'A' and being the northwest corner of the herein described tract;

THENCE South 02°30'04" East, with said common line, a distance of 353.98 feet to the POINT OF BEGINNING CONTAINING 4.1855 acres in Harris County, Texas as shown on drawing number 19826 T1 in the offices of Quiddity in Belton, Texas.

LEGEND:

- CF CLERK'S FILE
- FC FILM CODE
- FND FOUND
- HARRIS COUNTY DEED RECORDS
- HCMR HARRIS COUNTY MAP RECORDS
- HCOFFRRR HARRIS COUNTY OFFICIAL PUBLIC RECORDS OF REAL PROPERTY
- IP IRON PIPE
- IR IRON ROD
- NO NUMBER



4.1855 ACRES
182,322 SQ FT
(SEE NOTE 4)

CALLED UNRESTRICTED RESERVE 'A' TO CHS PARK BOULEVARD LOTS, LTD. OF NO RP-2024-284877 HCOFFRRR
UNRESTRICTED RESERVE 'A' BLACKHAWK BOULEVARD RESERVE FC NO 707165 HCMR



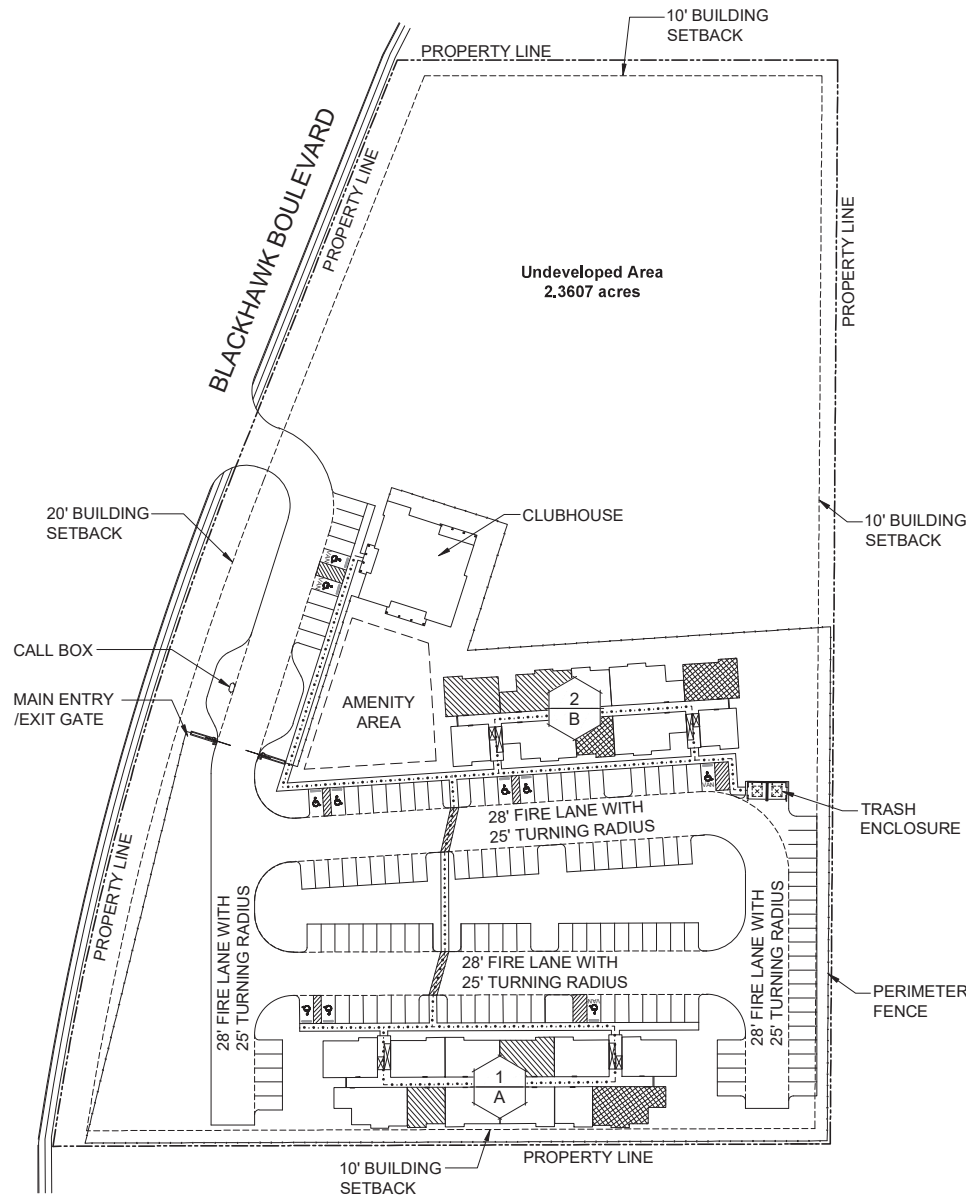
LINE	BEARING	DISTANCE
L1	S 79°16'19" E	81.18
L2	S 81°10'01" E	23.57
L3	S 35°33'38" E	23.08
L4	S 83°23'05" E	32.70
L5	N 12°26'02" E	27.98
L6	N 12°26'02" E	27.98

STANDARD LAND SURVEY
BEING
4.1855 ACRES
OUT OF
UNRESTRICTED RESERVE 'A'
BLACKHAWK BOULEVARD RESERVE
LOCATED IN THE
MRS RA BOATWRIGHT SURVEY, A-1664
HARRIS COUNTY, TEXAS
FEBRUARY 2025



Exhibit B

Original Site Plan



SITE DATA

ACRES	6.55
(2) 3 STORY BUILDING	
TOTAL UNITS	66
UNITS/ACRE	10.07

NO KNOWN EASEMENTS
 NO KNOWN FLOODPLAIN
 UNDERGROUND DETENTION

SITE AMENITIES
 - AMENITY AREAS

BUILDING KEY



.....
 ACCESSIBLE ROUTE

UNIT TABULATION

TYPE	# UNITS	UNIT S.F.	TOTAL S.F.
A1 - ONE BEDROOM, ONE BATH	18 (28%)	600 S.F.	10,800 S.F.
B1 - TWO BEDROOM, TWO BATH	30 (44%)	850 S.F.	25,500 S.F.
C1 - THREE BEDROOM, TWO BATH	18 (28%)	1050 S.F.	18,900 S.F.
TOTAL	66(100%)		55,200 S.F.

ACCESSIBLE UNITS

TOTAL UNITS	ADA UNITS (5% OF TOTAL UNITS)	H&V UNITS (2% OF TOTAL UNITS)
66	4	3
	A1 HC UNITS	A1 HV UNITS
	B1 HC UNITS	B1 HV UNITS
	C1 HC UNITS	C1 HV UNITS
	1	1
	2	1
	1	1

BUILDING TABULATION

TYPE	A	B	CLUBHOUSE	TOTAL
# BLDGS	1	1	1	3
# STORIES	3	3		
UNITS/ BUILDING	36	30		66
BREEZEWAY S.F.	4,889 S.F.	4,448 S.F.		
NET RENTABLE S.F.	30,300 S.F.	24,900 S.F.		55,200 S.F.
TOTAL GROSS BLDG S.F.	35,189 S.F.	29,438 S.F.	4,036 S.F.	68,663 S.F.

TOTAL COMMON AREA: 13,373 S.F. (corrected from Application)

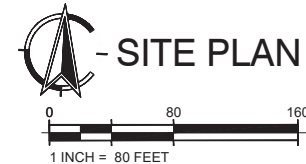
PARKING REQUIRED

1.333 PER 1 BEDROOM	24
1.666 PER 2 BEDROOM	50
2 PER 3 BEDROOM	36
TOTAL	110

PARKING PROVIDED

STANDARD SPACES	124
ACCESSIBLE SPACES	6
VAN ACCESSIBLE	4
TOTAL	134

PARKING RATIO = 2.03



PARK BOULEVARD LOFTS
HOUSTON, TEXAS

DATE: 02.23.23

A1.0

SITE PLAN
 Copyright © 2023

Current Site Plan

Exhibit C



SITE ADDRESS

9151 BLACKHAWK BLVD.,
HOUSTON, TX. 77075

OWNER

CSH PARK BOULEVARD LOFTS, LTD
3701 KIRBY DRIVE, SUITE 860
HOUSTON, TX 77098

SITE DATA

ACRES 4.1855
(2) 3 STORY BUILDING
TOTAL UNITS 66
UNITS/ACRE 15.77

NO KNOWN FLOODPLAIN
NO KNOWN EASEMENTS

SITE AMENITIES

- CLUBHOUSE
- PLAYGROUND
- COVERED PAVILION
- BBQ GRILL AREA

BUILDING KEY



UNIT TABULATION

TYPE	# UNITS	UNIT S.F.	TOTAL S.F.
A1 - ONE BEDROOM, ONE BATH	18 (27%)	600 S.F.	10,800 S.F.
B1 - TWO BEDROOM, TWO BATH	30 (46%)	850 S.F.	25,500 S.F.
C1 - THREE BEDROOM, TWO BATH	18 (27%)	1050 S.F.	18,900 S.F.
TOTAL	66(100%)		55,200 S.F.

ACCESSIBLE UNITS

TOTAL UNITS	66
ADA UNITS (5% OF TOTAL UNITS)	4
A1 HC UNITS	1
B1 HC UNITS	2
C1 HC UNITS	1
H&V UNITS (2% OF TOTAL UNITS)	3
A1 HV UNITS	1
B1 HV UNITS	1
C1 HV UNITS	1

- - - - - ACCESSIBLE ROUTE

BUILDING TABULATION				
TYPE	A	B	CLUBHOUSE	TOTAL
# BLDGS	1	1	1	3
# STORIES	3	3		
UNITS/ BUILDING	36	30		66
BREEZEWAY S.F.	5,466 S.F.	4,818 S.F.		10,284 S.F.
NET RENTABLE S.F.	30,300 S.F.	24,900 S.F.		55,200 S.F.
TOTAL GROSS BLDG S.F.	35,766 S.F.	29,718 S.F.	3,578 S.F.	69,062 S.F.

TOTAL COMMON AREA: 13,862 S.F.

*THE TOTAL PERCENTAGE OF STUCCO AND MASONRY ON THE EXTERIOR WALLS ACROSS ALL BUILDING ELEVATIONS EXCEEDS 30%.

PARKING REQUIRED

1.333 PER 1 BEDROOM	24
1.666 PER 2 BEDROOM	50
2 PER 3 BEDROOM	36
TOTAL	110

PARKING PROVIDED

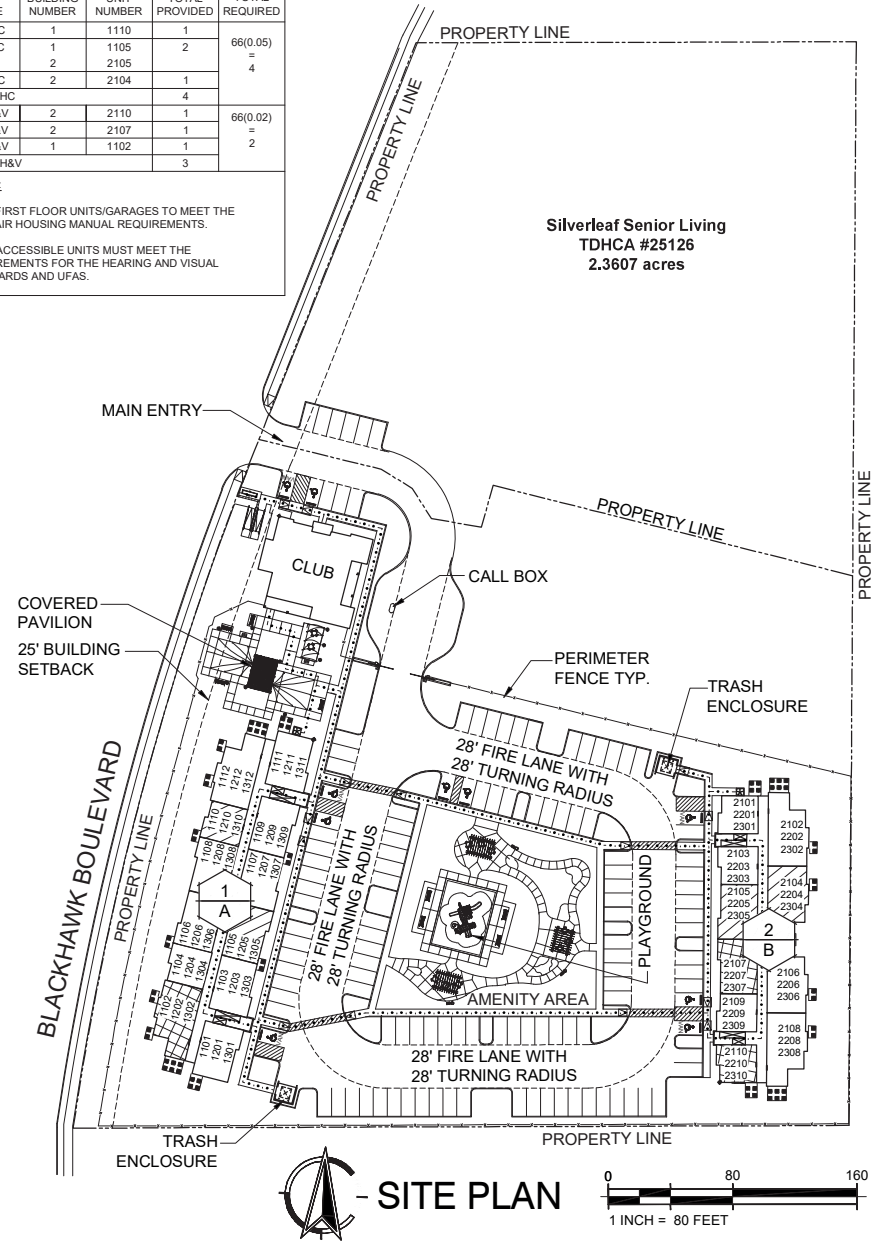
STANDARD SPACES	125
ACCESSIBLE SPACES (5)	
VAN ACCESSIBLE (5)	
TOTAL	125
PARKING RATIO = 1.89	

ACCESSIBLE UNITS

UNIT TYPE	BUILDING NUMBER	UNIT NUMBER	TOTAL PROVIDED	TOTAL REQUIRED
A1-HC	1	1110	1	66(0.05) = 4
B1-HC	1	1105	2	
C1-HC	2	2104	1	
TOTAL HC			4	
A1-H&V	2	2110	1	66(0.02) = 2
B1-H&V	2	2107	1	
C1-H&V	1	1102	1	
TOTAL H&V			3	

NOTES:

- ALL FIRST FLOOR UNITS/GARAGES TO MEET THE 1998 FAIR HOUSING MANUAL REQUIREMENTS.
- ALL ACCESSIBLE UNITS MUST MEET THE REQUIREMENTS FOR THE HEARING AND VISUAL STANDARDS AND UFAS.



PARK BOULEVARD LOFTS
HOUSTON, TEXAS

DATE: 03.24.26

A1.0

SITE PLAN

Copyright © 2025



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1464

Agenda Date: 6/4/2026

Agenda #: 6.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Las Fuentes (HTC #25053)

RECOMMENDED ACTION

WHEREAS, Las Fuentes (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2025 for the construction of 105 multifamily units for the elderly population in Mission, Hidalgo County;

WHEREAS, RST Las Fuentes, LP (Applicant) requests approval for a significant modification of the site plan and architectural design, including an increase from two residential buildings and one common areas building to five residential buildings and one common areas building, a decrease in the common area of 3,033 square feet, or 15.33%, from 19,788 square feet to 16,755 square feet, and a decrease in the parking count of 36 spaces, or 14.63%, from 246 open parking spaces to 210 open spaces;

WHEREAS, Board approval is required for a significant modification of the site plan, a reduction of 3% or more in the square footage of the Units or common areas, and a significant modification of the architectural design of the Development as directed in Tex. Gov't Code §2306.6712(d)(1), (4), and (5), and in 10 TAC §10.405(a)(4)(A), (D), and (E), and the Applicant has complied with the amendment requirements therein; and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the Application, or impact the HTC award;

NOW, therefore, it is hereby

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

BACKGROUND

Las Fuentes was approved for a 9% HTC award in 2025 for the construction of 105 units of multifamily housing for the elderly population in Mission, Hidalgo County. In a letter dated April 13, 2026, Clifton Phillips, the representative of the Applicant, requested approval for a material amendment to the Application for a significant modification of the site plan, a significant

modification of the architectural design, and a reduction of 3% or more in the square footage of the common areas.

The significant modifications of the site plan and architectural design include an increase from two residential buildings and one common areas building to five residential buildings and one common areas building, a decrease in the common area of 3,033 square feet, or 15.33%, from 19,788 square feet to 16,755 square feet, and a decrease in the parking count of 36 spaces, or 14.63%, from 246 open parking spaces to 210 open spaces, which is the number of parking spaces required by local code. The reduction to the common area is due to reduced breezeways. The clubhouse size increased 1,234 square feet, or 41.70%, from 2,959 square feet to 4,193 square feet.

The Applicant indicated that the material amendment is the result of the recommendations of the civil engineer after further investigation and review of the drainage calculations, preparation of a topographic survey and topographic considerations, and the City of Mission's preferences for achieving integration of the community into the surrounding single-family neighborhood.

The Applicant reported that the new site plan, incorporating the smaller building footprints and a lower profile design, provides for improved integration with the surrounding single-family neighborhoods to the east and south and is a better design for the site topography, as the revised design eliminates need for retaining walls and offers compatibility with the required drainage design. The Applicant additionally reports the revised site plan: allows for improved parking spatial placement for tenants, while reducing excess parking spaces above code requirement as had originally been proposed; improves tenant accessibility, as units in smaller buildings are more easily accessible; and adds a gazebo structure overlooking the greenspace/detention.

The Applicant reports the proposed changes were not reasonably foreseeable or preventable by the Applicant at the time of Application and will not alter the approved project budget presented at Application. The Applicant indicated that the proposed changes will allow the Applicant to achieve delivery of units earlier in 2027, despite the allocation of credits having been from the waitlist just before Christmas 2025, thus stabilizing the tax credit pricing in spite of the later start of construction on the project.

Staff confirmed that the revised design plans and parking would continue to meet accessibility requirements. Additionally, staff reviewed the original Application and scoring documentation against this amendment request and has concluded that none of the changes would have affected the scoring or selection of the Application in the competitive round. The final recommended HTC amount will be determined at cost certification.

Staff recommends approval of the Application amendment as presented herein.



1603 LBJ Freeway
Suite 860
Dallas, Texas 75234

Tel 972.243.4205
www.rstdev.com

April 13, 2026

Mr. Rosalio Banuelos
Director of Multifamily Asset Management
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Amendment to Application
Las Fuentes, TDHCA #25053

Dear Mr. Banuelos,

I am writing on behalf of RST Las Fuentes, LP (“Applicant”) to request an amendment to our tax credit application for Las Fuentes (TDHCA #25053), Mission, Texas.

Requested Changes:

In Applicant’s original tax credit application, the submitted development plans utilized two residential buildings and one nonresidential building (the community center). As our team is now further into the design process with the civil engineer, and in coordination with the City of Mission, Applicant is hereby requesting an amendment to the application which would allow for a total of five residential buildings versus the two buildings originally proposed. Applicant is proposing dividing the rear building on the site plan into four smaller buildings (please see attached revised site plan in Exhibit A and application site plan in Exhibit B).

The new building design and site plan layout does modify certain aspects of the community as presented in the original tax credit application. Firstly, the common area square footage of Las Fuentes, and thereby the gross square footage, has decreased. The reduction in common area square footage was purely a reduction of breezeway square footage due to the new building layout. However, such decrease in the breezeways was partially offset by an increase in the clubhouse amenity space which space will be utilized more often by the tenants in the future. The net reduction in the common areas was 2,364 square feet representing a change or greater than 3%. The overall changes from the application architectural plans to the proposed amendment design are detailed in the chart below:

	Application	Amendment	Variance
Units (NRSFT)	79,125	79,125	0%
Clubhouse	2,959	4,193	41.7%
Breezeways	16,829	12,562	(25.4%)
Storage/Other	0	669	-
Gross (SFT)	98,913	96,549	(2.4%)

In addition to the building design change, the new site plan (Exhibit A) reduces the parking ratio to match that parking ratio required by the City of Mission at 2.0 parking spaces per unit. The original site plan was over-parked by approximately 36 spaces. The new parking design is a result of the redesign, is more efficient in nature and would still provide more than adequate parking for senior housing (62+).

In summary, the proposed building and site changes reduce the total gross square footage of the community by less than 3% of the original application design, still maintains the same unit square footage sizes, and same number of units while providing the future tenants with a larger clubhouse design and a blend of living choices (cottage or single building). As noted, the common area square footage does decrease as a result of the change as does the number of parking spaces. Applicant does not believe the above requested changes in any way would have provided the Applicant with a competitive scoring advantage or preference in the funding of the award cycle in which the deal was awarded.

Cost Consideration:

Applicant doesn't believe that the requested changes will result in any material change in costs as such costs were presented in the original application. The reduction in the breezeway square footage, all associated building design cost reductions and the reduction in the number of parking spaces will be offset by the increased cost of the enlarged community center and amenities along with the increased cost due to the cottage style construction.

Explanation of Foreseeable or Preventable Nature

Applicant does not view the requested changes as foreseeable in nature. The proposed site plan changes were a result of (i) the recommendations of the civil engineer after further investigation and review of the drainage calculations, preparation of a topographic survey and topographic considerations and (ii) after initial site plan review and discussions on Las Fuentes with the City of Mission regarding the integration of the community into the surrounding single-family neighborhood (See Exhibit C). This new site plan, incorporating the smaller building footprints, provides for improved integration with the surrounding single-family neighborhoods to the east/south with a lower profile design along with providing greater flexibility in the overall site design layout with the site topography, eliminating retaining walls, and offers compatibility with the required drainage design. In addition, the revised site plan allows for an improved parking distribution for tenants, while reducing parking space, an improved tenant accessibility

design for 36 units due to the cottage style entry and a new tenant space in the proposed gazebo structure overlooking the greenspace/detention.

Lastly, the revised design will allow the Applicant to maintain the underwriting budget presented at application and the financial feasibility. The Applicant received the allocation of credits from the waitlist just before Christmas 2025. The revision will also allow the Applicant to maintain delivery of units earlier in 2027 thus increasing the tax credit delivery to the syndicator and therefore stabilizing the tax credit pricing in spite of the later start of construction on the project.

We appreciate your time and consideration of this application amendment request and for your work in moving such request forward. Should you need any additional information or clarification regarding this request, please do not hesitate to contact me at (972) 243-4205 or via email cphillips@rstdev.com.

Sincerely,
RST Las Fuentes, LP
By: RST Las Fuentes Housing, LLC, its GP



By: Clifton Phillips, President of Managing Member

Exhibit A

Site Plan

April 2026

SITE DATA

- 6.0 ACRES
- 105 UNITS
- UNIT DENSITY MAXIMUM: 29 UNITS/ACRE
- UNIT DENSITY PROVIDED: 17.50 UNITS/ACRE
- SITE IS NOT LOCATED IN THE FLOODPLAIN

EXISTING ZONING

PROPOSED: MULTI-FAMILY RESIDENTIAL (R-3)
 BASE ZONING: AGRICULTURAL OPEN PERMANENT (AO-P)

SITE AMENITIES

- 4,114 S.F. CLUBHOUSE
- COVERED PORCH
- DOG PARK
- COMMUNITY GARDEN
- CONFERENCE ROOM
- FURNISHED COMMUNITY ROOM
- PERIMETER FENCING
- FITNESS ROOM
- BEAUTY SALON

PARKING TABULATION

PARKING DENSITY MAXIMUM: 2.00 / UNIT
 PARKING REQUIRED: 105 UNITS X 2.00 = 210
 PARKING PROVIDED: 210
 PARKING RATIO PROVIDED: 2 / UNIT

PARKING PROVIDED

RESIDENT:		
-STANDARD	173	
-ACCESSIBLE	6	
-VAN ACCESSIBLE	5	
CLUBHOUSE:		
-STANDARD	24	
-ACCESSIBLE	2	
TOTAL	210	

UNIT TABULATION

UNIT TYPE	# UNITS	%	UNIT S.F.	TOTAL S.F.
A1 -ONE BED/ONE BATH	35	33.33%	631 S.F.	22,085
A1-HC - ONE BED/ONE BATH	1	0.95%	631 S.F.	631
A2 -ONE BED/ONE BATH	6	5.71%	631 S.F.	3,786
A3 - ONE BED/ONE BATH	16	15.24%	631 S.F.	10,096
A3-HC -ONE BED/ONE BATH	2	1.90%	631 S.F.	1,262
B1 -TWO BED/TWO BATH	42	40.00%	917 S.F.	38,514
B1-HC -TWO BED/TWO BATH	3	2.86%	917 S.F.	2,751
TOTAL	105	100%		79,125 S.F.

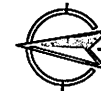
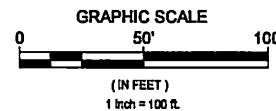
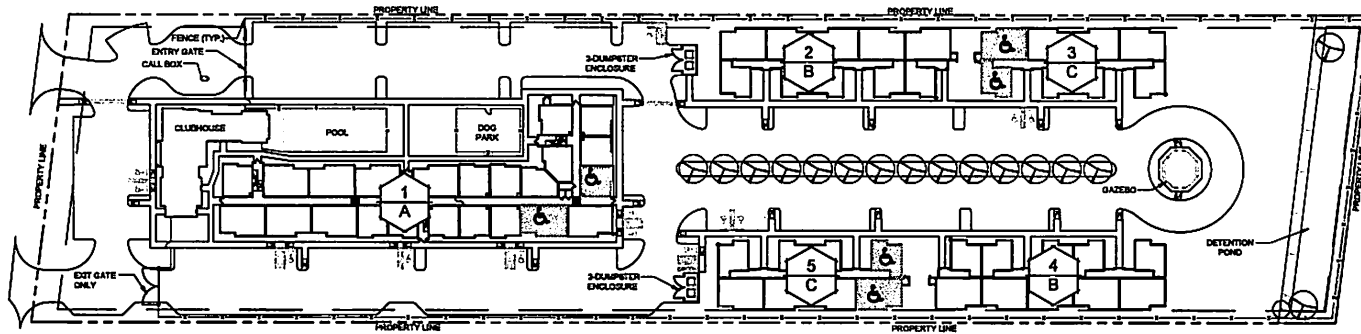
BUILDING KEY



ACCESSIBLE UNITS

TOTAL UNITS	105
ADA UNITS (5% OF TOTAL UNITS)	5
A1-HC UNITS	1
A3-HC UNITS	2
B2-HC UNITS	3
H&V UNITS (2% OF TOTAL UNITS)	2
A1-HV UNITS	1
A3-HC UNITS	2
B1-HV UNITS	3

BUILDING TABULATION				
BUILDING TYPE	A	B	C	TOTAL
# BLDGS	1	2	2	5
# STORIES	3	1	1	
TOTAL UNITS	69	20	16	105
FIRE RISER ROOM S.F.	33 S.F.	66 S.F.	66 S.F.	165 S.F.
STORAGE S.F.	504 S.F.	0 S.F.	0 S.F.	504 S.F.
BREEZEWAY S.F.	9,359 S.F.	1,772 S.F.	1,431 S.F.	12,562 S.F.
RENTABLE S.F.	51,281 S.F.	15,480 S.F.	12,384 S.F.	79,125 S.F.
TOTAL GROSS BLDG S.F.	61,157 S.F.	17,318 S.F.	13,881 S.F.	92,356 S.F.
CLUBHOUSE				4,193 S.F.
OVERALL TOTAL				96,549 S.F.



SITE PLAN
 SCALE: 1"=100'-0"

Exhibit B

Application Site Plan

SITE DATA
 -6.0 ACRES
 -105 UNITS
 -UNIT DENSITY MAXIMUM: 29 UNITS/ACRE
 -UNIT DENSITY PROVIDED: 17.50 UNITS/ACRE

EXISTING ZONING
 BASE ZONING: MULTI-FAMILY RESIDENTIAL (R-3)

SITE AMENITIES
 -2,959 S.F. CLUBHOUSE
 -PORTE COCHERE
 -DOG PARK
 -COMMUNITY GARDEN
 -CONFERENCE ROOM
 -FURNISHED COMMUNITY ROOM
 -COVERED PORCH
 -PERIMETER FENCING
 -FITNESS ROOM
 -LIBRARY ROOM

PARKING TABULATION

PARKING DENSITY MAXIMUM: 2.00 / UNIT
 PARKING REQUIRED: 105 UNITS X 2.00 = 210
 PARKING PROVIDED: 246
 PARKING RATIO PROVIDED: 2.34 / UNIT

PARKING PROVIDED

UNCOVERED PARKING 218
 ACCESSIBLE 12
 CLUBHOUSE 16
 TOTAL 246

UNIT TABULATION

UNIT TYPE	# UNITS	%	UNIT S.F.	TOTAL S.F.
A1 - ONE BED/ONE BATH	57	54.29%	631 S.F.	35,967
A1-HC - ONE BED/ONE BATH	03	2.86%	631 S.F.	1,893
B1 - TWO BED/TWO BATH	42	40.00%	917 S.F.	38,514
B1-HC - TWO BED/TWO BATH	03	2.86%	917 S.F.	2,751
TOTAL	105	100%		79,125 S.F.

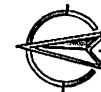
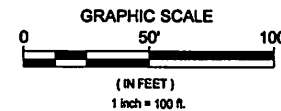
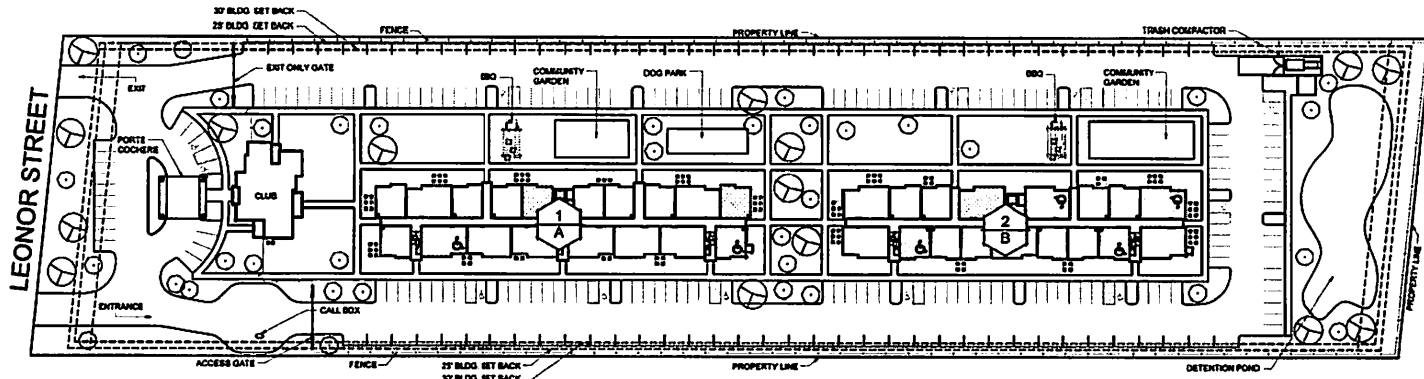
BUILDING TABULATION			
BUILDING TYPE	A	B	TOTAL
# BLDGS	1	1	2
# STORIES	3	3	
UNITS/BLDG	54	51	105
BREEZEWAY S.F.	9,383 S.F.	7,446 S.F.	16,829 S.F.
RENTABLE S.F.	40,638 S.F.	38,187 S.F.	79,125 S.F.
TOTAL GROSS BLDG S.F.	50,321 S.F.	45,633 S.F.	95,954 S.F.

BUILDINGS



ACCESSIBLE UNITS

UNIT TYPE	QUANTITY
TOTAL UNITS	105
ADA UNITS (5% OF TOTAL UNITS)	6
A1-HC UNITS	3
B2-HC UNITS	3
H&V UNITS (2% OF TOTAL UNITS)	3
A1-HV UNITS	2
B1-HV UNITS	1



SITE PLAN
 SCALE: 1"=100'-0"

**LAS FUENTES
 MISSION, TEXAS**

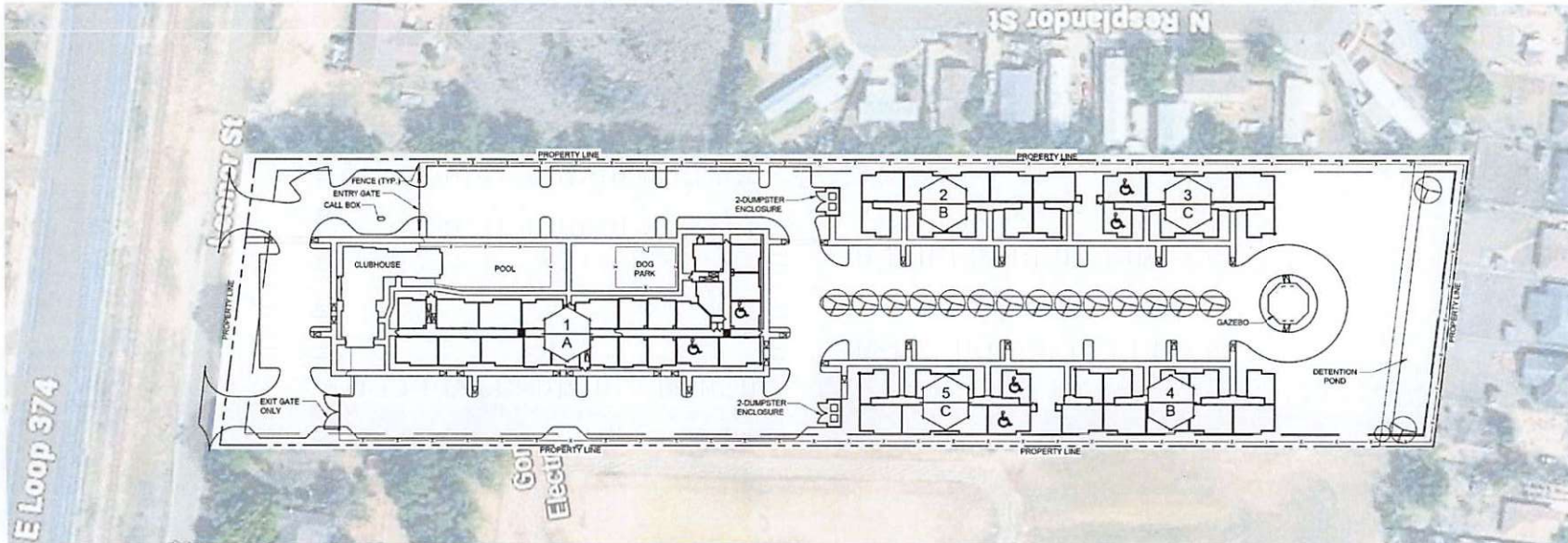
DATE: 01.15.25

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 SITE PLAN
 Copyright © 2025

Exhibit C

Site Plan Overlays

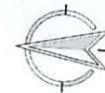
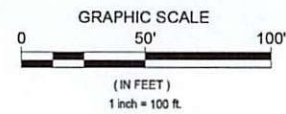
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MISSION, TEXAS



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SITE PLAN
SCALE: 1"=100'-0"

DATE: 01.21.26

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SITE PLAN

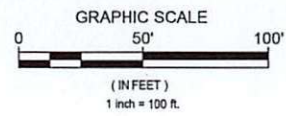
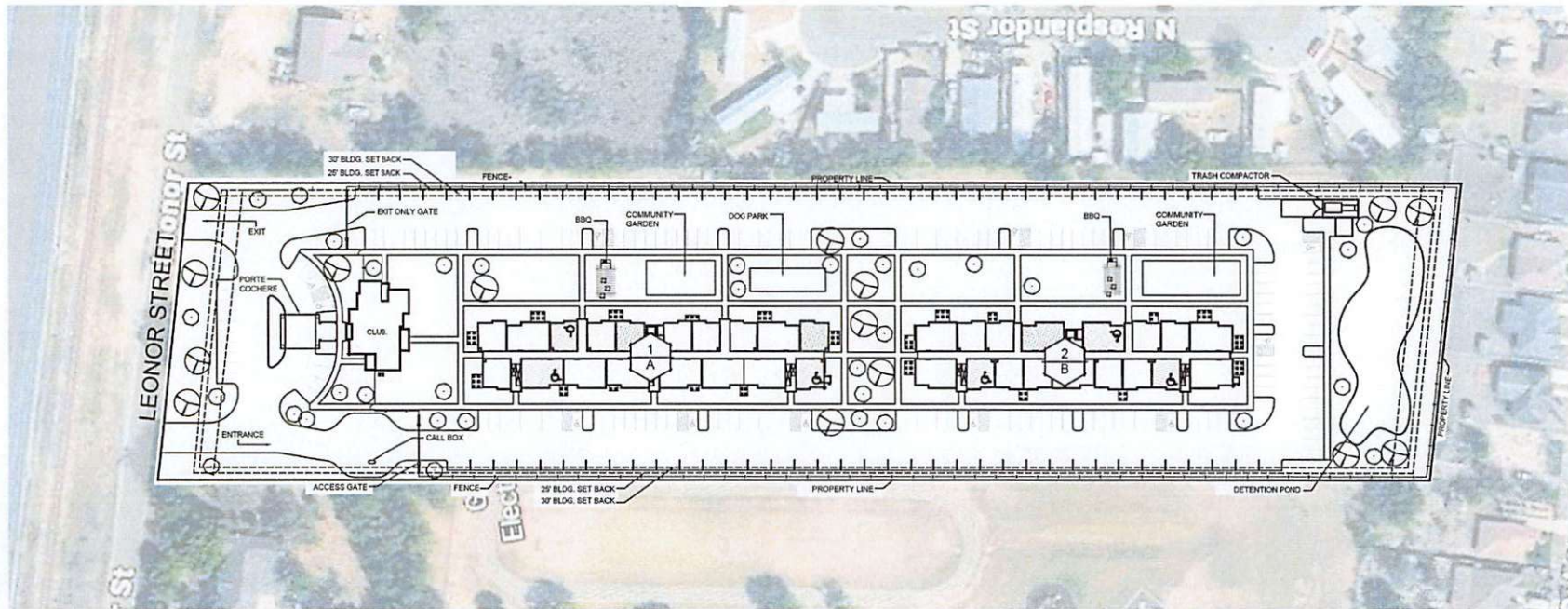
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MISSION, TEXAS

DATE: 01.15.25

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SITE PLAN
Copyright © 2025



SITE PLAN

SCALE: 1"=100'-0"



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1465

Agenda Date: 6/4/2026

Agenda #: 7.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Lofts at Birdwell (HTC #25271)

RECOMMENDED ACTION

WHEREAS, Lofts at Birdwell (the Development) received an award of 9% Housing Tax Credits (HTCs) and State Housing Tax Credits in 2025 for the construction of 39 multifamily units for the general population in Big Spring, Howard County;

WHEREAS, Lofts at Birdwell LLC (Applicant) requests approval for a significant modification of the architectural design and site plan, including a reduction from two residential buildings and one common areas building to one building containing all units and common area, and increase in the number of units from 39 to 49, or 25.64%, by increasing the number of two-bedroom units by 10, resulting in an increase to the net rentable area of 8,763 square feet, or 28.12%, and a 25.64% increase in residential density, from 11.37 units per acre to 14.29 units per acre, and an increase in the common area of 1,527 square feet, or 22.99%, from 6,643 square feet to 8,170 square feet, and increase in the parking count from 89 open parking spaces to 92 open spaces;

WHEREAS, the Applicant also requests approval for an increase in the number of units at 60% of Area Median Income (AMI) units from 35 to 38 and introduction of seven market units;

WHEREAS, the Applicant is seeking to revise its structure by going from a limited liability company to a limited partnership named Lofts at Birdwell, LP, admitting as general partner of the Applicant CHDC Lofts at Birdwell GP, LLC, which is solely owned by Crossroads Housing Development Corporation, a nonprofit corporation, in order to qualify for a 50% property tax exemption;

WHEREAS, the Applicant is seeking to further revise the ownership structure by the creation of a special limited partner to ultimately be owned by an entity of Kanwarjit Ronnie Gyani (90%) and an entity of Jonathan Estrada (10%), who will be a new entrant to participation in the Development, acquiring the interest of BETCO Consulting, Inc.;

WHEREAS, Board approval is required for a significant modification of the site plan, a modification of the number of units or bedroom mix of units, a significant modification of the architectural design of the Development, a modification of the residential density of at least 5%, and any other modification considered material by the staff as directed in Tex. Gov't Code §2306.6712(d)(1), (2), (5), (6), and (7), and in 10 TAC §10.405(a)(4)(A), (B), (E), (F), and (I), and the Applicant has complied with the amendment requirements therein; and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the Application, or impact the funding award;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Housing Tax Credit Application for Lofts at Birdwell, including the changes to the structure of the Applicant, Developer, and Guarantor, are approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing

BACKGROUND

Lofts at Birdwell was approved for a 9% HTC award and a State Housing Tax Credit award in 2025 for the construction of 39 units, of which all are designated as low-income units, of multifamily housing for the general population in Big Spring, Howard County. In a letter dated March 26, 2026, Lora Myrick, the representative of the Applicant, requested approval for a material amendment to the Application for a significant modification of the site plan, an increase of 10 in the number of units, a significant modification of the architectural design, an increase of three in the number of 60% of AMI units, and introduction of seven market units.

The significant modifications of the architectural design include a reduction from two residential buildings and one common areas building to one building containing all units and common area, and increase in the number of units from 39 to 49, or 25.64%, by increasing the number of two-bedroom units by 10, resulting in an increase to the net rentable area of 8,763 square feet, or 28.12%, from 31,167 square feet to 39,930 square feet, and a 25.64% increase in residential density, from 11.37 units per acre to 14.29 units per acre, and an increase in the common area of 1,527 square feet, or 22.99%, from 6,643 square feet to 8,170 square feet, and increase in the parking count from 89 open parking spaces to 92 open spaces. The requested changes include an increase in the number of 60% of AMFI units from 35 to 38 and the introduction of seven market units.

The Applicant indicated that the reason for the material amendment is the result of value engineering to minimize and mitigate costs associated with detention requirements and additional retainage walls that would have been required for topographic concerns, as well as to accommodate feedback from the City of Big Spring on the need and desire for additional market rate units.

The Applicant also seeks to revise the ownership structure by going from a limited liability company to a limited partnership and transferring the general partner interest from Lofts at Birdwell MM, LLC, which is ultimately owned by Kanwarjit Ronnie Gyani, Abha Gyani, and four principals of BETCO Consulting, Inc. to CHDC Lofts at Birdwell GP, LLC, which is solely owned by Crossroads Housing Development Corporation, a nonprofit corporation, in order to qualify for a

50% property tax exemption.

The Application is additionally seeking to revise the ownership structure by entry of a special limited partner to ultimately be owned by an entity of Kanwarjit Ronnie Gyani (90%) and an entity of Jonathan Estrada (10%), who will be a new entrant to participation in the Development. Furthermore, BETCO Consulting, Inc. will transfer its interest in the Applicant and Developer to LIHTC Wiz, LLC, the sole member of which is Jonathan Estrada. Paul D. Stell is being added as an additional Guarantor, and Abha Gyani will no longer be a Guarantor. The changes in the structure of the Applicant, Developer, and Guarantor are to maintain financial feasibility with the 50% property tax exemption, as well as including an additional guarantor to meet REO experience requirements requested by the investor.

Staff analysis indicates that the revised design plans would continue to meet feasibility requirements and that the revised design plans and parking would continue to meet accessibility requirements. Additionally, staff reviewed the original Application and scoring documentation against this amendment request and has concluded that none of the changes would have affected the scoring or selection of the Application in the competitive round.

The Previous Participation Review for the changes to the ownership structure, Developer, and Guarantor has been completed with no issues identified, and these changes are included in this item for Board approval, although such changes can be approved administratively under 10 TAC §10.405(a)(3)(B) and 10 TAC §10.406(e).

Staff recommends approval of the Application amendment and changes to the structure of the Applicant, Developer, and Guarantor as presented herein.



Addendum to Underwriting Report

TDHCA Application #: **25271** Program(s): **9% HTC**

Lofts at Birdwell

Address/Location: ~130 ft. N. of NWC of Sunset Ave. & Birdwell Ln.

City: Big Spring County: Howard Zip: 79720

APPLICATION HISTORY	
Report Date	PURPOSE
05/20/26	Amendment Memo
10/28/25	State Credit Award Update and Material Amendment Request
07/22/25	Original LIHTC Award

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION						
	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm. Lien	Const. Term	Const. Lien
State Housing Tax Credits	\$80,000				\$80,000						
FHTC (9% Credit)	\$1,125,000				\$1,125,000						

CONDITIONS STATUS

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted

PREVIOUS SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	4
60% of AMI	60% of AMI	35

NEW SET-ASIDES

TDHCA SET-ASIDES for HTC LURA*		
60% of AMI	60% of AMI	42

TDHCA SET-ASIDES for STATE HOUSING TAX CREDITS		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMI	4

ANALYSIS

This memo will also serve to amend and clarify that SHTC 30% restrictions layer on top of the FHTC restrictions; they do not change the FHTC restrictions. There were 39 60% units at 2025 9% application.

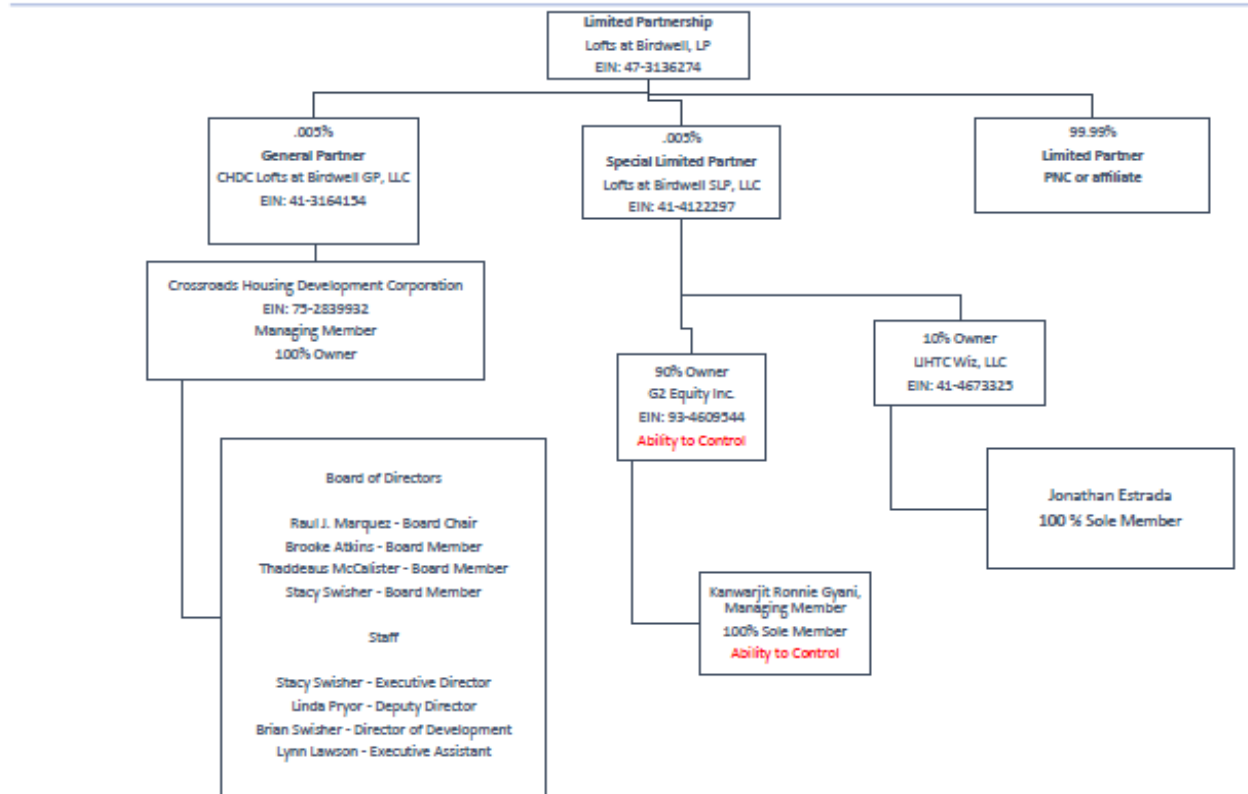
In July 2025, the Development was awarded \$1,125,000 in annual 9% Housing Tax Credits and in October 2025, the Applicant was awarded \$80,000 in annual State Housing Tax Credits. Lofts at Birdwell, LLC (the "Company"), is requesting a material amendment to their 9% LIHTC application and proposing the following changes:

- 1) Updating the development owner to Lofts at Birdwell, LP (the "Owner").
- 2) Admitting CHDC Lofts at Birdwell GP, LLC as the new general partner of the Owner.
- 3) Admitting Crossroads Housing Development Corporation as the sole member of the general partner to obtain a 50% property tax exemption.
- 4) Moving G2 Equity, Inc. over to a 90% owner of the newly formed Lofts at Birdwell SLP, LLC entity (the "SLP").
- 5) Admitting Jonathan Estrada as a 10% owner of the developer and SLP entities as sole member of LIHTC Wiz, LLC.
- 6) Removing BETCO Consulting, LLC from both the Owner and developer entities.
- 7) Adding Paul Stell as a guarantor.
- 8) Updates to the site plan which combined all residential buildings into one building which includes the leasing office and all indoor common areas.
- 9) Increase in total number of 2-bedroom units from 27 to 37, bringing the total units to 49. Three of the additional 2-bedroom units will be affordable at 60% AMI rent and income restrictions, and the remaining seven additional units will be market rate.
- 10) Increase total parking spaces from 89 to 92.
- 11) Increase in the total NRA from 31,167 SF to 39,930, an increase of 28.12%. Increase in total common area from 6,643 SF to 8,170 SF; an increase of 22.98%;
- 12) Changes in costs, interest rates, loan amounts, and equity pricing.

The reason for the material amendment is the result of value engineering to minimize/mitigate costs associated with detention/retention requirements and additional retainage walls that would have been required for topographic concerns, as well as to accommodate feedback from the City of Big Spring on the need and desire for additional market rate units. The changes in the Ownership are to maintain financial feasibility with the 50% property tax exemption, as well as including an additional guarantor to meet REO experience requirements requested by the investor.

NEW OWNERSHIP STRUCTURE

Owner Chart



SITE PLAN

The site plan was updated to reflect the new building configuration. New Architectural Drawings were also provided to document the proposed changes.

PREVIOUS SITE PLAN



NEW SITE PLAN



The number of parking spaces is 1.5 spaces per one-bedroom and two spaces per two-bedroom totaling 92 parking spaces required. The Development will now offer 92 spaces at no charge to the tenants and meeting the requirement.

Operating Pro Forma

Underwriter updated expense comps to 2024 YE.

In this Amendment request, the Applicant has added 10 units-7 market rates units and 3-60% units bringing the total number of units to 49.

Utility Allowances:

1 BR decreased from \$80 to \$77 per unit

2 BR decreased from \$105 to \$100 per unit.

As a result of these changes: Effective Gross Income increased by \$165k; NOI increased by \$129k; and Total Expenses increased by \$36k.

Underwrote all 2-bedrooms units to the lessor market rent collected. Applicant is expecting to collect a premium of \$1,494 for the 7 market unit rents above the max TC60% program rent of \$1,215, a 23% difference. Per TDHCA rule §11.302 (d)(1)(A)(i.) "For a Development that contains less than 15% unrestricted units, the Underwriter will limit the Pro Forma Rents to the lesser of Market Rent or the Gross Program Rent at 80% AML."

As underwritten, the long-term Pro Forma exhibits a 15-year residual cash flow of \$81k after repayment of deferred developer fee in year 15.

As part of the amendment, the G2 Equity, Inc will transfer 50% interest to Crossroads Housing Development Corporation (a Non Profit) anticipating the change will result in a 50% property tax exemption. The deal is underwritten assuming the 50% tax exemption in place. Deal is infeasible without the 50% tax exemptions as without it, the DCR drops below 1.0.

Development Cost

Originally, a pro-rata allocation of \$460,945 (out of the \$600K Purchase Price) was reflected as the acquisition cost of the 3.429 acres being used for this development. Subsequently, the amended contract reflected a Purchase Price of \$500,000 for the 3.429 acres (a \$39K increase). The current Cost schedule has an acquisition cost of \$505,000, which includes an Amendment dated 1/2026 increasing price by \$5k and closing costs of \$15,555.

No change in off-site costs;

Site Amenities increased by \$466k - Applicant added pool, gazebo and playground;

Site work decreased by \$258k.

Building cost increased by \$1.1M (28.2%). Schedule of Values was provided. Total Development Cost increased by \$2.2M (18.5%).

Underwriter adjusted Soft Cost Contingency of \$73K to total Contingency. As a result, Contingency eligible basis and total cost is overstated by \$25k and \$6k, respectively. Per TDHCA rule §11.302 (e) (5), "Total contingency, including any soft cost contingency, will be limited to a maximum of 7% of Building Cost plus Site Work."

Developer Fee eligible basis is overstated by \$5k.

Sources of Funds

PNC decreased their bridge loan from \$9.5M with a 7.25% interest rate down to \$7.98M and the rate decreased to 6.52%. PNC added an additional construction loan of \$3.125M with a 7.02% interest rate and 30-month term.

The PNC perm loan of \$2M with a 6.75% interest rate was replaced with a different lender, M&T Realty Capital Corporation. The loan amount is for \$3.594M with a 6.83% interest and 15-year term amortized over 40-years.

PNC's FHTC equity contribution decreased by \$112K (from \$9.3M to \$9.2M and the credit price decreased from \$0.83 to \$0.82.

PNC's SHTC equity contribution decreased by \$40K (from \$480k to \$440k) and the credit price decreased from \$0.60 to \$0.55.

Deferred Developer Fee increased \$763k (from \$163,799 to \$927,022).

Recommendation

Underwriter recommends the original annual allocation of \$1,125,000 in annual 9% Housing Tax Credits as well as the annual allocation of \$80,000 in State Housing Tax Credits.

Underwriter:	<u>Eric Weiner</u>
Manager of Real Estate Analysis:	<u>Robert Castillo</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

UNIT MIX/RENT SCHEDULE

Lofts at Birdwell, Big Spring, 9% HTC #25271

LOCATION DATA

CITY:	Big Spring
COUNTY:	Howard
Area Median Income	\$93,100
PROGRAM REGION:	12
PROGRAM RENT YEAR:	2025

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	MDL	SHTC	Match
Eff	-	0.0%	0	0	0	0
1	12	24.5%	0	0	2	0
2	37	75.5%	0	0	2	0
3	-	0.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	49	100.0%	-	-	4	-

PRO FORMA ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	84.91%
APP % Acquisition	9.00%
APP % Construction	9.00%
Average Unit Size	815 sf

60%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	-	-	-	42	-	-	7	49
Income	% Total	0.0%	0.0%	0.0%	0.0%	85.7%	0.0%	0.0%	14.3%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE

FEDERAL HTC		State HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS			MARKET RENTS			
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 60%	\$1,012	TC 30%	\$506	2	1	1	659	\$506	\$77	\$429	\$0	\$0.65	\$429	\$858	\$858	\$429	\$0.65	\$0	\$1,350	\$2.05	\$1,350
TC 60%	\$1,012	TC 00%		7	1	1	659	\$1,012	\$77	\$935	\$0	\$1.42	\$935	\$6,545	\$6,545	\$935	\$1.42	\$0	\$1,350	\$2.05	\$1,350
TC 60%	\$1,012	TC 00%		3	1	1	714	\$1,012	\$77	\$935	\$0	\$1.31	\$935	\$2,805	\$2,805	\$935	\$1.31	\$0	\$1,350	\$1.89	\$1,350
TC 60%	\$1,215	TC 30%	\$607	2	2	2	861	\$607	\$100	\$507	\$0	\$0.59	\$507	\$1,014	\$1,014	\$507	\$0.59	\$0	\$1,494	\$1.74	\$1,650
TC 60%	\$1,215	TC 00%		28	2	2	861	\$1,215	\$100	\$1,115	\$0	\$1.30	\$1,115	\$31,220	\$31,220	\$1,115	\$1.30	\$0	\$1,494	\$1.74	\$1,650
MR		TC 00%		7	2	2	861	\$0			NA	\$1.74	\$1,494	\$10,458	\$10,458	\$1,494	\$1.74	NA	\$1,494	\$1.74	\$1,494
TOTALS/AVERAGES:				49			39,930				\$0	\$1.32	\$1,080	\$52,900	\$52,900	\$1,080	\$1.32	\$0	\$1,459	\$1.79	\$1,554

ANNUAL POTENTIAL GROSS RENT:

\$634,800 \$634,800

STABILIZED PRO FORMA

Lofts at Birdwell, Big Spring, 9% HTC #25271

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES		APPLICANT				SHTC Amendment	ORIGINAL UNDERWRITING		SHTC Amendment	TDHCA				VARIANCE	
	Database	Local Comps	% EGI	Per SF	Per Unit	Amount	Applicant	Applicant	TDHCA	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.32	\$1,080	\$634,800	\$467,112	\$448,560	\$448,560	\$467,112	\$634,800	\$1,080	\$1.32		0.0%	\$0
App Fees, NSF, Vending					\$30.00	\$17,640	\$7,020	7,020								
Total Secondary Income					\$30.00				7,020	7,020	\$17,640	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$652,440	474,132	\$455,580	\$455,580	\$474,132	\$652,440				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(48,933)	(\$35,560)	(34,169)	(34,169)	(35,560)	(48,933)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$603,507	438,572	\$421,412	\$421,412	\$438,572	\$603,507				0.0%	\$0

General & Administrative	\$26,673	\$544/Unit	\$28,325	\$578	4.26%	\$0.64	\$524	\$25,688	\$24,000	\$25,500	\$21,033	\$21,026	\$28,325	\$578	\$0.71	4.69%	-9.3%	(2,637)
Management	\$26,678	5.9% EGI	\$27,761	\$567	5.00%	\$0.76	\$616	\$30,175	\$17,543	\$16,856	\$16,856	\$17,543	\$30,175	\$616	\$0.76	5.00%	0.0%	(0)
Payroll & Payroll Tax	\$62,871	\$1,283/Unit	\$84,303	\$1,720	15.82%	\$2.39	\$1,948	\$95,462	\$70,000	\$65,000	\$65,000	\$70,000	\$95,462	\$1,948	\$2.39	15.82%	0.0%	-
Repairs & Maintenance	\$39,178	\$800/Unit	\$27,218	\$555	5.72%	\$0.86	\$704	\$34,500	\$26,000	\$28,000	\$25,350	\$25,350	\$34,300	\$700	\$0.86	5.68%	0.6%	200
Electric/Gas	\$8,834	\$180/Unit	\$10,413	\$213	2.07%	\$0.31	\$255	\$12,500	\$7,000	\$7,000	\$6,968	\$6,966	\$10,413	\$213	\$0.26	1.73%	20.0%	2,087
Water, Sewer, & Trash	\$34,888	\$712/Unit	\$55,092	\$1,124	4.89%	\$0.74	\$603	\$29,525	\$27,768	\$25,000	\$27,768	\$27,768	\$34,888	\$712	\$0.87	5.78%	-15.4%	(5,363)
Property Insurance	\$34,300	\$0.86 /sf	\$59,791	\$1,220	6.17%	\$0.93	\$760	\$37,240	\$32,000	\$32,000	\$32,000	\$32,000	\$37,240	\$760	\$0.93	6.17%	0.0%	-
Property Tax (@ 50%) 2.694440	\$27,324	\$558/Unit	\$20,930	\$427	3.06%	\$0.46	\$377	\$18,485	\$45,661	\$34,000	\$45,661	\$48,099	\$20,930	\$427	\$0.52	3.47%	-11.7%	(2,445)
Reserve for Replacements					2.03%	\$0.31	\$250	\$12,250	\$9,750	\$9,750	\$9,750	\$9,750	\$12,250	\$250	\$0.31	2.03%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.28%	\$0.04	\$34	\$1,680	\$1,560	\$1,560	\$1,560	\$1,560	\$1,680	\$34	\$0.04	0.28%	0.0%	-
TOTAL EXPENSES					49.30%	\$7.45	\$6,072	\$297,505	\$261,282	\$244,666	\$251,948	\$260,061	\$305,664	\$6,238	\$7.65	50.65%	-2.7%	\$ (8,159)
NET OPERATING INCOME ("NOI")					50.70%	\$7.66	\$6,245	\$306,002	\$177,290	\$176,745	\$169,464	\$178,511	\$297,843	\$6,078	\$7.46	49.35%	2.7%	\$ 8,159

CONTROLLABLE EXPENSES							\$4,034/Unit												\$4,151/Unit
------------------------------	--	--	--	--	--	--	--------------	--	--	--	--	--	--	--	--	--	--	--	--------------

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Lofts at Birdwell, Big Spring, 9% HTC #25271

DEBT / GRANT SOURCES																			
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE										
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	SHTC Amendment	ORIGINAL UNDERWRITING		SHTC Amendment	Principal	Term	Amort	Rate	Pmt	Cumulative	
		Applicant	Applicant						TDHCA	TDHCA	DCR	LTC							
M&T Realty Capital Corporation		1.13	1.16	262,702	6.83%	40	15	\$3,594,000	\$2,000,000	\$1,715,000	\$1,715,000	\$2,000,000	\$3,594,000	15	40	6.83%	\$262,702	1.16	25.3%
				\$262,702	TOTAL DEBT / GRANT SOURCES			\$3,594,000	\$2,000,000	\$1,715,000	\$1,715,000	\$2,000,000	\$3,594,000	TOTAL DEBT SERVICE			\$262,702	1.16	25.3%
NET CASH FLOW		\$35,141	\$43,300	APPLICANT NET OPERATING INCOME										\$306,002	\$43,300	NET CASH FLOW			

EQUITY SOURCES																
APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE									
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	SHTC Amendment	ORIGINAL UNDERWRITING		SHTC Amendment	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
						Applicant	Applicant	TDHCA	TDHCA							Total Developer Fee:
PNC	LIHTC Equity	65.1%	\$1,125,000	\$0.82	\$9,224,078	\$9,336,566	\$8,774,123	\$8,774,123	\$9,336,566	\$9,224,078	\$0.82	\$1,125,000	65.1%	\$22,959	Applicant Request	
PNC	SHTC Equity	3.1%	\$80,000	\$0.55	\$439,956	\$479,952	\$0	\$0	\$479,952	\$439,956	\$0.55	\$80,000	3.1%			
Lofts at Birdwell Development, LLC	Deferred Developer Fees	6.5%	(43% Deferred)		\$927,022	\$163,799	\$680,756	\$680,756	\$145,617	\$920,667	(43% Deferred)		6.5%			
TOTAL EQUITY SOURCES		74.7%			\$10,591,056	\$9,980,317	\$9,454,879	\$9,454,879	\$9,962,135	\$10,584,701			74.7%			
TOTAL CAPITALIZATION					\$14,185,056	\$11,980,317	\$11,169,879	\$11,169,879	\$11,962,135	\$14,178,701	15-Yr Cash Flow after Deferred Fee:				\$81,622	

DEVELOPMENT COST / ITEMIZED BASIS																		
APPLICANT COST / BASIS ITEMS					SHTC			ORIGINAL UNDERWRITING			SHTC			TDHCA COST / BASIS ITEMS			COST VARIANCE	
Eligible Basis	Acquisition	New Const. Rehab	Total Costs		SHTC Amendment	ORIGINAL UNDERWRITING		SHTC Amendment	Total Costs	Eligible Basis	New Const. Rehab	Acquisition	%	\$				
					Applicant	Applicant	TDHCA	TDHCA										
Land Acquisition			\$10,306 / Unit	\$505,000	\$500,000	\$460,945	\$460,945	\$500,000	\$505,000	\$10,306 / Unit				0.0%	\$0			
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$0	\$0	\$0	\$0	\$ / Unit		\$0		0.0%	\$0			
Closing costs & acq. legal fees				\$15,555	\$0	\$0	\$0	\$0	\$15,555					0.0%	\$0			
Off-Sites		\$0	\$5,102 / Unit	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$5,102 / Unit	\$0			0.0%	\$0			
Site Work		\$1,216,559	\$25,034 / Unit	\$1,226,653	\$1,485,000	\$1,485,000	\$1,485,000	\$1,485,000	\$1,225,700	\$25,014 / Unit	\$1,216,559			0.1%	\$953			
Site Amenities		\$593,256	\$12,313 / Unit	\$603,348	\$136,738	\$100,000	\$100,000	\$136,378	\$603,348	\$12,313 / Unit	\$593,256			0.0%	\$0			
Building Cost		\$4,991,804	\$125.01 /sf	\$101,874/Unit	\$4,991,804	\$3,895,029	\$3,690,211	\$3,744,733	\$3,822,482	\$4,992,756	\$101,893/Unit	\$125.04 /sf	\$4,992,756	0.0%	(\$952)			
Contingency		\$501,381	7.37%	7.09%	\$501,381	\$386,174	\$366,640	\$366,640	\$386,174	\$495,026	7.00%	7.00%	\$476,180	1.3%	\$6,355			
Contractor Fees		\$955,752	13.09%	12.62%	\$955,752	\$879,594	\$824,859	\$824,859	\$851,255	\$955,752	12.63%	13.13%	\$955,752	0.0%	\$0			
Soft Costs	\$0	\$1,401,834	\$29,119 / Unit	\$1,426,834	\$1,116,934	\$924,500	\$924,500	\$1,116,934	\$1,426,834	\$29,119 / Unit	\$1,401,834	\$0		0.0%	\$0			
Financing	\$0	\$1,045,224	\$26,275 / Unit	\$1,287,463	\$1,364,381	\$1,157,770	\$1,157,770	\$1,364,381	\$1,287,463	\$26,275 / Unit	\$1,045,224	\$0		0.0%	\$0			
Developer Fee	\$0	\$2,141,162	20.00%	19.51%	\$2,141,162	\$1,761,256	\$1,721,882	\$1,721,882	\$1,761,256	\$2,141,162	19.52%	20.00%	\$2,136,108	\$0	\$0			
Reserves			6 Months	\$280,104	\$205,211	\$188,072	\$188,072	\$205,211	\$280,104	6 Months				0.0%	\$0			
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)				\$0	\$12,846,972	\$289,491 / Unit	\$14,185,056	\$11,980,317	\$11,169,879	\$11,224,401	\$11,879,431	\$14,178,700	\$289,361 / Unit	\$12,817,669	\$0	0.0%	\$6,356	
Acquisition Cost	\$0			\$0	\$0	\$0	\$0	\$0	\$0									
Contingency		(\$25,268)		(\$6,355)	\$0	\$0	\$0	\$0	\$0									
Contractor's Fee		\$0		\$0	(\$18,182)	\$0	\$0	\$0	\$0									
Financing Cost		\$0		\$0	\$0	\$0	\$0	\$0	\$0									
Developer Fee	\$0	(\$5,054)	20.00%	\$0	\$0	\$0	\$0	\$0	\$0									
Reserves		\$0		\$0	\$0	\$0	\$0	\$0	\$0									
ADJUSTED BASIS / COST				\$0	\$12,816,651	\$289,361/unit	\$14,178,701	\$11,962,135	\$11,169,879	\$11,224,401	\$11,879,431	\$14,178,700	\$289,361/unit	\$12,817,669	\$0	0.0%	\$1	
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):							\$14,178,701											

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Lofts at Birdwell, Big Spring, 9% HTC #25271

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$12,816,651	\$0	\$12,817,669
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$12,816,651	\$0	\$12,817,669
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$16,661,646	\$0	\$16,662,970
Applicable Fraction	84.91%	84.91%	85%	85%
TOTAL QUALIFIED BASIS	\$0	\$14,146,751	\$0	\$14,147,876
Applicable Percentage	9.00%	9.00%	9.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,273,208	\$0	\$1,273,309
CREDITS ON QUALIFIED BASIS	\$1,273,208		\$1,273,309	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price	Variance to Request	
			\$0.8199	Credits	Proceeds
Eligible Basis	\$1,273,208	\$10,439,259	----	----	----
Needed to Fill Gap	\$1,237,288	\$10,144,745	----	----	----
Applicant Reques	\$1,125,000	\$9,224,078	\$1,125,000	\$0	\$0

Long-Term Pro Forma

Lofts at Birdwell, Big Spring, 9% HTC #25271

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	\$603,507	\$615,577	\$627,889	\$640,446	\$653,255	\$721,247	\$796,315	\$879,196	\$970,703	\$1,071,735	\$1,183,282
TOTAL EXPENSES	3.00%	\$297,505	\$306,128	\$315,004	\$324,141	\$333,545	\$384,867	\$444,176	\$512,724	\$591,961	\$683,567	\$789,484
NET OPERATING INCOME ("NOI")		\$306,002	\$309,449	\$312,884	\$316,306	\$319,711	\$336,380	\$352,139	\$366,472	\$378,742	\$388,168	\$393,798
EXPENSE/INCOME RATIO		49.3%	49.7%	50.2%	50.6%	51.1%	53.4%	55.8%	58.3%	61.0%	63.8%	66.7%
MUST -PAY DEBT SERVICE												
M&T Realty Capital Corporation		\$262,702	\$262,702	\$262,702	\$262,702	\$262,702	\$262,702	\$262,702	\$262,702	\$262,702	\$262,702	\$262,702
TOTAL DEBT SERVICE		\$262,702	\$262,702	\$262,702	\$262,702	\$262,702	\$262,702	\$262,702	\$262,702	\$262,702	\$262,702	\$262,702
DEBT COVERAGE RATIO		1.16	1.18	1.19	1.20	1.22	1.28	1.34	1.40	1.44	1.48	1.50
ANNUAL CASH FLOW		\$43,300	\$46,747	\$50,182	\$53,604	\$57,009	\$73,678	\$89,437	\$103,770	\$116,040	\$125,466	\$131,096
Deferred Developer Fee Balance		\$877,368	\$830,621	\$780,439	\$726,835	\$669,827	\$334,502	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$81,622	\$572,492	\$1,129,119	\$1,738,910	\$2,384,862



March 26, 2026

Via Email

Jonathan Chilson, Asset Manager (Region 12) – jonathan.chilson@tdhca.texas.gov

Texas Department of Housing and Community Affairs
221 E 11th Street
Austin, Texas 78701

Re: Material Amendment;
TDHCA Application #25271 – Lofts at Birdwell, Big Spring, Texas;

Dear Mr. Chilson,

On behalf of Lofts at Birdwell, LLC (the “Company”), we are writing to notify the Texas Department Housing and Community Affairs (the “Department”) of a material amendment request for the Company. We are requesting the following changes to the Company’s 2025 9% LIHTC application:

- Updating the development owner to Lofts at Birdwell, LP (the “Owner”);
- Admitting CHDC Lofts at Birdwell GP, LLC as the new general partner of the Owner;
- Admitting Crossroads Housing Development Corporation as the sole member of the general partner to obtain a 50% property tax exemption;
- Moving G2 Equity, Inc. over to a 90% owner of the newly formed Lofts at Birdwell SLP, LLC entity (the “SLP”);
- Admitting Jonathan Estrada as a 10% owner of the developer and SLP entities as sole member of LIHTC Wiz, LLC;
- Removing BETCO Consulting, LLC from both the Owner and developer entities;
- Adding Paul Stell as a guarantor;
- Updates to the site plan which combined all residential buildings into one building which includes the leasing office and all indoor common areas;
- Increase in total number of 2-bedroom units from 27 to 37, bringing the total units to 49. Three of the additional 2-bedroom units will be affordable at 60% AMI rent and income restrictions, and the remaining seven additional units will be market rate;
- Increase total parking spaces from 89 to 92;
- Increase in the total NRA from 31,167 SF to 39,930, an increase of 28.12%;
- Increase in total common area from 6,643 SF to 8,170 SF; an increase of 22.98%;
- Updates to the financial exhibits (Tabs 24 – 31, and 35) to account for the changes in costs, interest rates, loan amounts, and equity pricing.

The reason for the material amendment is the result of value engineering to minimize/mitigate costs associated with detention/retention requirements and additional retainage walls that would have been required for topographic concerns, as well as to accommodate feedback from the City of Big Spring on the need and desire for additional market rate units. The changes in the Org Chart are to maintain financial feasibility with the 50% property tax exemption, as well as including an additional guarantor to meet REO experience requirements requested by the investor. Included in our request are copies of the pre and post transfer Org Charts (Tab 37), additional previous participation review forms (Tab 39), formation documents



for all newly created entities, updated architectural package (Tab 22), Tabs 23, 23a-c, and updated financial Tabs 24, 26, 27, 28, 29, 30, 31, and 35 LOIs. Changes in operating expenses reflected on Tab 26 include an increase in property management fees to 5%, updates from increased unit counts, and the 50% property tax exemption.

If you have any questions or would like to discuss these items further, please do not hesitate to contact me directly at (512) 785-3710 or via email at lora@betcohousinglab.com any time.

Sincerely,

Lora Myrick, Principal
BETCO Consulting, LLC

CC: Michael Beard, Rosalio Banuelos, Ronnie Gyani, Jonathan Estrada, Josh Goldberger

LOFTS AT BIRDWELL

BIG SPRING, HOWARD COUNTY, TEXAS

INDEX TO DRAWINGS

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AP1	BUILDING & UNIT MATRIX
AP2	PROPOSED SITE PLAN
AP3	FIRST FLOOR BUILDING PLAN
AP4	SECOND FLOOR BUILDING PLAN
AP5	THIRD FLOOR BUILDING PLAN
AP6	COMMON AREA PLANS
AP7	1-BK UNIT PLANS
AP8	2-BK UNIT PLANS
AP9	EXTERIOR BUILDING ELEVATIONS
AP10	SAMPLE EXTERIOR RENDERINGS

SAMPLE EXTERIOR RENDERING



PROJECT LOCATION



MARCH 2026

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LOFTS AT BIRDWELL
BIG SPRING, HOWARD COUNTY, TEXAS

AP0

NET RENTABLE AREA (NRA) - MEASURED TO THE OUTSIDE OF THE STUDS OF A UNIT OR TO THE MIDDLE OF WALLS IN COMMON WITH OTHER UNITS									
UNIT LABEL	BEDROOM(S) PER UNIT		NRA PER UNIT	BUILDING / LEVEL IDENTIFICATION			TOTAL NUMBER OF LEVEL(S)		
	BATHROOM(S) PER UNIT	"A"			(3)				
		FIRST		SECOND			THIRD		
		NUMBER OF UNIT(S) PER FLOOR			NUMBER OF UNIT(S) PER UNIT TYPE	RESIDENTIAL AREA PER UNIT TYPE:			
						TOTAL NRA			
(12) 1-BR UNIT(S) 24%									
TYP. 1-BR-A	1	1	609 SF	-	3	3	6	3,904 SF	
FHA 1-BR-A	1	1	659 SF	1	-	-	1	659 SF	
TYP. 1-BR-B	1	1	714 SF	-	1	1	2	1,428 SF	
FHA HEARING/VISUAL 1-BR-B	1	1	714 SF	1	-	-	1	714 SF	
ADA 1-BR-A	1	1	659 SF	2	-	-	2	1,318 SF	
(37) 2-BR UNIT(S) 76%									
TYP. 2-BR-A	2	2	861 SF	-	12	12	24	20,664 SF	
FHA 2-BR-A	2	2	861 SF	9	-	-	9	7,749 SF	
TYP. 2-BR-B	2	2	861 SF	-	1	1	2	1,722 SF	
FHA 2-BR-B	2	2	861 SF	1	-	-	1	861 SF	
ADA 2-BR-A	2	2	861 SF	1	-	-	1	861 SF	
TOTAL NUMBER OF UNITS PER FLOOR:				16	17	17			
TOTAL NRA PER FLOOR:				12,162 SF	15,684 SF	15,684 SF	49	39,930 SF	
NON-RESIDENTIAL AREA:								TOTAL	
BREEZEWAY AREA PER FLOOR:				2,345 SF	2,345 SF	2,001 SF		6,691 SF	
COMMON AREA - ACCESSIBLE TO TENANTS AREA PER FLOOR:				1,479 SF	-	-		1,479 SF	
UTILITY CLOSET - RESTRICTED TO EMPLOYEES AREA PER FLOOR:				304 SF	-	-		304 SF	
RESIDENTIAL BUILDING(S)		TOTAL RESIDENTIAL AREA:					39,930 SF		
		TOTAL NON-RESIDENTIAL AREA:					8,474 SF		
		RESIDENTIAL BUILDING(S) TOTAL AREA:					48,404 SF		
		TOTAL DEVELOPMENT AREA:					48,404 SF		

MARCH 2026



LOFTS AT BIRDWELL
BIG SPRING, HOWARD COUNTY, TEXAS
AP1

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TABLE 1: UNITS PER BUILDING TYPE

UNIT LABEL	NRA PER UNIT TYPE	BUILDING / LEVEL IDENTIFICATION			TOTAL NUMBER OF UNITS PER UNIT TYPE
		"A"			
		FIRST	SECOND	THIRD	
NUMBER OF UNIT(S) PER FLOOR					
TYP. 1-BR-A	659 SF	-	3	3	6
FHA 1-BR-A	659 SF	1	-	-	1
TYP. 1-BR-B	714 SF	-	1	1	2
FHA HEARING/VISUAL 1-BR-B	714 SF	1	-	-	1
ADA 1-BR-A	659 SF	2	-	-	2
TYP. 2-BR-A	861 SF	-	12	12	24
FHA 2-BR-A	861 SF	9	-	-	9
TYP. 2-BR-B	861 SF	-	1	1	2
FHA 2-BR-B	861 SF	1	-	-	1
ADA 2-BR-A	861 SF	1	-	-	1
TOTAL NUMBER OF UNITS PER FLOOR:		15	17	17	49

TABLE 2: REQUIRED ACCESSIBLE UNITS

UNIT TYPE	IN COMPLIANCE WITH	BUILDING / LEVEL IDENTIFICATION			TOTAL
		FIRST	SECOND	THIRD	
ADA 1-BR	ADA / MOBILITY	2	-	-	2
FHA / HV 1-BR	HEARING/VISUAL	1	-	-	1
ADA 2-BR	ADA / MOBILITY	1	-	-	1
MOBILITY UNITS REQUIRED (49 X 5% = 2.45)					
MOBILITY UNITS PROVIDED = 3					
HEARING/VISUAL UNITS REQUIRED (49 X 2% = 0.98)					
HEARING/VISUAL UNITS PROVIDED = 1					

UNIT TYPE LEGEND

FHA = FAIR HOUSING ACT
 ADA = AMERICANS WITH DISABILITIES ACT
 HV = HEARING/VISUAL

TABLE 3: SQUARE FOOT CALCULATIONS PER BUILDING

NOTE: SQUARE FOOT CALCULATIONS ARE MEASURED FROM OUT TO OUTSIDE FACE OF STUD TO CENTERLINE OF UNIT PARTITION

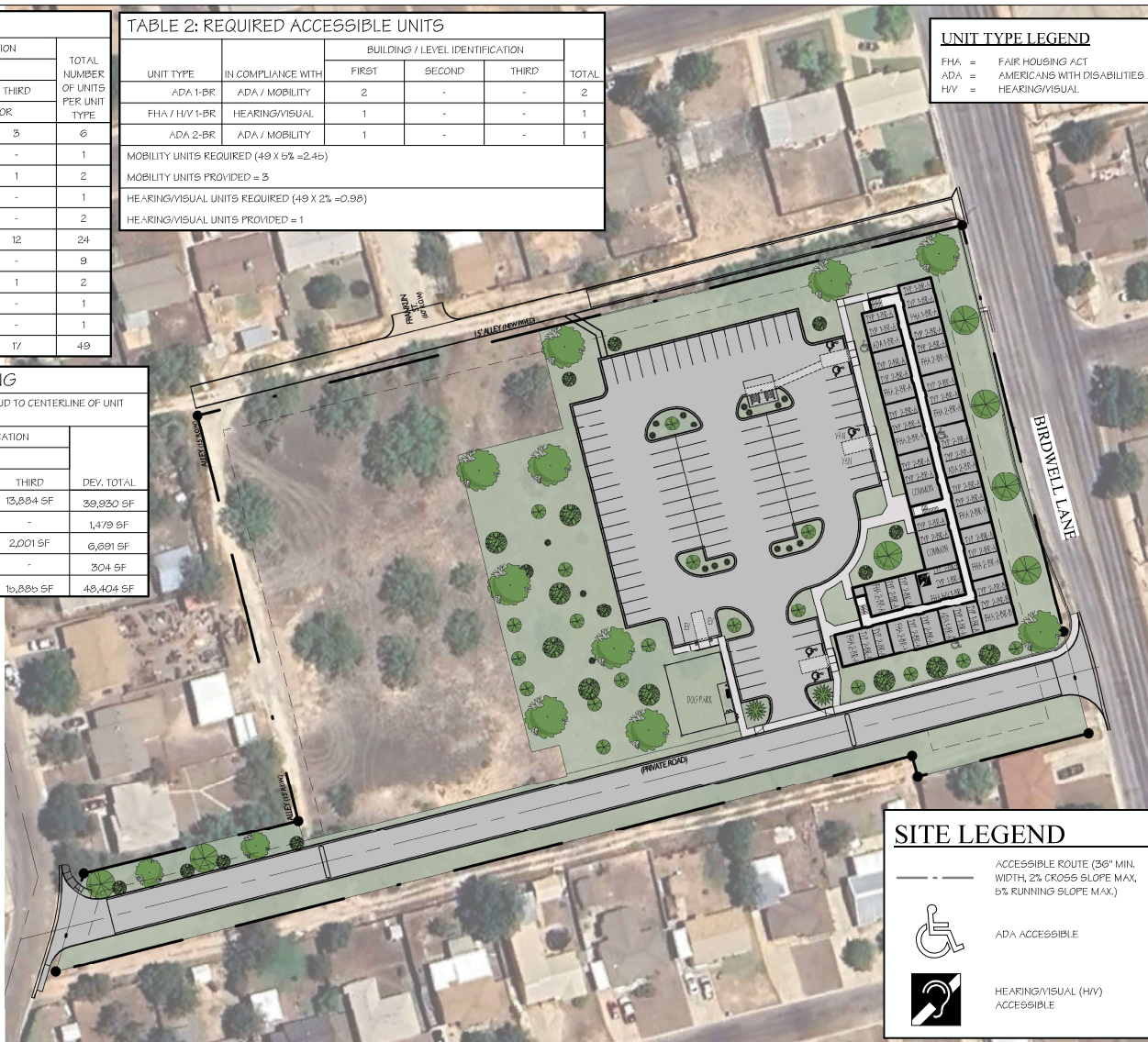
AREA TYPE	BUILDING / LEVEL IDENTIFICATION			DEV. TOTAL
	"A"			
	FIRST	SECOND	THIRD	
TOTAL NRA	12,162 SF	13,884 SF	13,884 SF	39,930 SF
COMMON AREA - ACCESSIBLE TO TENANT(S)	1,479 SF	-	-	1,479 SF
BREEZEWAY(S)	2,345 SF	2,345 SF	2,001 SF	6,691 SF
UTILITY CLOSETS - RESTRICTED TO EMPLOYEE(S)	304 SF	-	-	304 SF
TOTAL BUILDING AREA PER BUILDING:	16,290 SF	16,229 SF	15,885 SF	48,404 SF

TABLE 4: PARKING PROVIDED

NOTE: ALL PARKING PROVIDED IS UNCOVERED	
TYPE	QUANTITY
STANDARD SPACE(S)	85
STANDARD ACCESSIBLE SPACE(S)	5
VAN ACCESSIBLE SPACE(S)	2
TOTAL PARKING PROVIDED:	92
LOCAL PARKING REQUIREMENTS:	(15) SPACE(S) PER 1-BR UNIT (2) SPACE(S) PER 2-BR UNIT
PARKING PROVIDED MEETS ZONING REQUIREMENT	

SITE INFORMATION

LAND AREA:	+/- 3.429 ACRE(S)
EXISTING USE:	VACANT
CURRENT ZONING:	MULTIFAMILY DWELLING
PROPOSED USE:	MULTIFAMILY APARTMENTS
DETENTION/RETENTION POND:	NO DETENTION/RETENTION POND EXISTS
FLOOD PLAIN:	FLOOD ZONE X, NO MITIGATION REQUIRED
NOTE: DEVELOPMENT WILL BE BUILT IN ACCORDANCE WITH TDHCA'S FLOODPLAIN REQUIREMENTS	



SITE LEGEND

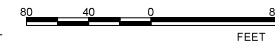
--- ACCESSIBLE ROUTE (36" MIN. WIDTH, 2% CROSS SLOPE MAX, 5% RUNNING SLOPE MAX.)

ADA ACCESSIBLE

HEARING/VISUAL (HV) ACCESSIBLE

PROPOSED SITE PLAN

SCALE: 1" = 80'-0"



MARCH 2026



LOFTS AT BIRDWELL
 BIG SPRING, HOWARD COUNTY, TEXAS

AP2

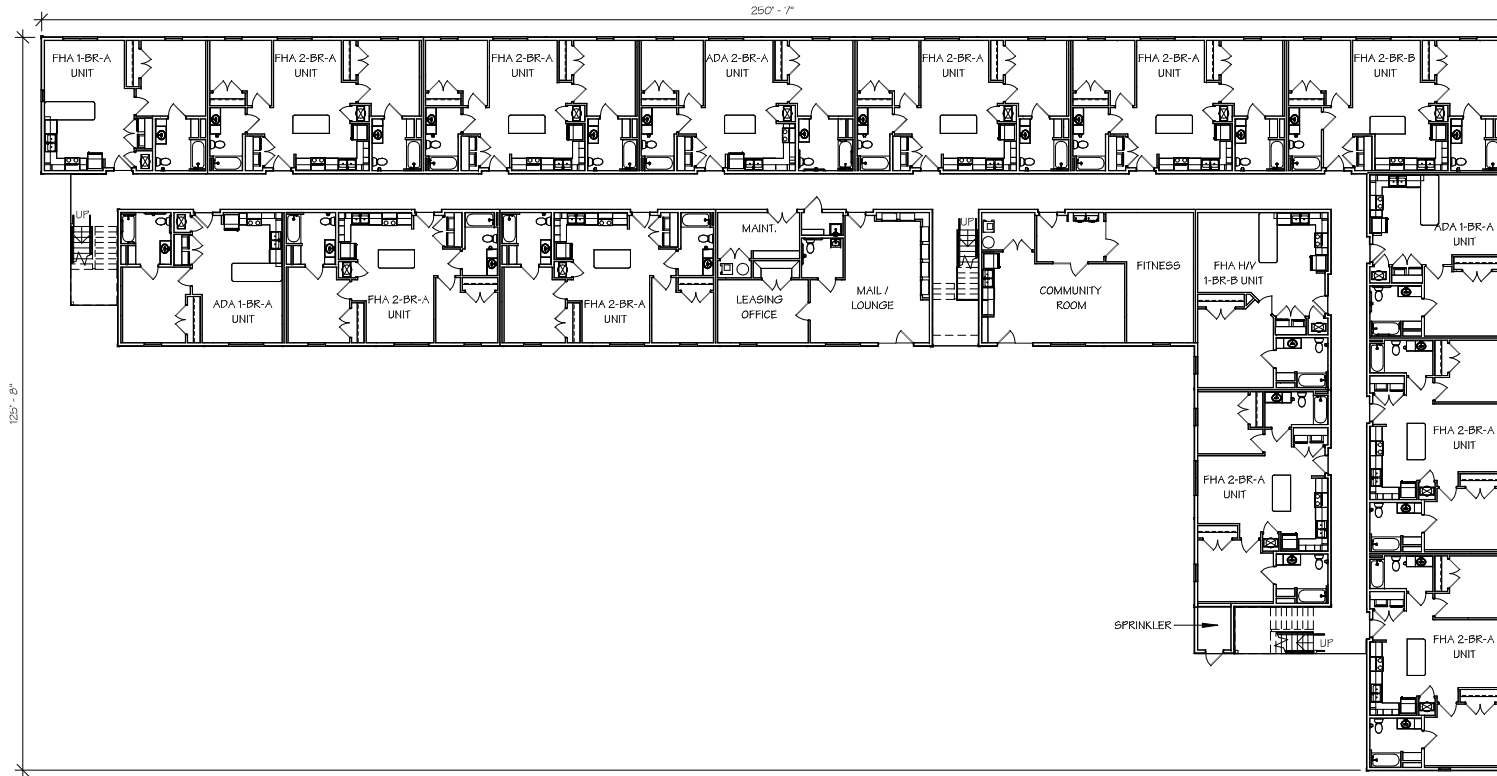
TABLE 3: SQUARE FOOT CALCULATIONS PER BUILDING

NOTE: SQUARE FOOT CALCULATIONS ARE MEASURED FROM OUT TO OUTSIDE FACE OF STUD TO CENTERLINE OF UNIT PARTITION

AREA TYPE	BUILDING / LEVEL IDENTIFICATION			DEV. TOTAL
	"A"			
	FIRST	SECOND	THIRD	
TOTAL NRA	12,162 SF	13,884 SF	13,884 SF	39,930 SF
COMMON AREA - ACCESSIBLE TO TENANT(S)	1,479 SF	-	-	1,479 SF
BREEZEWAY(S)	2,345 SF	2,345 SF	2,001 SF	6,691 SF
UTILITY CLOSETS - RESTRICTED TO EMPLOYEE(S)	304 SF	-	-	304 SF
TOTAL BUILDING AREA PER BUILDING:	16,290 SF	16,229 SF	15,885 SF	48,404 SF

UNIT TYPE LEGEND

- FHA = FAIR HOUSING ACT
- ADA = AMERICANS WITH DISABILITIES ACT
- HV = HEARING/VISUAL



FIRST FLOOR BUILDING PLAN

SCALE: 3/8" = 1'-0"

MARCH 2026



LOFTS AT BIRDWELL
BIG SPRING, HOWARD COUNTY, TEXAS

AP3

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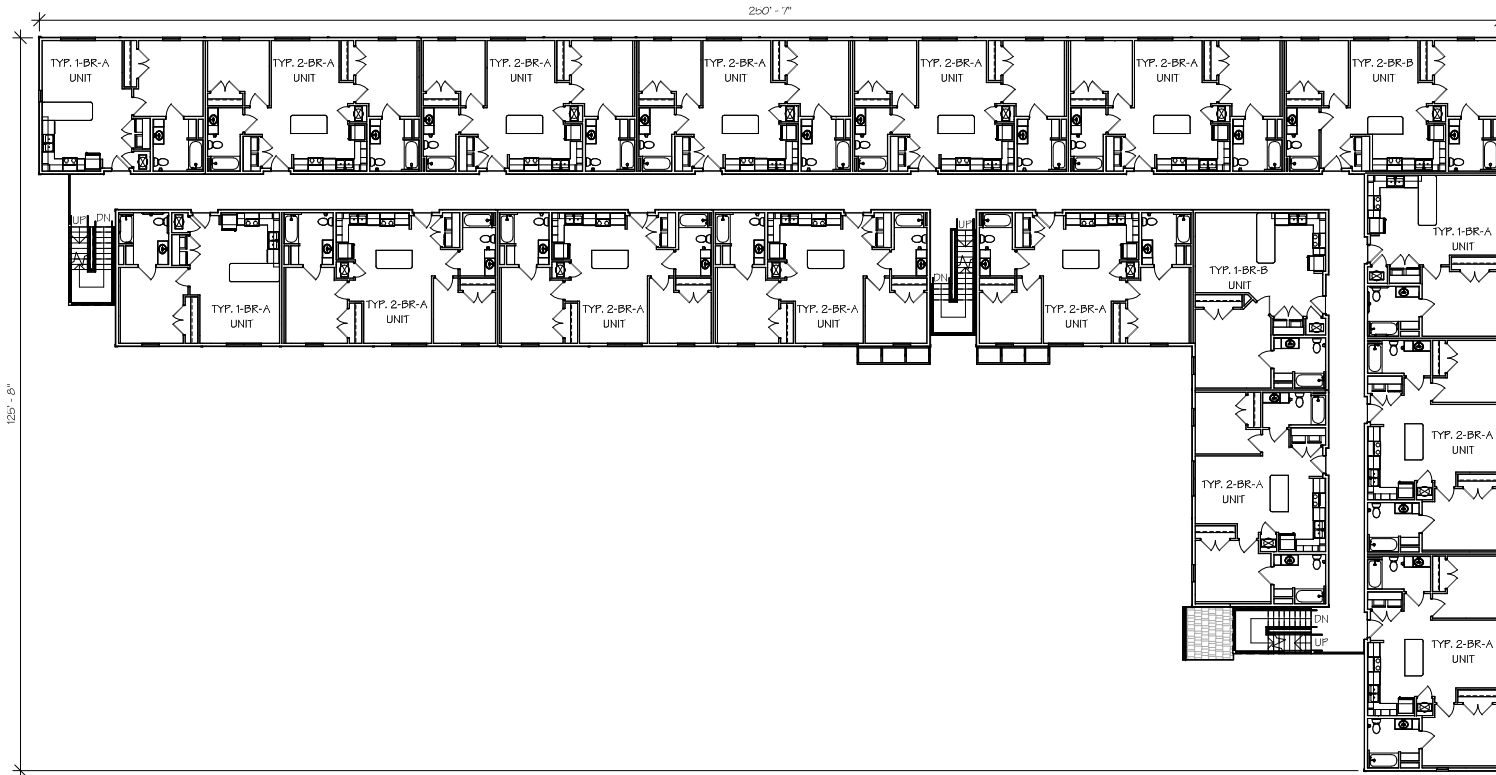
TABLE 3: SQUARE FOOT CALCULATIONS PER BUILDING

NOTE: SQUARE FOOT CALCULATIONS ARE MEASURED FROM OUT TO OUTSIDE FACE OF STUD TO CENTERLINE OF UNIT PARTITION

AREA TYPE	BUILDING / LEVEL IDENTIFICATION			DEV. TOTAL
	"A"			
	FIRST	SECOND	THIRD	
TOTAL NRA	12,162 SF	13,884 SF	13,884 SF	39,930 SF
COMMON AREA - ACCESSIBLE TO TENANT(S)	1,479 SF	-	-	1,479 SF
BREEZEWAY(S)	2,345 SF	2,345 SF	2,001 SF	6,691 SF
UTILITY CLOSETS - RESTRICTED TO EMPLOYEE(S)	304 SF	-	-	304 SF
TOTAL BUILDING AREA PER BUILDING:	16,290 SF	16,229 SF	15,885 SF	48,404 SF

UNIT TYPE LEGEND

- FHA = FAIR HOUSING ACT
- ADA = AMERICANS WITH DISABILITIES ACT
- HV = HEARING/VISUAL



SECOND FLOOR BUILDING PLAN

SCALE: 3/8" = 1'-0"

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LOFTS AT BIRDWELL
BIG SPRING, HOWARD COUNTY, TEXAS

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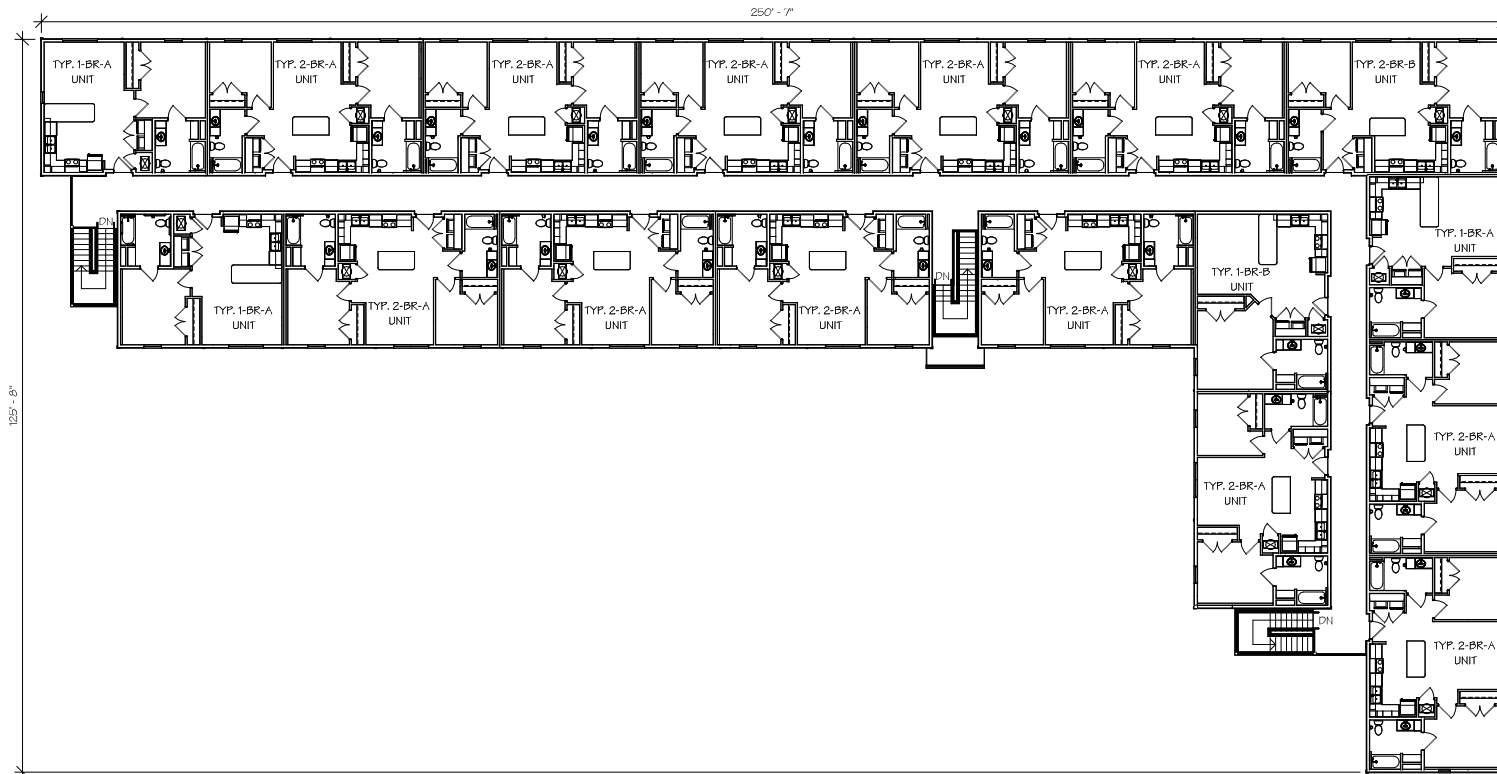
TABLE 3: SQUARE FOOT CALCULATIONS PER BUILDING

NOTE: SQUARE FOOT CALCULATIONS ARE MEASURED FROM OUT TO OUTSIDE FACE OF STUD TO CENTERLINE OF UNIT PARTITION

AREA TYPE	BUILDING / LEVEL IDENTIFICATION			DEV. TOTAL
	"A"			
	FIRST	SECOND	THIRD	
TOTAL NRA	12,162 SF	13,884 SF	13,884 SF	39,930 SF
COMMON AREA - ACCESSIBLE TO TENANT(S)	1,479 SF	-	-	1,479 SF
BREEZEWAY(S)	2,345 SF	2,345 SF	2,001 SF	6,691 SF
UTILITY CLOSETS - RESTRICTED TO EMPLOYEE(S)	304 SF	-	-	304 SF
TOTAL BUILDING AREA PER BUILDING:	16,290 SF	16,229 SF	15,885 SF	48,404 SF

UNIT TYPE LEGEND

- FHA = FAIR HOUSING ACT
- ADA = AMERICANS WITH DISABILITIES ACT
- HV = HEARING/VISUAL



THIRD FLOOR BUILDING PLAN

SCALE: 3/64" = 1'-0"

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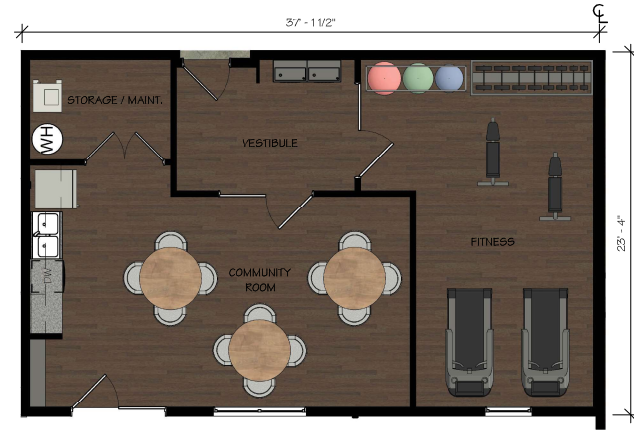
LOFTS AT BIRDWELL
BIG SPRING, HOWARD COUNTY, TEXAS
AP5

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COMMON AREA MATRIX

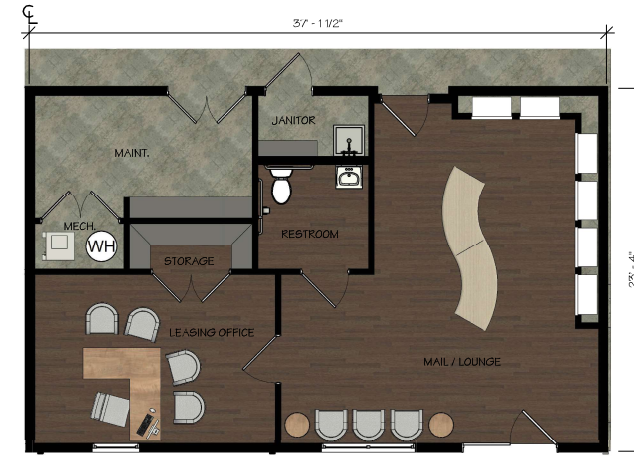
NOTE: SQUARE FOOT CALCULATIONS ARE MEASURED FROM OUTSIDE FACE OF STUD ON EXTERIOR WALLS TO CENTERLINE OF INTERIOR WALLS

SQUARE FOOTAGE ACCESSIBLE TO TENANTS		
DESCRIPTION	CONDITIONED	UNCONDITIONED
COMMUNITY ROOM	378 SF	-
VESTIBULE	105 SF	-
FITNESS	312 SF	-
MAIL / LOUNGE	419 SF	-
LEASING OFFICE	184 SF	-
OFFICE CLOSET	27 SF	-
RESTROOM	54 SF	-
TOTAL CONDITIONED/UNCONDITIONED:	1,479 SF	-
TOTAL COMMON AREA - ACCESSIBLE TO TENANTS:	1,479 SF	
SQUARE FOOTAGE RESTRICTED TO EMPLOYEES		
DESCRIPTION	CONDITIONED	UNCONDITIONED
JANITOR	35 SF	-
MAINTENANCE	125 SF	-
MECH.	21 SF	-
STORAGE / MAINT.	69 SF	-
SPRINKLER	-	54 SF
TOTAL CONDITIONED/UNCONDITIONED:	250 SF	54 SF
TOTAL UTILITY CLOSETS - RESTRICTED TO EMPLOYEES:	304 SF	
TOTAL AREA:	1,783 SF	



COMMON AREA 1 PLAN

SCALE: 1/8" = 1'-0"



COMMON AREA 2 PLAN

SCALE: 1/8" = 1'-0"

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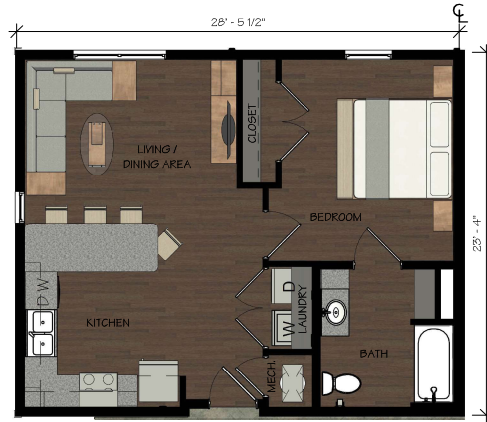


LOFTS AT BIRDWELL
BIG SPRING, HOWARD COUNTY, TEXAS
AP6

UNIT MATRIX

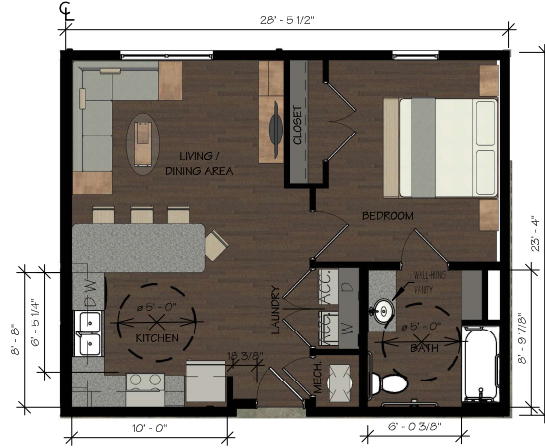
NET RENTABLE AREA (NRA) - MEASURED TO THE OUTSIDE OF THE STUDS OF A UNIT OR TO THE MIDDLE OF WALLS IN COMMON WITH OTHER UNITS

UNIT LABEL	BEDROOM(S) PER UNIT		NRA PER UNIT
	BEDROOM(S) PER UNIT	BATHROOM(S) PER UNIT	
(12) 1-BR UNIT(S) 24%			
TYP. 1-BR-A	1	1	659 SF
FHA 1-BR-A	1	1	659 SF
TYP. 1-BR-B	1	1	714 SF
FHA HEARING/VISUAL 1-BR-B	1	1	714 SF
ADA 1-BR-A	1	1	659 SF
(37) 2-BR UNIT(S) 76%			
TYP. 2-BR-A	2	2	861 SF
FHA 2-BR-A	2	2	861 SF
TYP. 2-BR-B	2	2	861 SF
FHA 2-BR-B	2	2	861 SF
ADA 2-BR-A	2	2	861 SF



FHA /TYP. 1-BR-A UNIT PLAN

SCALE: 1/8" = 1'-0"



ADA 1-BR-A UNIT PLAN

SCALE: 1/8" = 1'-0"



FHA /TYP. 1-BR-B UNIT PLAN

SCALE: 1/8" = 1'-0"

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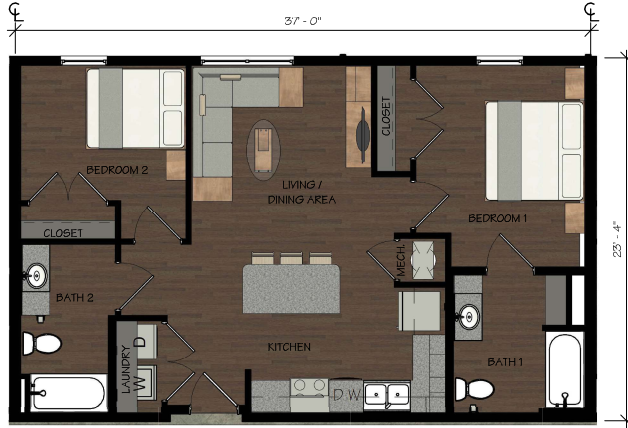
LOFTS AT BIRDWELL
BIG SPRING, HOWARD COUNTY, TEXAS

AP7

UNIT MATRIX

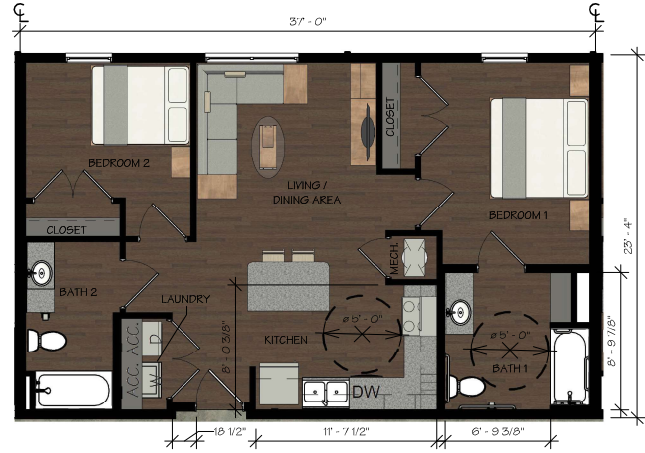
NET RENTABLE AREA (NRA) - MEASURED TO THE OUTSIDE OF THE STUDS OF A UNIT OR TO THE MIDDLE OF WALLS IN COMMON WITH OTHER UNITS

UNIT LABEL	BEDROOM(S) PER UNIT	BATHROOM(S) PER UNIT	NRA PER UNIT
(12) 1-BR UNIT(S) 24%			
TYP. 1-BR-A	1	1	659 SF
FHA 1-BR-A	1	1	659 SF
TYP. 1-BR-B	1	1	714 SF
FHA HEARING/VISUAL 1-BR-B	1	1	714 SF
ADA 1-BR-A	1	1	659 SF
(37) 2-BR UNIT(S) 76%			
TYP. 2-BR-A	2	2	861 SF
FHA 2-BR-A	2	2	861 SF
TYP. 2-BR-B	2	2	861 SF
FHA 2-BR-B	2	2	861 SF
ADA 2-BR-A	2	2	861 SF



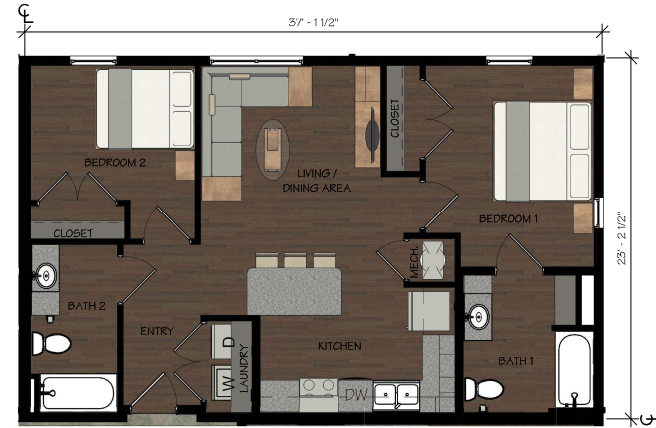
FHA /TYP. 2-BR-A UNIT PLAN

SCALE: 1/8" = 1'-0"



ADA 2-BR-A UNIT PLAN

SCALE: 1/8" = 1'-0"



FHA /TYP. 2-BR-B UNIT PLAN

SCALE: 1/8" = 1'-0"

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LOFTS AT BIRDWELL
BIG SPRING, HOWARD COUNTY, TEXAS

AP8

TOTAL APPROXIMATE BUILDING
EXTERIOR COMPOSITION
SIDING: 100%

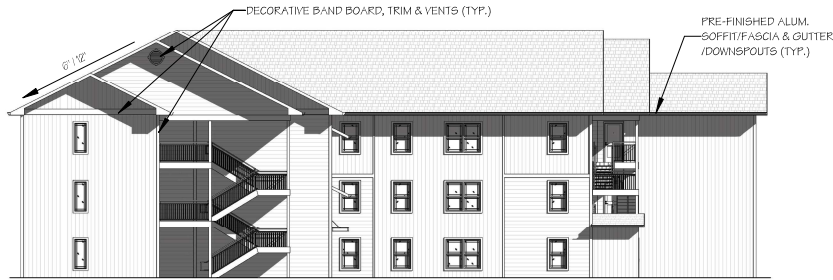
APPROXIMATE BUILDING
EXTERIOR COMPOSITION
SIDING: 100%



BUILDING TYPE "A" FRONT ELEVATION

SCALE: 3/64" = 1'-0"

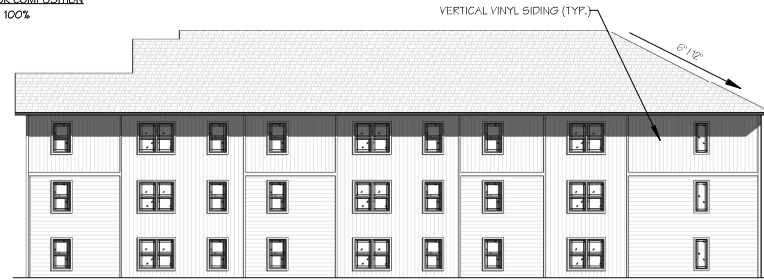
APPROXIMATE BUILDING
EXTERIOR COMPOSITION
SIDING: 100%



BUILDING TYPE "A" LEFT ELEVATION

SCALE: 3/64" = 1'-0"

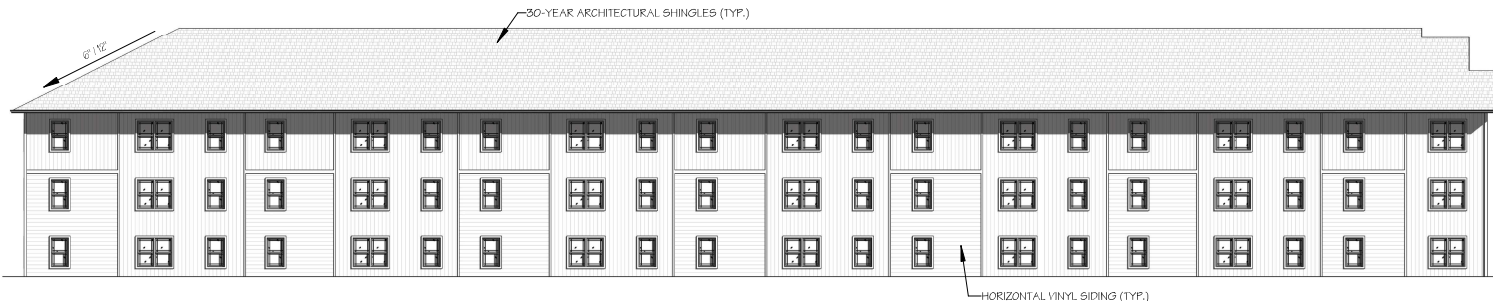
APPROXIMATE BUILDING
EXTERIOR COMPOSITION
SIDING: 100%



BUILDING TYPE "A" RIGHT ELEVATION

SCALE: 3/64" = 1'-0"

APPROXIMATE BUILDING
EXTERIOR COMPOSITION
SIDING: 100%



BUILDING TYPE "A" REAR ELEVATION

SCALE: 3/64" = 1'-0"

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AP9



SAMPLE RESIDENTIAL BUILDING



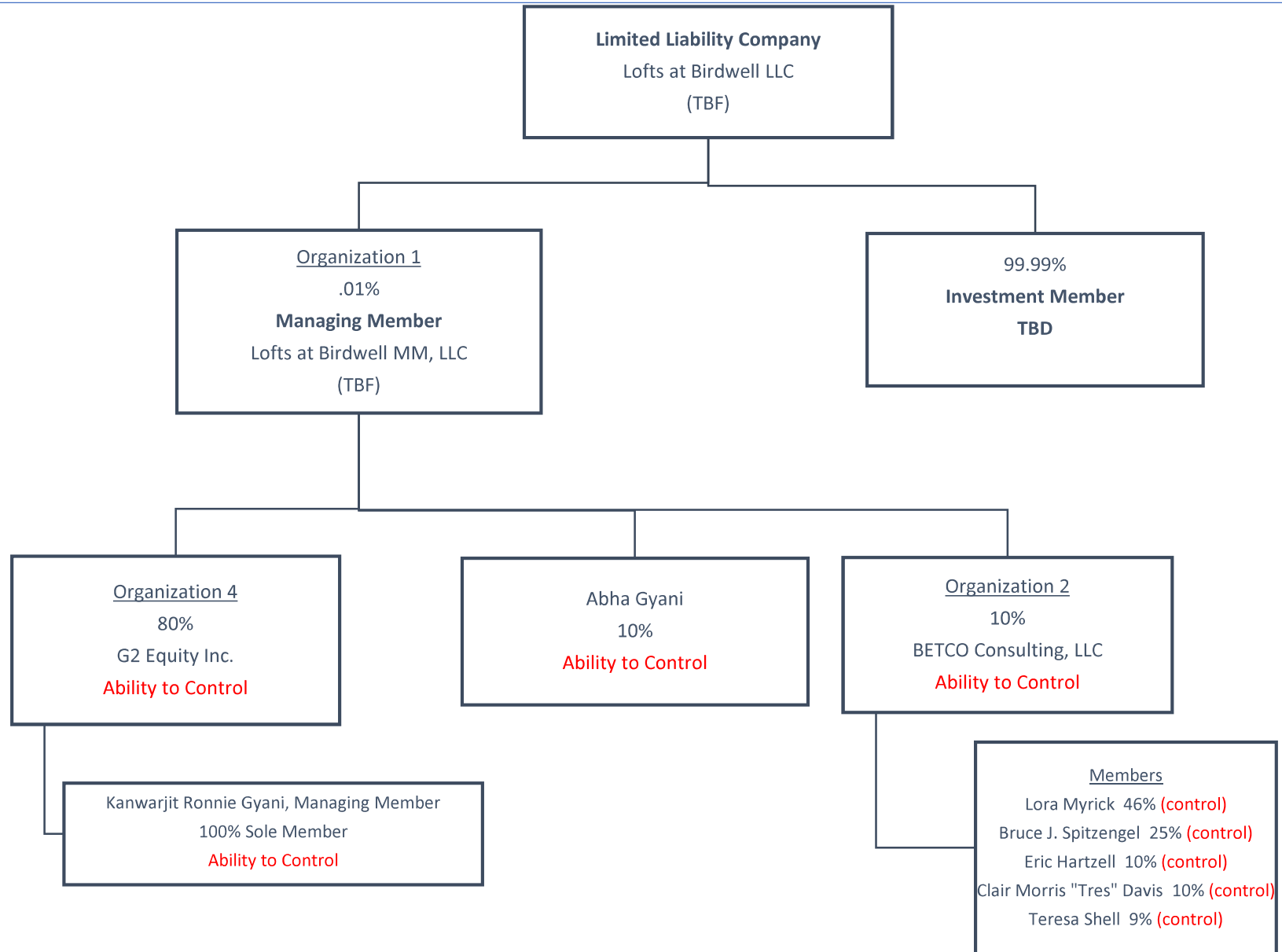
MARCH 2026



LOFTS AT BIRDWELL
BIG SPRING, HOWARD COUNTY, TEXAS
AP10

Organizational Chart
Lofts at Birdwell

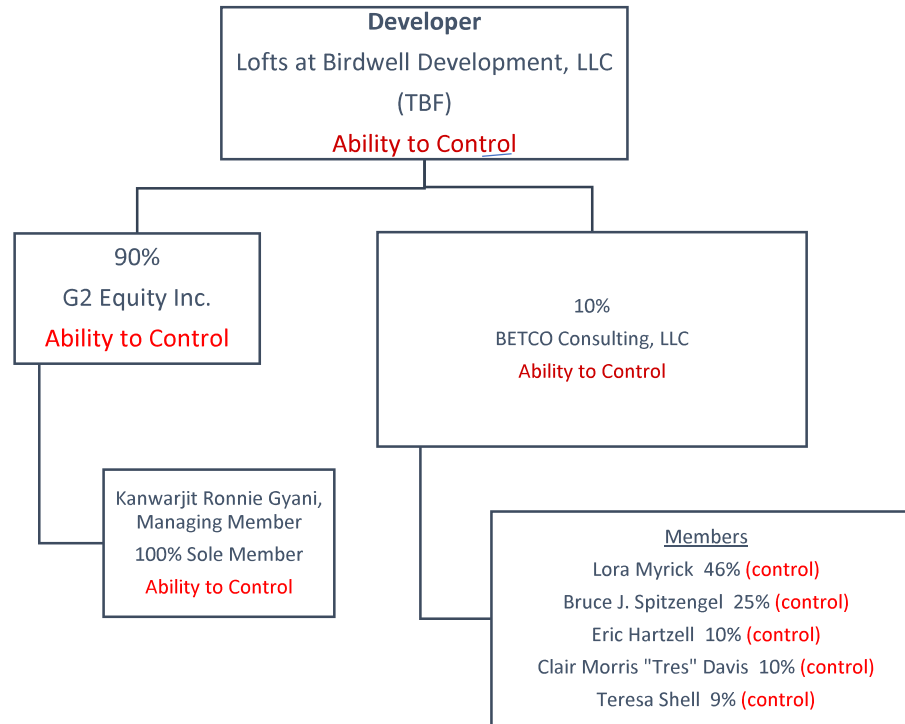
Owner Chart



Organizational Chart
Lofts at Birdwell

Pre-Transfer

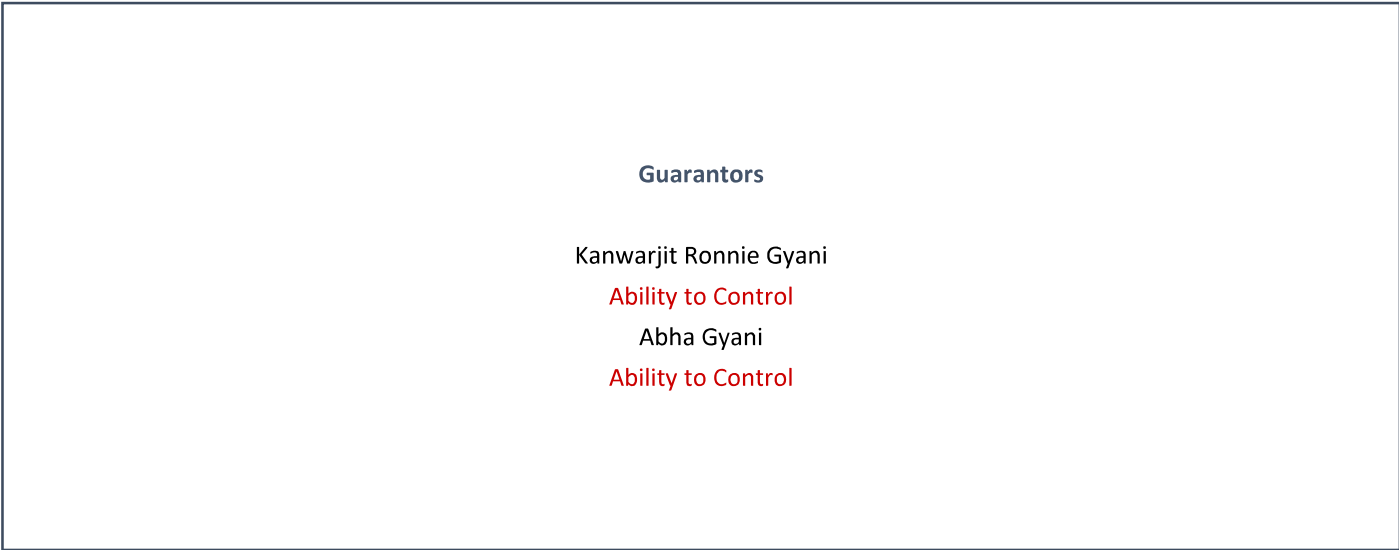
Developer Chart



Organizational Chart
Lofts at Birdwell

Pre-Transfer

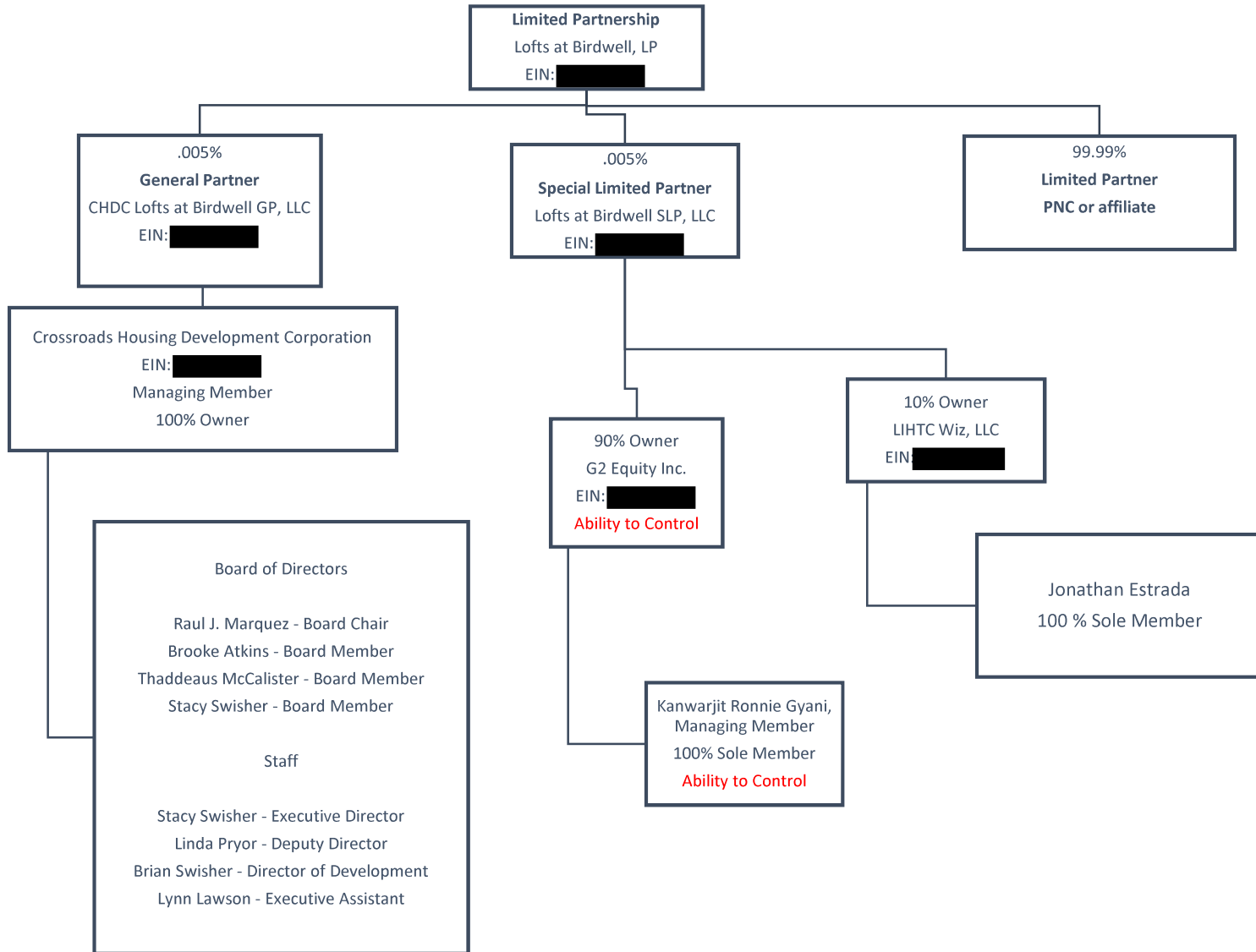
Guarantors Chart



Post Transfer

Organizational Chart Lofts at Birdwell

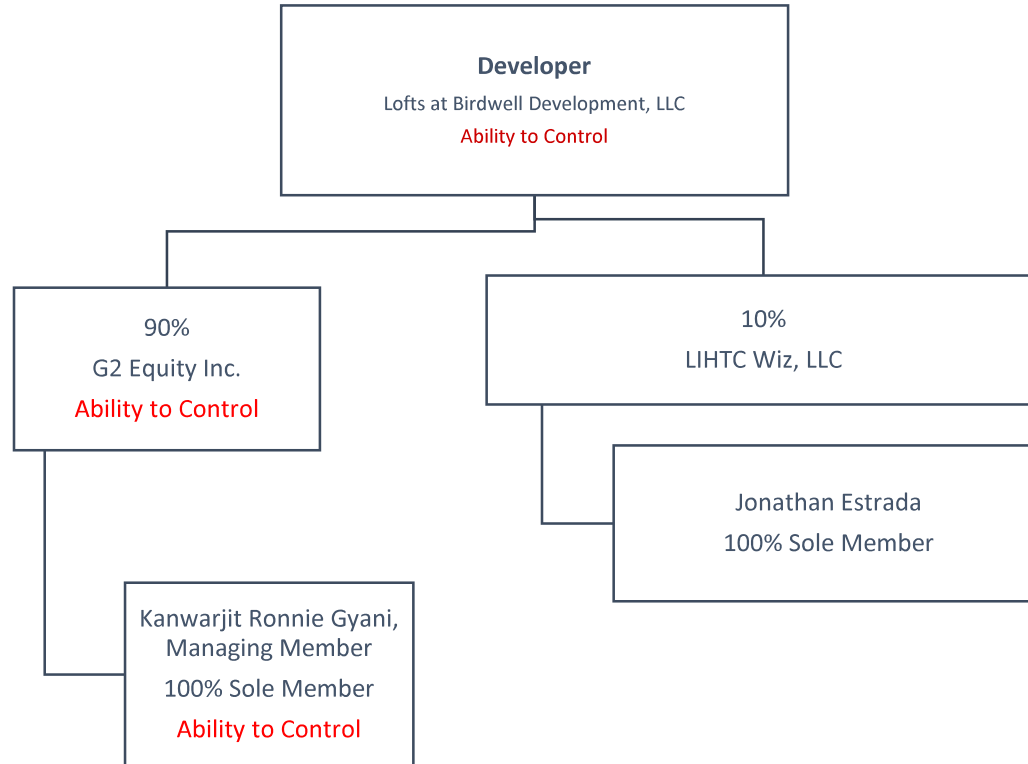
Owner Chart



Organizational Chart
Lofts at Birdwell

Post Transfer

Developer Chart



Guarantors Chart

Guarantors

Kanwarjit Ronnie Gyani

Ability to Control

Paul D. Stell



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1486

Agenda Date: 6/4/2026

Agenda #: 8.

Presentation, discussion, and possible action regarding an increase to the Housing Tax Credit amount for The Henderson at Reinli (HTC #21429)

RECOMMENDED ACTION

WHEREAS, The Henderson at Reinli (the Development) received a 4% Housing Tax Credit (HTC) award in 2021 for the new construction of 306 units for the general population in Austin, Travis County;

WHEREAS, construction of the Development has been completed, and due to increased development costs, LDG The Henderson on Reinli, LP (the Development Owner or Owner) requests, at cost certification, to increase the annual HTC amount from \$3,601,141, the amount reflected in the Determination Notice, to \$4,331,400, a difference of \$730,259, which represents a 20.28% increase;

WHEREAS, §42(m)(2) of the Internal Revenue Code allows an increase of tax credits for a bond financed project when the increase is determined necessary as demonstrated through the submission of the cost certification package;

WHEREAS, 10 TAC §10.401(d) requires approval by the Board if an increase to the amount of tax credits exceeds 120% of the amount of credit reflected in the Determination Notice; and

WHEREAS, a review of the cost certification package submitted by the Development Owner supports the need for the additional tax credits requested, and staff has determined that the increase is necessary for the viability of the transaction;

NOW, therefore, it is hereby

RESOLVED, that the increase to the housing tax credit amount for The Henderson at Reinli requested by the Development Owner is approved as presented to this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

The Henderson at Reinli received a 4% HTC award in 2021 for the construction of 306 units for the general population in Austin, Travis County. On June 1, 2021, a Determination Notice was issued with an approved annual tax credit amount of \$3,601,141. The residential buildings in

the Development placed in service between July 15, 2025, and October 20, 2025, and the cost certification documentation for the Development is currently under review by the Department.

During the review of the cost certification, Jason Trevino, the representative for the Development Owner, requested an annual tax credit award of \$4,331,400, and this tax credit amount represents an increase of \$730,259 (20.28%) from the amount reflected in the Determination Notice. The representative for the Development Owner explained that the Development incurred increased costs during construction. A comparison of the development costs from the time of the Application, in 2020, to Cost Certification indicates that total development costs increased approximately \$12,630,355 (15.74%), from \$80,249,450 to \$92,879,805.

The Owner representative indicated that since the time of the initial Application there were increases in construction costs, construction delays, increases in financing costs, and increases in developer fees. Specifically, for construction costs, the Owner representative indicated that direct construction costs were underestimated at the time of Application, as they did not have actual construction bids at that time. Previously unknown site conditions caused additional grading, earthwork, and underground utilities. Additionally, there were several change orders and material price escalations, such as for lumber, which also increased the direct construction costs. Subcontractor price increases were added for flooring, steel, paving, site concrete, and drywall. Also, an upgrade in countertops from laminate to granite also added to the additional costs.

Construction delays resulted in increases in General Conditions and Overhead costs due to a lengthened schedule. Delays were encountered due to miscommunication on connectivity parts with Austin Energy, required redesign of water line plans by the civil engineer, and unexpected delays obtaining Demolition and Traffic Control Permits from the City of Austin. The construction delays resulted in increased financing costs, such as construction interest and financing fees. The developer fees, which is allowed to be up 15% of the project's eligible costs, also increased as a result of the total cost increases.

Staff's analysis of this transaction at cost certification has concluded that the Development supports an annual tax credit allocation of \$4,331,400, and that the requested increase is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the credit period. This results in a 20.28% increase from \$3,601,141, the original annual HTC amount in the Determination Notice.

In accordance with 10 TAC §10.401(d), Board approval is required because the requested tax credit amount exceeds 120% of the HTC amount reflected in the Determination Notice. The Development Owner will be required to submit the Tax-Exempt Bond Credit Increase Request Fee required in 10 TAC §11.901(8) prior to issuance of Forms 8609. Additionally, all required pending documentation for the cost certification review must be provided for the issuance of 8609s.

Staff recommends approval of the increase to the tax credit amount as presented herein.

UNIT MIX/RENT SCHEDULE

The Henderson on Reinli, Austin, # 21429

LOCATION DATA	
CITY:	Austin
COUNTY:	Travis
PROGRAM REGION:	7

UNIT DISTRIBUTION			Income	# Units
# Beds	# Units	% Total		
Eff			20%	0
1	155	50.7%	30%	0
2	151	49.3%	40%	0
3			50%	144
4			60%	74
			70%	88
			80%	0
			MR	0
TOTAL	306	100.0%	TOTAL	306
			Average Income:	58.17%

Applicable Programs
4% Housing Tax Credits

PRO FORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	
APP % - CONSTRUCTION:	4.00%
AVERAGE SF	714

UNIT MIX / MONTHLY RENT SCHEDULE

HTC	Unit Mix					APPLICABLE PROGRAM RENT				APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS			
	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market	
TC60%	\$1,506	2	1	1	614	\$1,506	\$107	\$1,399	(\$184)	\$1.98	\$1,215	\$2,430	\$2,086	\$1,043	\$1.70	(\$356)	\$1,043	1.70	\$0		
TC50%	\$1,255	10	1	1	614	\$1,255	\$107	\$1,148	\$0	\$1.87	\$1,148	\$11,480	\$10,899	\$1,090	\$1.78	(\$58)	\$1,090	1.78	\$0		
TC50%	\$1,255	10	1	1	607	\$1,255	\$107	\$1,148	\$0	\$1.89	\$1,148	\$11,480	\$10,899	\$1,090	\$1.80	(\$58)	\$1,090	1.80	\$0		
TC60%	\$1,506	4	1	1	607	\$1,506	\$107	\$1,399	(\$184)	\$2.00	\$1,215	\$4,860	\$4,173	\$1,043	\$1.72	(\$356)	\$1,043	1.72	\$0		
TC70%	\$1,757	2	1	1	607	\$1,757	\$107	\$1,650	(\$351)	\$2.14	\$1,299	\$2,598	\$2,179	\$1,089	\$1.79	(\$561)	\$1,089	1.79	\$0		
TC50%	\$1,255	34	1	1	610	\$1,255	\$107	\$1,148	\$0	\$1.88	\$1,148	\$39,032	\$37,057	\$1,090	\$1.79	(\$58)	\$1,090	1.79	\$0		
TC60%	\$1,506	10	1	1	610	\$1,506	\$107	\$1,399	(\$184)	\$1.99	\$1,215	\$12,150	\$10,432	\$1,043	\$1.71	(\$356)	\$1,043	1.71	\$0		
TC70%	\$1,757	2	1	1	610	\$1,757	\$107	\$1,650	(\$351)	\$2.13	\$1,299	\$2,598	\$2,179	\$1,089	\$1.79	(\$561)	\$1,089	1.79	\$0		
TC50%	\$1,255	44	1	1	615	\$1,255	\$107	\$1,148	\$0	\$1.87	\$1,148	\$50,512	\$47,956	\$1,090	\$1.77	(\$58)	\$1,090	1.77	\$0		
TC60%	\$1,506	14	1	1	615	\$1,506	\$107	\$1,399	(\$184)	\$1.98	\$1,215	\$17,010	\$14,604	\$1,043	\$1.70	(\$356)	\$1,043	1.70	\$0		
TC70%	\$1,757	8	1	1	615	\$1,757	\$107	\$1,650	(\$351)	\$2.11	\$1,299	\$10,392	\$8,716	\$1,089	\$1.77	(\$561)	\$1,089	1.77	\$0		
TC50%	\$1,255	6	1	1	619	\$1,255	\$107	\$1,148	\$0	\$1.85	\$1,148	\$6,888	\$6,540	\$1,090	\$1.76	(\$58)	\$1,090	1.76	\$0		
TC60%	\$1,506	1	1	1	619	\$1,506	\$107	\$1,399	(\$184)	\$1.96	\$1,215	\$1,215	\$1,043	\$1,043	\$1.69	(\$356)	\$1,043	1.69	\$0		
TC70%	\$1,757	1	1	1	619	\$1,757	\$107	\$1,650	(\$351)	\$2.10	\$1,299	\$1,299	\$1,089	\$1,089	\$1.76	(\$561)	\$1,089	1.76	\$0		
TC50%	\$1,255	3	1	1	620	\$1,255	\$107	\$1,148	\$0	\$1.85	\$1,148	\$3,444	\$3,270	\$1,090	\$1.76	(\$58)	\$1,090	1.76	\$0		
TC60%	\$1,506	3	1	1	620	\$1,506	\$107	\$1,399	(\$184)	\$1.96	\$1,215	\$3,645	\$3,129	\$1,043	\$1.68	(\$356)	\$1,043	1.68	\$0		
TC60%	\$1,506	1	1	1	624	\$1,506	\$107	\$1,399	(\$184)	\$1.95	\$1,215	\$1,215	\$1,043	\$1,043	\$1.67	(\$356)	\$1,043	1.67	\$0		
TC50%	\$1,506	1	2	2	792	\$1,506	\$123	\$1,383	\$0	\$1.75	\$1,383	\$1,383	\$1,272	\$1,272	\$1.61	(\$111)	\$1,272	1.61	\$0		
TC60%	\$1,807	1	2	2	792	\$1,807	\$123	\$1,684	(\$85)	\$2.02	\$1,599	\$1,599	\$1,406	\$1,406	\$1.78	(\$278)	\$1,406	1.78	\$0		
TC70%	\$2,108	1	2	2	792	\$2,108	\$123	\$1,985	(\$335)	\$2.08	\$1,650	\$1,650	\$1,583	\$1,583	\$2.00	(\$402)	\$1,583	2.00	\$0		
TC50%	\$1,506	6	2	2	799	\$1,506	\$123	\$1,383	\$0	\$1.73	\$1,383	\$8,298	\$7,630	\$1,272	\$1.59	(\$111)	\$1,272	1.59	\$0		
TC70%	\$2,108	2	2	2	799	\$2,108	\$123	\$1,985	(\$335)	\$2.07	\$1,650	\$3,300	\$3,167	\$1,583	\$1.98	(\$402)	\$1,583	1.98	\$0		
TC50%	\$1,506	6	2	2	800	\$1,506	\$123	\$1,383	\$0	\$1.73	\$1,383	\$8,298	\$7,630	\$1,272	\$1.59	(\$111)	\$1,272	1.59	\$0		
TC60%	\$1,807	1	2	2	800	\$1,807	\$123	\$1,684	(\$85)	\$2.00	\$1,599	\$1,599	\$1,406	\$1,406	\$1.76	(\$278)	\$1,406	1.76	\$0		
TC70%	\$2,108	5	2	2	800	\$2,108	\$123	\$1,985	(\$335)	\$2.06	\$1,650	\$8,250	\$7,917	\$1,583	\$1.98	(\$402)	\$1,583	1.98	\$0		
TC50%	\$1,506	1	2	2	804	\$1,506	\$123	\$1,383	\$0	\$1.72	\$1,383	\$1,383	\$1,272	\$1,272	\$1.58	(\$111)	\$1,272	1.58	\$0		
TC60%	\$1,807	2	2	2	804	\$1,807	\$123	\$1,684	(\$85)	\$1.99	\$1,599	\$3,198	\$2,813	\$1,406	\$1.75	(\$278)	\$1,406	1.75	\$0		
TC70%	\$2,108	1	2	2	804	\$2,108	\$123	\$1,985	(\$335)	\$2.05	\$1,650	\$1,650	\$1,583	\$1,583	\$1.97	(\$402)	\$1,583	1.97	\$0		
TC50%	\$1,506	16	2	2	813	\$1,506	\$123	\$1,383	\$0	\$1.70	\$1,383	\$22,128	\$20,345	\$1,272	\$1.56	(\$111)	\$1,272	1.56	\$0		
TC60%	\$1,807	16	2	2	813	\$1,807	\$123	\$1,684	(\$85)	\$1.97	\$1,599	\$25,584	\$22,501	\$1,406	\$1.73	(\$278)	\$1,406	1.73	\$0		
TC70%	\$2,108	38	2	2	813	\$2,108	\$123	\$1,985	(\$335)	\$2.03	\$1,650	\$62,700	\$60,168	\$1,583	\$1.95	(\$402)	\$1,583	1.95	\$0		
TC50%	\$1,506	7	2	2	817	\$1,506	\$123	\$1,383	\$0	\$1.69	\$1,383	\$9,681	\$8,901	\$1,272	\$1.56	(\$111)	\$1,272	1.56	\$0		
TC60%	\$1,807	4	2	2	817	\$1,807	\$123	\$1,684	(\$85)	\$1.96	\$1,599	\$6,396	\$5,625	\$1,406	\$1.72	(\$278)	\$1,406	1.72	\$0		
TC70%	\$2,108	11	2	2	817	\$2,108	\$123	\$1,985	(\$335)	\$2.02	\$1,650	\$18,150	\$17,417	\$1,583	\$1.94	(\$402)	\$1,583	1.94	\$0		
TC60%	\$1,807	5	2	2	839	\$1,807	\$123	\$1,684	(\$85)	\$1.91	\$1,599	\$7,995	\$7,032	\$1,406	\$1.68	(\$278)	\$1,406	1.68	\$0		
TC60%	\$1,807	10	2	2	839	\$1,807	\$123	\$1,684	(\$85)	\$1.91	\$1,599	\$15,990	\$14,063	\$1,406	\$1.68	(\$278)	\$1,406	1.68	\$0		
TC70%	\$2,108	17	2	2	839	\$2,108	\$123	\$1,985	(\$335)	\$1.97	\$1,650	\$28,050	\$26,917	\$1,583	\$1.89	(\$402)	\$1,583	1.89	\$0		
TOTALS / AVERAGE		306				218,342			(\$129)	\$1.92	\$1,371			\$419,530	\$387,942	\$1,268	\$1.78	(\$232)	\$1,268	\$1.78	\$0

ANNUAL POTENTIAL GROSS RENT: \$5,034,360 \$4,655,309

PRO FORMA ANALYSIS & DEVELOPMENT COSTS

				TDHCA CC	TDHCA -Prior	% DIFF	APP - Orig	Owner CC	\$ DIFF				
POTENTIAL GROSS RENT				\$4,655,309	\$4,215,852	8%	\$4,215,852	\$5,034,360	\$379,051				
Secondary Income		Per Unit/Month	\$20.00	\$73,440	\$73,440	0%	\$73,440	\$73,440	\$0	\$20.00	Per Unit Per Month		
Other Income:	storages spaces					#DIV/0!	\$0	\$18,000	\$18,000	\$4.90	Per Unit Per Month		
Other Income:	Late, Pet & application Fees					#DIV/0!	\$0	\$0	\$0	\$0.00	Per Unit Per Month		
POTENTIAL GROSS INCOME				\$4,728,749	\$4,289,292	8%	\$4,289,292	\$5,125,800	\$397,051				
Vacancy & Collection Loss		% of PGI	-7.5%	(\$354,656)	(321,697)	8%	(321,697)	(384,435)	(\$29,779)	-7.5%	% of PGI		
EO/Non-Rental Units/Concessions				\$0	-	#DIV/0!	-	-	\$0				
EFFECTIVE GROSS INCOME				\$4,374,093	\$3,967,595	8.40%	\$3,967,595	\$4,741,365	\$367,272				
EXPENSES										Per SF	Per Unit	% of EGI	
General & Administrative		% of EGI	Per Unit	Per SF	\$138,702	\$130,950	14%	\$130,950	\$160,950	\$22,248	\$0.74	\$526	3.39%
Management		3.50%	\$500	\$0.70	\$153,093	\$119,028	8%	\$119,028	\$165,948	\$12,855	\$0.76	\$542	3.50%
Payroll & Payroll Tax		10.89%	\$1,557	\$2.18	\$476,361	\$413,100	21%	\$413,100	\$575,000	\$98,639	\$2.63	\$1,879	12.13%
Repairs & Maintenance		5.36%	\$767	\$1.07	\$234,559	\$198,000	-10%	\$198,000	\$210,500	(\$24,059)	\$0.96	\$688	4.44%
Electric/Gas		1.90%	\$271	\$0.38	\$83,004	\$106,000	33%	\$106,000	\$110,500	\$27,496	\$0.51	\$361	2.33%
Water, Sewer, & Trash		4.86%	\$694	\$0.97	\$212,453	\$169,400	-43%	\$169,400	\$121,781	(\$90,672)	\$0.56	\$398	2.57%
Property Insurance		2.82%	\$403	\$0.56	\$123,200	\$91,800	0%	\$91,800	\$123,200	\$0	\$0.56	\$403	2.60%
Property Tax	0%	0.00%	\$0	\$0.00	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0.00	\$0	0.00%
Reserve for Replacements		1.75%	\$250	\$0.35	\$76,500	\$76,500	0%	\$76,500	\$76,500	\$0	\$0.35	\$250	1.61%
Cable TV		0.00%	\$0	\$0.00	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0.00	\$0	0.00%
Supportive service contract fees		0.28%	\$40	\$0.06	\$12,240	\$12,240	145%	\$12,240	\$29,980	\$17,740	\$0.14	\$98	0.63%
TDHCA Compliance fees		0.28%	\$40	\$0.06	\$12,240	\$12,240	0%	\$12,240	\$12,240	\$0	\$0.06	\$40	0.26%
Bond Trustee Fees		0.10%	\$15	\$0.02	\$4,500	\$4,500	0%	\$4,500	\$4,500	\$0	\$0.02	\$15	0.09%
Security		0.00%	\$0	\$0.00	\$0	\$21,420	#DIV/0!	\$21,420	\$45,000	\$45,000	\$0.02	\$147	0.95%
Other - Issuer Admin & Compliance Fee		0.00%	\$0	\$0.00	\$0	\$0	#DIV/0!	\$0	\$12,240	\$12,240	\$0.06	\$40	0.26%
TOTAL EXPENSES		34.91%	\$4,990	\$6.99	\$1,526,852	\$1,355,178	8%	\$1,355,178	\$1,648,339	\$121,487	\$7.55	\$5,387	34.77%
NET OPERATING INCOME		65.09%	\$9,305	\$13.04	\$2,847,240	\$2,612,417	9%	\$2,612,417	\$3,093,026	\$245,786	\$14.17	\$10,108	65.23%
DEBT													
First Lien: Bond issuer AUSTIN AFFORDABLE PFC, INC, Bond Holder: Red Stone/Ready Capital				\$2,240,105	\$2,227,779	0%	\$2,227,759	\$2,240,105	\$0				
Other: Rickhaus Note -soft loan				\$151,859		-100%	\$0	\$0	(\$151,859)				
Other:						#VALUE!	\$0		#VALUE!				
TOTAL DEBT SERVICE				\$2,391,963	\$2,227,779	-6%	\$2,227,759	\$2,240,105	(\$151,859)				
NET CASH FLOW				\$455,277	\$384,638	87%	\$384,658	\$852,922	\$397,645				
AGGREGATE DEBT COVERAGE RATIO				1.19	1.17		1.17	1.38					
RECOMMENDED DEBT COVERAGE RATIO				1.19									
CONSTRUCTION COST										Per SF	Per Unit	% of TOTAL	
Land Acquisition		5.83%	\$17,702	\$24.81	\$5,416,960	\$5,256,960	0%	\$5,256,960	\$5,416,960	\$0	\$25	\$17,702	5.83%
Building Acquisition		0.00%	\$0	\$0.00	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0	\$0	0.00%
Closing costs & acq. legal fees		0.11%	\$327	\$0.46	\$100,000	\$0	0%	\$0	\$100,000	\$0	\$0	\$327	0.11%
Off-Sites		0.00%	\$0	\$0.00	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0	\$0	0.00%
Sitework		4.12%	\$12,510	\$17.53	\$3,828,068	\$4,590,000	0%	\$4,590,000	\$3,828,068	(\$0)	\$18	\$12,510	4.12%
Site Amenities					\$425,000			\$425,000					
Other Construction Cost					\$1,000,000		#DIV/0!	\$1,000,000		\$0			
Building Costs		48.52%	\$147,284	\$206.41	\$45,068,773	\$36,457,000	0%	\$36,457,000	\$45,068,773	\$0	\$206	\$147,284	48.52%
Contingency					\$2,546,679		#DIV/0!	\$2,546,679		\$0			
Contractor's Fees		7.37%	\$22,371	\$31.35	\$6,845,558	\$5,886,580	0%	\$5,886,580	\$6,845,562	\$4	\$31	\$22,371	7.37%
Indirect Construction		6.22%	\$18,890	\$26.47	\$5,780,344	\$4,593,309	0%	\$4,593,309	\$5,780,344	\$4	\$26	\$18,890	6.22%
Developer's Fees	13.45%	10.64%	\$32,281	\$45.24	\$9,877,841	\$9,042,561	0%	\$9,042,561	\$9,877,841	\$0	\$45	\$32,281	10.64%
Financing		15.19%	\$46,117	\$64.63	\$14,111,912	\$9,137,495	0%	\$9,137,495	\$14,111,912	\$0	\$65	\$46,117	15.19%
Reserves		1.99%	\$6,047	\$8.47	\$1,850,345	\$1,313,866	0%	\$1,313,866	\$1,850,345	\$0	\$8	\$6,047	1.99%
TOTAL COST		100%	\$303,529	\$425	\$92,879,801	\$80,249,450	0%	\$80,249,450	\$92,879,805	\$4	\$425	\$303,529	100%
Construction Cost Recap		52.65%	\$159,794	\$223.95	\$48,896,841			\$48,896,841		\$0	\$223.95	\$159,794	52.65%
SOURCES OF FUNDS										% IDC	RECOMMENDED:		
First Lien: Bond issuer AUSTIN AFFORDABLE PFC, INC, Bond Holder: Red Stone/Ready Capital		48%	\$147,059	\$206	\$45,000,000	\$44,420,000	-1%	\$44,420,000	\$45,000,000	48%	\$45,000,000	Developer Fee Available	
Other: Rickhaus Note -soft loan		2%	\$7,516	\$11	\$2,300,000	\$0	#DIV/0!	\$0	\$2,300,000	2%	2,300,000	\$9,877,841	
HTC Equity: PNC Bank, National Association		40%	\$120,305	\$169	\$36,813,221	\$31,683,701	-16%	\$31,683,701	\$36,816,903	40%	36,813,221		
Timing Adjuster - PNC Bank, National Association		0%	\$0	\$0	\$0	\$0	#DIV/0!	(\$5,134,061)	\$0	0%	0		
SLP Equity: Columbia Housing SLP 100%Corporation		0%	\$0	\$0	\$10	\$0	#DIV/0!	\$0	\$10	0%	10		
GP Equity: LDG THE HENDERSON ON REINLI GP, LLC		0%	\$0	\$0	\$100	\$0	#DIV/0!	\$0	\$100	0%	100		
SLP Equity: LDG The Henderson on Reinli SLP, LLC		0%	\$0	\$0	\$100	\$0	#DIV/0!	\$0	\$100	0%	100	% of Dev. Fee Deferred	
Deferred Developer Fee: LDG Multifamily LLC		9%	\$28,648	\$40	\$8,766,370	\$4,145,749	-138%	\$4,145,749	\$9,877,841	9%	8,766,370	89%	
GP advances: LDG Multifamily LLC		0%	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$4,018,912	0%			
Additional (Excess) Funds Req'd		0%	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$0	0%	0	15-Yr Cumulative Cash Flow	
TOTAL SOURCES					\$92,879,801	\$80,249,450	-16%	\$80,249,450	\$92,879,805	100%	\$92,879,801	\$11,565,626	

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

The Henderson on Reinli, Austin, # 21429

PROPOSED PAYMENT COMPUTATION

First Lien: Bond issuer AUSTIN AFFORDABLE PFC, INC, Bond Holder: Red Stone/Ready Capital	\$45,000,000	Amort	480
Int Rate	3.95%	DCR	1.27
Other: Rickhaus Note -soft loan	\$2,300,000	Amort	480
Int Rate	6.00%	DCR	1.19
Other:	\$0	Amort	0
Int Rate	0.00%	DCR	1.19

RECOMMENDED FINANCING STRUCTURE: TDHCA NOI

First Lien: Bond issuer AUSTIN AFFORDABLE PFC, INC, Bond Holder: Red Stone/Ready Capital	\$2,240,105
Other: Rickhaus Note -soft loan	151,859
Other:	0
TOTAL DEBT SERVICE	\$2,391,963

First Lien: Bond issuer AUSTIN AFFORDABLE PFC, INC, Bond Hold	\$45,000,000	Amort	480
Int Rate	3.95%	DCR	1.27
Other: Rickhaus Note -soft loan	\$2,300,000	Amort	480
Int Rate	6.00%	Aggregate DC	1.19
Other:	\$0	Amort	0
Int Rate	0.00%	Aggregate DC	1.19

LONG TERM OPERATING PRO FORMA

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
EFFECTIVE GROSS INCOME	\$4,374,093	\$4,461,575	\$4,550,806	\$4,641,822	\$4,734,659	\$5,227,446	\$5,771,522	\$6,372,227	\$7,035,454	\$7,767,709	\$8,576,179	\$9,468,794
LESS: TOTAL EXPENSES	1,526,852	1,571,127	1,616,699	1,663,607	\$1,711,891	1,975,404	\$2,279,937	2,631,923	3,038,810	3,509,223	4,053,146	4,682,140
NET OPERATING INCOME	\$2,847,240	\$2,890,448	\$2,934,107	\$2,978,215	\$3,022,768	\$3,252,041	\$3,491,585	\$3,740,305	\$3,996,644	\$4,258,486	\$4,523,033	\$4,786,655
LESS: DEBT SERVICE	2,391,963	2,391,963	2,391,963	2,391,963	2,391,963	2,391,963	2,391,963	2,391,963	2,391,963	2,391,963	2,391,963	2,391,963
NET CASH FLOW	\$455,277	\$498,484	\$542,143	\$586,251	\$630,804	\$860,078	\$1,099,622	\$1,348,341	\$1,604,680	\$1,866,523	\$2,131,070	\$2,394,691
CUMULATIVE NET CASH FLOW	\$455,277	\$953,761	\$1,495,905	\$2,082,156	\$2,712,960	\$6,550,525	\$11,565,626	\$17,806,497	\$25,314,549	\$34,121,782	\$44,247,614	\$55,695,042
DEFERRED DEVELOPER FEE BALANCE	\$8,311,093	\$7,812,608	\$7,270,465	\$6,684,213	\$6,053,409	\$2,215,845	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.19	1.21	1.23	1.25	1.26	1.36	1.46	1.56	1.67	1.78	1.89	2.00
EXPENSE/EGI RATIO	34.91%	35.21%	35.53%	35.84%	36.16%	37.79%	39.50%	41.30%	43.19%	45.18%	47.26%	49.45%

HTC ALLOCATION ANALYSIS - The Henderson on Reinli, Austin, # 21429

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$5,416,960	\$5,416,960		
Purchase of buildings	\$0	\$0		
Closing costs & Acq. Legal Fees	\$100,000	\$100,000		
Off-Site Improvements	\$0	\$0		
Sitework	\$3,828,068	\$3,828,068	\$3,828,068	\$3,828,068
Building Costs	\$45,068,773	\$45,068,773	\$44,922,627	\$44,922,627
Contingency	\$0	\$0		
Contractor's Fees	\$6,845,562	\$6,845,558	\$6,825,097	\$6,825,097
Indirect Construction	\$5,780,344	\$5,780,344	\$5,712,368	\$5,712,368
Interim Financing	\$14,111,912	\$14,111,912	\$12,130,162	\$12,130,162
Developer Fees				
Developer Fees	\$9,877,841	\$9,877,841	\$9,877,841	\$9,877,841
Development Reserves	\$1,850,345	\$1,850,345		
TOTAL DEVELOPMENT COSTS	\$92,879,805	\$92,879,801	\$83,296,163	\$83,296,163

TOTAL ELIGIBLE BASIS			\$83,296,163	\$83,296,163
High Cost Area Adjustment			130%	130%
TOTAL ADJUSTED BASIS			\$108,285,012	\$108,285,012
Applicable Fraction			100%	100%
TOTAL QUALIFIED BASIS			\$108,285,012	\$108,285,012
Applicable Percentage			4.00%	4.00%
TOTAL AMOUNT OF TAX CREDITS			\$4,331,400	\$4,331,400

Syndication Rate	0.8499	\$36,813,225	\$36,813,225
Total Tax Credits (Eligible Basis Method)		\$4,331,400	\$4,331,400
Syndication Proceeds		\$36,813,225	\$36,813,225
Requested Tax Credits		\$4,331,400	
Syndication Proceeds		\$36,813,221	
Gap of Syndication Proceeds Needed		\$45,579,591	
Total Tax Credits (Gap Method)		\$5,362,841	
Recommended Tax Credits		4,331,400	
Syndication Proceeds		\$36,813,221	

April 24, 2026

Rosalio Banuelos, Director of Multifamily Asset Management
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

Re: The Henderson on Reinli #21429 – Request for Additional Tax Credits

Mr. Banuelos,

The Determination Notice issued on 6/1/2021 for the above referenced application reflected an Annual Tax Credit Amount of \$3,601,141. The final Eligible Basis of \$83,296,163 (adjusted \$108,285,012) now calculates an Annual Tax Credit amount of \$4,331,400 which is approximately 20.28% higher. These figures are supported by an Independent Auditor's Report which has been included in the Cost Certification Package. Per TDHCA rules any increase over 20% from the initial Tax Credit amount must be approved by the board. Therefore, LDG is formally requesting the additional credits due to unavoidable obstacles and increased costs during the construction of this development.

Below are some of the main reasons for the cost increases since the time of the initial application:

Construction Costs:

- Direct construction costs were underestimated at the time of application as we did not have actual construction bids at that time. Therefore, Building Costs and Site Work Costs had significant variances from the time of initial application. Additionally, there were several change orders and material price escalations which also increased the direct construction costs. These change orders are included within the Cost Cert package.
- Lumber/Trim had a significant price escalation during this timeframe.
- Site Prep: previously unknown site conditions caused additional grading, earthwork, and underground utilities.
- Subcontractor price increases for flooring and steel added to increases in overall construction costs.
- Subcontractor price increases for paving, site concrete, and drywall added to increases in overall construction costs.
- A decision to upgrade countertops from laminate to granite was made by the partnership post-closing.
- General Conditions and Overhead costs increased due to lengthened schedule/construction delays from issues described in the following paragraph:

Construction Delays:

- Miscommunication with Austin Energy. Connectivity parts that were typically covered by Austin Energy's scope of work were not installed and were made the responsibility of our contractors. (+2 months)
- The waterline plans required redesign by the Civil engineer post-closing. (+2 months delay)
- The City of Austin unexpectedly delayed the Demolition Permit and the Traffic Control Permit. (+2 months delay)

Financing Costs:

- Construction delays caused an increase to financing costs such as construction interest and financing fees.

Developer Fees:

- Developer fees are calculated at 15% of the project's eligible costs and this increase is a direct result of the increases detailed above.

Please let us know if you need any further information to process this request.

Sincerely,

Jason Trevino

Jason Trevino
Owner Representative
LDG Development, LLC
512-578-8488



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1487

Agenda Date: 6/4/2026

Agenda #: 9.

Presentation, discussion, and possible action regarding a waiver and extension of the 10% Test submission deadline in 10 TAC §10.401(a) and 10 TAC §11.2(a) for Cypress Creek Apartment Homes at Montfort Drive (HTC #22110/23806/24802)

RECOMMENDED ACTION

WHEREAS, Cypress Creek Apartment Homes at Montfort Drive (Development) received a 9% Housing Tax Credit (HTC) award in 2022 for the construction of 168 units, in Dallas, Dallas County, and was approved for reallocations of credits under Force Majeure in 2023 (HTC #23806) and in 2024 (HTC #24802);

WHEREAS, after the approval of the second Force Majeure, the Development was reissued a Carryover Allocation Agreement on June 11, 2024, that specifies that the 10% Test requirements identified in §11.2(a) of the 2024 Qualified Allocation Plan (QAP) and in §10.401 (a) of the Post Award and Asset Management Requirements (AM Rules) must be met by July 1, 2025, or such later date as is specifically granted by the Department pursuant to a written extension;

WHEREAS, pursuant to §42(h)(1)(E)(ii) of the Internal Revenue Code (Code), the Owner's basis in the Development as of the date which is one year after the date that the allocation was made must be more than 10% of the Owner's reasonably expected basis in the Development;

WHEREAS, Cypress Creek Montfort Drive LP (Development Owner or Owner) submitted documentation to the Department on April 28, 2026, confirming that the Owner met the 10% expenditure threshold required by the Code by June 28, 2024, but the Owner did not meet the July 1, 2025, submission deadline requirements specified in the 2024 QAP and AM Rules;

WHEREAS, the Owner now requests approval for a waiver of the 10% Test Documentation Delivery Date specified in the 2024 QAP and AM Rules and to extend the submission deadline from July 1, 2025, to April 28, 2026;

WHEREAS, §11.9(f) of the QAP states that, for failure to meet a 10% Test deadline, staff may recommend that an Applicant or Affiliate should be found ineligible to compete in the following year's competitive Application Round or that they should be assigned a penalty deduction in the following year's competitive Application Round of no more than two points for each submitted Application; and

WHEREAS, the requested waiver does not negatively affect the Development, impact the viability of the transaction, impact Tex. Gov't Code §§2306.001, 2306.002, 2306.359, and

2306.6701, or affect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested waiver of the 10% Test submission deadline in 10 TAC §10.401(a) and 10 TAC §11.2(a) and the extension of the deadline from July 1, 2025, to April 28, 2026, for Cypress Creek Apartment Homes at Montfort Drive are approved as presented at this meeting, with no point penalty to Applications submitted by the Owner or their Affiliates in the 2027 competitive Application Round, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Cypress Creek Apartment Homes at Monfort Drive received a 9% HTC award in 2022 and reallocations of credits under Force Majeure in 2023 and in 2024 for the construction of 168 multifamily housing units, out of which 116 are designated as low-income units, for the general population in Dallas, Dallas County. Construction of the Development has been completed, and in a letter dated April 24, 2026, Stuart Shaw, the representative for the Owner, requests a waiver of the 10% Test Documentation Delivery date identified in 10 TAC §11.2(a) of the 2024 Qualified Allocation Plan (QAP) and as specified in 10 TAC §10.401(a) of the Post Award and Asset Management Requirements (AM Rules). Mr. Shaw states that although the federal requirement had been met, the required 10% Test package was not submitted to the Department until April 28, 2026, due to human oversight. Consequently, the Owner did not meet the Department's July 1, 2025, 10% Test Documentation Delivery Date. The letter from Mr. Shaw states that the 10% Test submitted to the Department substantiates the Owner met the 10% Test expenditure requirement and deadline under §42(h)(1)(E)(ii) of the Code.

Staff reviewed the Report of Independent Auditors issued April 23, 2026, that was submitted with the 10% Test package on April 28, 2026. The report confirms the basis incurred by the Owner as of June 28, 2024, was \$5,500,000, representing 12.67% of the \$43,416,270 total reasonably expected basis for the Development, which meets the Code requirements. The 10% Test package indicates that the site acquisition cost of \$5.5MM, which is counted as part of the incurred basis for the 10% Test, was incurred on June 28, 2024. The report from the auditor was issued on June 27, 2025, and in a supplemental Report on Applying Agreed-Upon Procedures dated April 23, 2026, the CPA confirmed that no material changes have occurred to the scope, projected development costs, or financing structure since June 28, 2024, and that costs incurred to date as of March 31, 2026, total \$44,451,048. The Development has been placed in service as of April 1, 2026. The non-upload of the 10% Test package was an administrative oversight; no substantive compliance failure occurred.

Mr. Shaw states that the Owner and its Affiliates are experienced operators in affordable housing in Texas and that this is the first time an oversight of this kind has occurred. He further states that the Owner has implemented safeguards for all their projects to avoid a recurrence of this incident. Therefore, as allowed under 10 TAC §11.207, the Owner requests a waiver of the

QAP and AM Rules to allow the 10% Test Documentation Delivery Date submission deadline to be extended from July 1, 2025, to the date the Department received the complete 10% Test package, which is April 28, 2026. Mr. Shaw states that granting this waiver better serves the policies and purposes articulated in Tex. Gov't Code §§2306.001, 2306.002, 2306.359, and 2306.6701. Without the waiver, the Development would be jeopardized. Therefore, by granting the requested waiver, the Owner can continue to develop the project as the Owner represented in the Application.

Staff recommends approval of the waiver of the 10% Test submission deadline in 10 TAC §10.401(a) and 10 TAC §11.2(a) and the request to extend the 10% Test Documentation Delivery Date deadline from July 1, 2025, to April 28, 2026, as presented herein. Additionally, staff recommends assessing no point penalty to Applications submitted by the Owner or their Affiliates in the 2027 competitive Application Round as a result of this extension.

April 24, 2026

Texas Department of Housing and Community Affairs

Attn: Lucy Weber, Asset Manager, Region 3

221 East 11th Street

Austin, Texas 78701

**RE: Cypress Creek Apartment Homes at Montfort Drive
TDHCA #24802 (FKA 23806; FKA 22110) — CMTS #5919
Ten Percent Test Package Submission and Waiver Request**

Dear Ms. Weber:

The Carryover Allocation Agreement for TDHCA #24802 was executed on June 11, 2024. The general contractor agreement was executed on June 24, 2024, the Limited Partnership Agreement was executed on June 28, 2024, and the construction loan closed during the same period. Novogradac & Company LLP confirmed in its Report of Independent Auditors (Effective Date June 28, 2024; signed June 27, 2025) that the Owner had incurred \$5,500,000, or 12.67% of the project's reasonably expected basis, exceeding the ten percent threshold required under IRC §42(h)(1)(E) approximately eleven months prior to the federal deadline of June 11, 2025.

In a supplemental Report on Applying Agreed-Upon Procedures dated April 23, 2026, Novogradac confirmed that no material changes have occurred to the scope, projected development costs, or financing structure since the Effective Date, and that costs incurred to date as of March 31, 2026 total \$44,451,048. Both reports are enclosed with this submission.

The Owner has maintained consistent compliance reporting with TDHCA, submitting all required post-award deliverables on schedule — including quarterly Construction Status Reports beginning October 7, 2024 and continuing through the current reporting period. The 10% Test package was the sole item not uploaded to MF Serv-U by its submission deadline, although the underlying federal requirement was met as of June 28, 2024.

The Owner respectfully requests that the Board waive the July 1, 2025 submission deadline for the 10% Test package. The federal ten percent test under IRC §42(h)(1)(E) was substantively met as of June 28, 2024 — approximately eleven months before the federal deadline of June 11, 2025. As of March 31, 2026, \$44,451,048 in costs have been incurred, and Novogradac has confirmed no material changes to the scope, projected costs, or financing structure since the Effective Date. The development has been placed in service as of April 1, 2026. The non-upload was an administrative oversight; no substantive compliance failure occurred.

Enclosed is the 10% Test package, including the Novogradac Report of Independent Auditors and the supplemental Report on Applying Agreed-Upon Procedures. We are available to provide any additional documentation as needed.

Respectfully,



Stuart Shaw

Applicant's Representative for Cypress Creek Montfort Drive LP



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1421

Agenda Date: 6/4/2026

Agenda #: 10.

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 8, Project Rental Assistance Program Rule; an order proposing new retitled 10 TAC Chapter 8, 811 PRA Program Rule; and directing their publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, Tex. Gov't Code §2001.039 requires state agencies to review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist and some sections of this chapter were last considered in 2022;

WHEREAS, staff has assessed 10 TAC Chapter 8, Project Rental Assistance Program Rule, and confirms that the reasons for the initial adoption of this rule continue to exist, which is to provide guidance relating to the Section 811 Project Rental Assistance Program;

WHEREAS, staff has evaluated the rule and the rule is in need of revisions to clarify the chapter title and to reflect updates to the policies of the program; and

WHEREAS, the Texas Regulatory Efficiency Office (TREG) coordinates with state agencies to review agency rules and recommend potential rule actions to improve efficiency, and TREG provided TDHCA with a Regulatory Efficiency Review Report that made suggested opportunities for improvement; and, as requested by TREG, such report was made available for stakeholder feedback in May 2026;

WHEREAS, it was suggested in the Report, at the initiation of the Department, that Chapter 8 could be amended to simplify the regulation and improve efficiency of the rule, and therefore the rule is also being revised in response to that Report;

WHEREAS, such proposed rulemaking will be published in the *Texas Register* for public comment to be received from June 19, 2026, to July 20, 2026, and returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed action herein in the form presented to this meeting, to be published in the *Texas Register* for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

BACKGROUND

This rule lays out the parameters for administration of the Section 811 Project Rental Assistance Program (811

PRA Program). As part of the rule's four year rule review, it has been identified by staff as needing revisions. The title of the rule is being changed to more accurately reflect the Program name since it previously did not refer to the 811 Program. Changes being made include removing reference to outdated materials or regulations; removing reference to Historically Underutilized Businesses; updating requirements for Existing Developments primarily to update time periods (for instance, as it relates to the age of a prior award this was updated from 2002 to 2012); removing redundancies; and adding clarifications to improve readability.

The Texas Regulatory Efficiency Office (TREO) coordinates with state agencies to review agency rules and recommends potential amendments to, or repeals of, those rules. In April 2026, TREO released a draft Regulatory Efficiency Review (RER) report of possible regulatory changes that the Texas Department of Housing and Community Affairs (the Department) could make to improve efficiency in some of its rules. The recommendations in the report were not mandates or directives, but rather ideas and opportunities for improvement. TREO requested that the Department share these ideas with stakeholders for a 14-day period to garner feedback, which occurred from April 30, 2026 to May 14, 2026.

The report included a recommendation, initiated by the Department that Chapter 8 be revised to improve efficiency and remove unnecessary language. No feedback on the suggestion was received. Therefore, staff is recommending that the rule also be revised to address the recommendations of the Report.

Upon Board approval, the proposed rule actions will be published in the *Texas Register* and released for public comment from June 19, 2026, to July 20, 2026. Behind the preamble is a copy of the rule in blackline form reflecting the changes being proposed from the current version of the rule.

Attachment 1: Preamble, including required analysis, for the proposed repeal of 10 TAC Chapter 8, Project Rental Assistance Program Rule

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 8, Project Rental Assistance (PRA) Program Rule. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for repeal because there are no costs associated with the repeal.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

1. Robert Wilkinson, Executive Director, has determined that, for the first five years the repeal will be in effect, the repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous proposed adoption making changes to the rule governing the Section 811 PRA Program.
2. The repeal does not require a change in work that will require the creation of new employee positions, nor will the repeal reduce workload to a degree that any existing employee positions are eliminated.
3. The repeal does not require additional future legislative appropriations.
4. The repeal does not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The action will repeal an existing regulation, but is associated with a simultaneous readoption making changes to the existing procedures for the 811 PRA Program.

7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The repeal does not contemplate nor authorize a taking by the Department, therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal will be in effect there will be no economic effect on local employment; therefore no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section would be an updated rule that better reflects current policies. There will be no economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The Department requests comments on the repeal. The public comment period will be held June 19, 2026, to July 20, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, July 20, 2026.

STATUTORY AUTHORITY. The repeal is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC Chapter 8, Project Rental Assistance Program Rule

§8.1. Purpose.

§8.2. Definitions.

§8.3. Participation as a Proposed Development.

§8.4. Qualification Requirements for Existing Developments.

§8.5. Disposition of Conflicts with other Department Rules.

§8.6. Program Regulations and Requirements.

Attachment B: Preamble, including required analysis, for proposed new 10 TAC Chapter 8, 811 PRA Program Rule

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 8, 811 PRA Program Rule. The purpose of the proposed new rule is to make changes that will update the policies of the 811 Project Rental Assistance (PRA) Program. Some of the sections of this chapter had not been updated in four years and this action refreshes the policies to bring them up to date with current practices. Changes being made include removing reference to outdated materials or regulations; removing reference to Historically Underutilized Businesses; updating requirements for Existing Developments primarily to update time periods (for instance, as it relates to the age of a prior award this was updated from 2002 to 2012); removing redundancies; and adding clarifications to improve readability.

Tex. Gov't Code §2001.0045(b) does apply to the rule being adopted and no exceptions apply. However, no costs are associated with this action that would have prompted a need to be offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Robert Wilkinson, Executive Director, has determined that, for the first five years the new rule will be in effect:

1. The new rule does not create or eliminate a government program, but relates to the readoption of this rule which makes changes to the policies that govern the 811 PRA Program.
2. The new rule does not require a change in work that would require the creation of new employee positions, nor will it reduce workload to a degree that eliminates any existing employee positions.
3. The new rule does not require additional future legislative appropriations.
4. The new rule will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The new rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.
6. The rule will not limit, expand or repeal an existing regulation but merely revises a rule.
7. The new rule does not increase or decrease the number of individuals to whom this rule applies; and
8. The new rule will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

1. The Department has evaluated this rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.
2. This rule relates to the general program guidelines for the 811 PRA Program. The beneficiaries of this

program are individual households residing at multifamily properties in major metropolitan areas, therefore no small or micro-businesses are subject to the rule.

3. The Department has determined that because this rule relates only to a revision to a rule that applies to a program for which individual households are the beneficiaries, there will be no economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The new rule does not contemplate nor authorize a taking by the Department, therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the rule as to its possible effects on local economies and has determined that for the first five years the rule will be in effect the new rule has no economic effect on local employment because this rule relates to rental assistance provided to specific properties housing individual households in specific metropolitan areas. Therefore, no local employment impact statement is required to be prepared for the rule.

Texas Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule..." Considering that the rule relates only to the continuation of the rules in place there are no "probable" effects of the new rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new rule is in effect, the public benefit anticipated as a result of the proposed new rule will be a more updated rule reflecting transparent policies. There will be no economic cost to any individuals required to comply with the proposed new rule because the activities described by the rule have already been in existence.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new rule is in effect, enforcing or administering the new rule does not have any foreseeable implications related to costs or revenues of the state or local governments as this rule relates only to a process that already exists and is not being significantly revised.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The public comment period will be held June 19, 2026, to July 20, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, July 20, 2026.

STATUTORY AUTHORITY. The rule is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new rule affects no other code, article, or statute.

CHAPTER 8, 811 PRA PROJECT RENTAL ASSISTANCE PROGRAM RULE

§8.1. Purpose

The purpose of the Section 811 Project Rental Assistance Program ("~~Section 811 PRA Program~~") is to provide federally funded project-based rental assistance to participating multifamily properties on behalf of extremely low-income persons with disabilities linked with long term services provided through a formalized partnership ~~with~~ and other state of Texas agencies that provide health and human services.

§8.2. Definitions

Terms defined in this chapter apply to the 811 PRA Program administered by the Department. Any capitalized terms not specifically mentioned in this section or any section referenced in this document shall have the meaning ascribed to them in or for the purposes of the Program Requirements or in Chapters 1, 2, 10, or 11 of the Texas Administrative Code, as applicable.

(1) Assisted Units--rental units made available to or occupied by an Eligible Tenant in Eligible Multifamily Properties receiving assistance under 42 U.S.C. §8013(b)(3)(A).

(2) Contract Rent--the total amount of rent specified in the Rental Assistance Contract (RAC) as payable to the Owner for the Assisted Unit.

(3) Cooperative Agreement--the Section 811 Project Rental Assistance Program Cooperative Agreement including all exhibits and attachments thereto, by and between the Department as "Grantee" and HUD, entered into as a condition to and in consideration of the Department's participation in the Section 811 Project Rental Assistance Program.

(4) Eligible Applicant--an Extremely Low-Income Person with Disabilities, between the ages of 18 and 61 and who meets the requirements of the Target Population, and Extremely Low Income Families, which includes at least one Person with a Disability, who is between the ages of 18 and 61 and who meets the requirements of the Target Population, at the time of referral admission. The Person with a Disability must be eligible for community-based, long-term care services as provided through Medicaid waivers, Medicaid state plan options, comparable state funded services or other appropriate services related to the type of disability(ies) targeted under the Inter-Agency Partnership Agreement.

(5) Eligible Families or Eligible Family--shall have the same meaning as Eligible Tenant.

(6) Eligible Multifamily Property or Eligible Multifamily Properties--any new or existing property owned by a private or public nonprofit, or for-profit entity with at least five (5) housing units and as specifically identified in a Participation Agreement.

(7) Eligible Tenant--an Eligible Applicant, also referred to as an Eligible Family, who is being referred to available Assisted Units in accordance with the Inter-Agency Partnership Agreement and for whom community-based, long-term care services are available at the time of referral. Such services are voluntary; referral shall not be based on willingness to accept such services. Eligible Tenant also means an Extremely Low-Income Person with a Disability, between the ages of 18 and 61 at the time of referral, who meets the requirements of the Target Population and Extremely Low-Income Families,

which includes at least one Person with a Disability, who is between the ages of 18 and 61 at the time of ~~admission~~referral and who meets the requirements of the Target Population.

(8) Enterprise Income Verification System (EIV)--a HUD web-based application which provides Owners with employment, unemployment and Social Security benefit information for tenants participating in U.S. Department of Housing and Urban Development assisted housing programs.

(9) Existing Development--for purposes of 811 PRA Program participation, an awarded property within the Department's Multifamily Program Applicant's portfolio that is not actively applying for a multifamily award at the time, and is being considered to serve as the Eligible Multifamily Property for 811 Program purposes as part of an Applicant's or an Affiliate's current multifamily application. ~~For full applications made on or after January 1, 2018, Existing Developments do not include properties for which the only Ownership interest is through the participation of a Historically Underutilized Business, which owns less than 50% of an Existing Development.~~

(10) Extremely Low-Income--a household whose annual income does not exceed ~~thirty percent (30%)~~ of the median income for the area, as determined by HUD's Extremely-Low Income Limit: families whose incomes do not exceed the higher of ~~the~~ Federal Poverty Level; or ~~30%~~30 percent of Area Median Income, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than ~~thirty percent (30%)~~ of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes. HUD's income exclusions, as defined under 24 CFR §5.609 (as amended), apply in determining income eligibility and Eligible Tenant's rent.

(11) HUD--the U. S. Department of Housing and Urban Development.

(12) Inter-Agency Partnership Agreement--the Inter-Agency Partnership Agreement between TDHCA and State Health and Human Services Medicaid Agency(ies) including the Department of Family Protective Services that provides a formal structure for collaboration in implementation of ~~to participate in~~ TDHCA's Section 811 PRA Project Rental Assistance Program to provided develop permanent supportive housing for Extremely Low-Income Persons with Disabilities.

(13) Multifamily Rules--Chapters 10, 11, 12, and/or 13 of this Title, as applicable.

(14) Owner--the entity that owns the Eligible Multifamily Property. Additionally, Owner means the entity named as such in the Property Agreement, its successors, and assigns.

~~(15) Owner & Property Management Manual--a set of guidelines designed to be an implementation tool for the Program, which allows the Owner and the Owner's designated property manager to better administer the Program, which also includes adherence to the "Owner Occupancy Requirements" set forth in Section IV of HUD Notice H 2013-24.~~

~~(15)~~ Participation Agreement--(also known as Property Agreement) agreement to be executed by the Owner and the Department reflecting the agreement of participation in the ~~Section 811 PRA Project Rental Assistance Program~~ with regards to a given number of assisted housing units on a certain multifamily rental housing property.

(167) Persons with Disability or Persons with Disabilities--shall have the same meaning as defined under 42 U.S.C. §8013(k)(2) and 24 CFR §891.305.

(178) 811 PRA Program--The Department's Section 811 Project Rental Assistance Program under Section 811 of the Cranston-Gonzales National Affordable Housing Act (42 U.S.C. §8013(b)(3)(A)), as amended by the Frank Melville Supportive Housing Investment Act of 2010 (Public Law 111-374) designed to provide permanent supportive housing for Extremely Low-Income persons with disabilities receiving long term supports and services in the community.

(189) Program Requirements--means but is not limited to: the Participation Agreement; Tex. Gov't Code Ann. Chapter 2306; the applicable state program rules under Title 10, Chapters 1, 2, and 8 of the Texas Administrative Code; ~~the Owner & Property Management Manual~~; the Cooperative Agreement; HUD Notice 2013-24 issued on August 23, 2013; Section 811 of the Cranston-Gonzales National Affordable Housing Act (42 U.S.C. §8013(b)(3)(A)), as amended by the Frank Melville Supportive Housing Act of 2010 (Public Law 111-374; Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55); Notice of Funding Availability (NOFA) for Fiscal Year 2012 Section 811 Project Rental Assistance Program published on May 15, 2012; ~~{NOFA}~~ for Fiscal Year 2013 Section 811 Project Rental Assistance Program published on March 4, 2014; ~~for NOFA for Fiscal Year 2019 Project Rental Assistance Section 811 Program for Persons with Disabilities published on October 8, 2019; Notice of Funding Opportunity (NOFO) for Fiscal Year 2023 published on October 12, 2023;~~ and Technical Corrections to any preceding NOFAs or NOFO; and all laws applicable to the Program.

(1920) Proposed Development--the Development proposeds to be awarded funds or an allocation as part of a Multifamily application.

(201) Rental Assistance Contract (RAC)--the HUD contract (form HUD-92235-PRA and form HUD-92237-PRA) by and between the Department and the Owner of the Eligible Multifamily Property which sets forth additional terms, conditions and duties of the Parties with respect to the Eligible Multifamily Property and the Assisted Units.

(212) Rental Assistance Payments--the payment made by the Department to Owners as provided in the Rental Assistance Contract. Where the Assisted Units are leased to an Eligible Tenant, the payment is the difference between the Contract Rent and the Tenant Rent. An additional payment is made to the Eligible Tenant when the Utility Allowance is greater than the Total Tenant Payment. A vacancy payment may be made to the Owner when an Assisted Unit is vacant, in accordance with the RAC and other Program Requirements.

(223) Target Population--the specific group or groups of Eligible Applicants and Eligible Tenants described in the Department's Inter-Agency Partnership Agreement who are intended to be solely served or to be prioritized under the Department's Program.

(234) Tenant Rent--the rent as defined in 24 CFR Part 5.

(245) Total Tenant Payment--the payment as defined in 24 CFR Part 5.

(256) Use Agreement--an agreement by and between the Department and Owner in the form prescribed by HUD under Exhibit 10 of the Cooperative Agreement (form HUD-92238-PRA) encumbering the Eligible Multifamily Property with restrictions and guidelines under the Program for operating Assisted

Units during a minimum thirty (30) year period, to be recorded in the official public property records in the county where the Eligible Multifamily Property is located.

§8.3. Participation as a Proposed Development

(a) To the extent that Applications under Department's rules or NOFAs allow for and/or require use of a Proposed Development to participate in the 811 PRA Program, the Proposed Development must satisfy the following criteria:

(1) Unless the Development is also proposing to use any federal funding subject to 24 CFR Part 35 or has received federal funding after ~~1978~~September 15, 2023 that meets the current requirements in 24 CFR Part 35, the Development must not be originally constructed before 1978;

(2) The Development ~~Site~~ must be located in one of the following areas: Austin-Round Rock MSA, Brownsville-Harlingen MSA, Corpus Christi MSA; Dallas-Fort Worth-Arlington MSA; El Paso MSA; Houston-The Woodlands-Sugar Land MSA; McAllen-Edinburg-Mission MSA; or San Antonio-New Braunfels MSA; and

(3) No new construction of structures shall be located in the mapped 500-year floodplain or in the 100-year floodplain according to FEMA's Flood Insurance Rate Maps (FIRM). Rehabilitation Developments that have previously received HUD funding or obtained HUD insurance do not have to follow subparagraphs (A) - (C) of this paragraph. Except for sites located in coastal high hazard areas (V Zones) or regulatory floodways, existing structures are eligible in these areas, but must meet the following requirements:

(A) The existing structures must be flood-proofed or must have the lowest habitable floor and utilities elevated above both the 500-year floodplain and the 100-year floodplain.

(B) The project must have an early warning system and evacuation plan that includes evacuation routing to areas outside of the applicable floodplains.

(C) Existing structures in the 100-year floodplain must obtain flood insurance under the National Insurance Program. No activities or projects located within the 100-year floodplain may be assisted in a community that is not participating in or has been suspended from the National Flood Insurance Program.

(b) The following requirements must be satisfied for the Units that participate in the 811 PRA Program. Failure for a Unit to meet these requirements does not make the entire Development ineligible, rather only those Units.

(1) Units in the Development are not eligible for Section 811 assistance if they have an existing or proposed project-based or an operating housing subsidy attached to them or if they have received any form of long-term operating subsidy within six months prior to receiving Section 811 Rental Assistance Payments.

(2) Units with an existing or proposed 62 or up age restriction are not eligible.

(3) Units with an existing or proposed limitation for persons with disabilities are not eligible. A Development having a preference for Persons with Disabilities, or a use restriction for Special Needs Populations, which could include but is not limited to Persons with Disabilities, is not a Unit limitation for purposes of this item.

(4) Units with an existing or proposed occupancy restriction for households at 30% or below are not eligible, unless there are no other Units at the Development.

(c) Developments cannot exceed the integration requirements of the Department and HUD. Properties that are exempt from ~~the Department's Integrated Housing Rule at §1.15 of this title (relating to the Department's Integrated Housing Rule)~~ are not exempt from HUD's Integration Requirement maximum of 25%. The maximum number of units a Development can exclusively set aside or have an occupancy preference for persons with disabilities, including Section 811 PRA units is 25% of the total units in the Eligible Multifamily Property.

(d) Section 811 PRA units must be dispersed throughout the Development.

§8.4. Qualification Requirements for Existing Developments

Eligible Existing Developments must meet all of the requirements in §8.3 of this chapter (relating to Participation as a Proposed Development). In addition, the Existing Development must meet the following requirements:

(1) The Development received an award (tax credit, direct loan, etc.) under a Department administered program in or after ~~2002~~2012, or has been otherwise approved by the Department in writing;

(2) The Development has at least 5 housing units;

(3) For Developments that were placed in service on or before January 1, ~~2020~~2024, the most current vacancy report as reflected in CMTS evidences that the Development maintained at least 85% physical occupancy for a period of at least 3 consecutive months;

(4) For Developments that have received a UPCS inspection, the Development received a UPCS score of at least 80 on its most recent Department REAC inspection and all compliance issues associated with that inspection have been resolved; or for Developments whose most recent Department inspection is an NSPIRE inspection, the Development must have received a NSPIRE score of at least 75 and all compliance issues associated with that inspection must have been resolved;

(5) The Development is operating in accordance with the accessibility requirements of Section 504, the Rehabilitation Act of 1973 (29 U.S.C. Section 794), as specified under 24 C.F.R. Part 8, Subpart C, or operating under the 2010 ADA standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" *Federal Register* 79 FR 29671; and

(6) The Development is not Transitional Housing as defined in Chapter 11 of this title.

§8.5. Disposition of Conflicts with Other Department Rules

To the extent that any conflicts arise between this rule and the rules provided in the Multifamily Rules for the 811 Units, the federal requirements for the 811 Units will prevail, after which the requirements of the other Multifamily Rules will take precedence over this chapter. ~~Chapter 1, Administration, Chapter 2 Enforcement, Chapter 10, Uniform Multifamily Rules, Chapter 11, Qualified Allocation Plan, and Chapter 13, Multifamily Direct Loan Rule, federal requirements will first prevail, after which the requirements of the other Multifamily Rules will take precedence over this chapter.~~

§8.6. Program Regulations and Requirements

(a) Participation in the 811 PRA Program ~~is encouraged and~~ may be incentivized through the Department's Rules and NOFAs. Once committed to participate in the 811 PRA Program in a submitted the Multifamily Application, a Development must not accept a fund source that would prevent it from participating in the 811 PRA Program.

(b) An Existing Development that is already participating in the 811 PRA Program is eligible to have an additional commitment of 811 PRA Units as long as the integrated housing requirements as noted in §8.3(c) of this chapter (relating to Participation as a Proposed Development) are not violated.

(c) The types (e.g., accessible, one bedroom, first floor, etc.) and the specific number of Assisted Units (e.g., units 101, 201, etc.) will be "floating" (flexible) and dependent on the needs of the Department and the availability of the Assisted Units on the Eligible Multifamily Property.

(d) Occupancy Requirements. Owner is required to follow all applicable Program Requirements including but not limited to the following occupancy requirements found in HUD Handbook 4350.3 REV-1 and all applicable HUD Housing Notices as amended or superseded from time to time.:

(1) ~~H 2012-06, Enterprise Income Verification (EIV) System;~~

(2) ~~H 2012-26, Extension of Housing Notice 2011-25, Enterprise Income Verification (EIV) & You Brochure Requirements for Distribution and Use;~~

(3) ~~H 2012-22, Further Encouragement for O/As to Adopt Optional Smoke-Free Housing Policies;~~

(4) ~~H 2012-11, State Registered Lifetime Sex Offenders in Federally Assisted Housing;~~

(5) ~~H 2012-09, Supplemental Information to Application for Assistance Regarding Identification of Family Member, Friend or Other Persons or Organization Supportive of a Tenant for Occupancy in HUD Assisted Housing;~~

(6) ~~H 2017-05, Violence Against Women Act (VAWA) Reauthorization Act of 2013, Additional Guidance for Multifamily Owners and Management Agents, as revised by FHEO-2023-01, Notice to Public Regarding FHEO Enforcement Authority and Procedures: Violence Against Women Act 2022 (VAWA);~~

~~(7) H 2022-01, Carbon Monoxide Alarms or Detectors in U.S. Housing and Urban Development (HUD)– Assisted Housing;~~

~~(8) H 2023-10, Implementation Guidance: Sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA); and~~

~~(9) H 2013-24, Section 811 Project Rental Assistance (PRA) Occupancy Interim Notice.~~

(e) Use Agreements. The Owner must execute the Use Agreement at the execution of the RAC and comply with the following:

(1) Use Agreement must be properly recorded according to local laws in the official public records on the Eligible Multifamily Property. The Owner shall provide to the Department within 30 days of its receipt of the recorded Use Agreement, a copy of the executed, recorded Use Agreement.

(2) From the date the Property Agreement is entered into, the Owner shall not enter into any future use agreements or other subsidy programs that would diminish the number of Assisted Units that can be placed on the Eligible Multifamily Property.

(3) The Department will enforce the provisions of the Use Agreement and RAC consistent with HUD's internal control and fraud monitoring requirements.

(f) TRACS & EIV, Reporting, Tenant Certifications and Compliance.

(1) TRACS & EIV Systems. The Owner shall have appropriate methods to access the Tenant Rental Assistance Certification System (TRACS) and the EIV System. The Owner shall be responsible for ensuring Program information is entered into these systems. TRACS is the only system by which an Eligible Multifamily Property can request Project Rental Assistance payments.

~~(2) EIV Policies and Procedures. Upon the execution of a RAC, the Owner must submit a copy of the property's EIV Policies and Procedures to the Department for review. If deficiencies are identified, the Owner will be required to correct and resubmit to the Department until all deficiencies have been properly corrected.~~

~~(3) Outside Vendors. The Owner has the right to refuse assistance from outside vendors hired by the Department, but is still required to satisfy the Program Requirements.~~

(4) Tenant Certification. The Owner shall transmit Eligible Tenant's certification and recertification data, transmit voucher data, and communicate errors electronically in a form consistent with HUD reporting requirements for HUD Secure Systems.

(5) Compliance Reviews. The Department's Compliance Division will conduct a monitoring review in conjunction with the review of any other Department administered housing program layered with the Development. If the Development is layered with Housing Tax Credits and has exceeded the 15-year Federal Compliance Period, monitoring reviews of the Program will still be conducted at least every three years.

(64) The Department will review the Property's Tenant Selection Plan and Criteria, as defined by and in accordance with §10.802 of this chapter (relating to Written Policies and Procedures).

(g) Tenant Selection and Screening.

(1) Target Population. The Department will screen Eligible Applicants for compliance with the Department's ~~Program~~ Target Population criteria and do an initial screening for Program Requirements. The Inter-Agency Partnership Agreement describes the specific Target Populations eligible for the Department's Program. The Target Populations may be revised, with HUD approval.

(2) Tenant Eligibility and Selection. The Owner is responsible for the ultimate eligibility determination and selection of an Eligible Tenant and will comply with the following:

(A) The Owner must accept referrals of an Eligible Tenant from the Department and retain copies of all applications received. The Owner is responsible for notifying the prospective Eligible Tenant and the Department in writing regarding any denial of a prospective Eligible Tenant's application to an Eligible Multifamily Property and the reason for said denial. In the notice of denial, the Owner is responsible for notifying the Eligible Tenant of the right to dispute a denial, as outlined in HUD Handbook 4350.3. The results of the dispute must be sent to the Eligible Tenant and the Department in writing.

(B) The Owner is responsible for determining the age of the qualifying member of the Eligible Families. The Eligible Family member must be at least 18 years of age and under the age of 62 at the time of referral.

(C) The Owner is responsible for criminal background screening as required by HUD Handbook 4350.3.

(D) Verification of Income, Assets, and Deductions. The Owner is responsible for determining income of Eligible Families. The Owner shall verify income through the Enterprise Income Verification (EIV) System per HUD Handbook 4350.3 and HUD Notices. The Owner must certify an Eligible Tenant and Eligible Families at least annually and verify their income. Use of the EIV system as third party verification is not acceptable for the Housing Tax Credit or Multifamily Direct Loan Program.

(h) Rental Assistance Contracts.

(1) Applicability. If requested by the Department, the Owner shall enter into a RAC. Not all properties with an Owner Participation Agreement will have a RAC, but when notified by the Department, the Eligible Multifamily Property must enter into a RAC(s) and begin serving referred Eligible Applicants.

(2) Notice. The Department will provide written notice to the Owner if and when it intends to enter into a RAC with the Owner.

(3) Assisted Units. The Department will determine the number of Units (up to the maximum listed in the Property Agreement) to place in the RAC(s) which may be fewer than the number of Units identified in the Property Agreement.

(4) The Department will designate the bedroom composition of the Assisted Units, as required by the RAC. However, based on an actual Eligible Tenant, bedroom composition ~~this~~ may fluctuate. ~~It is~~

~~possible that an Eligible Multifamily Property will have a RAC for fewer units than the number committed in the Participation Agreement.~~

(5) If no additional applicants are referred to the Development, the Department may begin a RAC amendment to reduce the number of Assisted Units. An Owner who has an amended, executed RAC must continue to notify the Department of units that become vacant that are committed under the Agreement.

(6) Amendments. The Owner agrees to amend the RAC(s) upon request of the Department. Some examples of such requests are amendments that may either increase or decrease the total number of Assisted Units or increase or decrease the associated bedroom sizes. ~~;~~ Multiple amendments to the RAC may occur over time. The total number of Assisted Units in the RAC will not exceed the number of Assisted Units committed in the Participation Agreement, unless by request of the Owner.

(7) Contract Term. The Department will specify the effective date of the RAC. During the first year of the RAC and with approval from HUD, the Owner may request to align the anniversary date of the RAC with existing federal or state housing programs layered on the Eligible Multifamily Property.

(8) Rent Increase. Owners must submit a written request to the Department 30 days prior to the anniversary date of the RAC to request an annual increase.

(9) Utility Allowance. The RAC will identify the Department approved Utility Allowance used for the Assisted Units for the Eligible Multifamily Property. The Owner must notify the Department if there are changes to the Utility Allowance calculation methodology being used.

(10) Termination. Although the Department has discretion to terminate a RAC due to good cause, an Owner cannot opt-out of a RAC. ~~The RAC survives a foreclosure, assignment, sale in lieu of foreclosure, or sale of the Eligible Multifamily Property to the extent allowed by law.~~

(11) ~~Foreclosure~~ Transfer of Eligible Multifamily Property. The RAC survives ~~Upon a~~ foreclosure, assignment, sale in lieu of foreclosure, or sale of the Eligible Multifamily Property, ~~to the extent allowed by law.~~ Additionally:

(A) The RAC shall be ~~transferred~~ assigned to new owner by contractual agreement or by the new owner's consent to comply with the RAC, ~~as or both as~~ applicable;

(B) Rental Assistance Payments will continue uninterrupted in accordance with the terms of the RAC; and

(C) Voluntary and involuntary transfers or conveyances of property must adhere to the ownership transfer process in §10.406 of this title (relating to Ownership Transfers (§2306.6713)).

(i) Advertising and Affirmative Marketing.

~~(1) Advertising Materials. Upon the execution of the Property Agreement, the Owner must provide materials for the purpose of advertising the Eligible Multifamily Property, including but not limited to:~~

~~(A) Depictions of the units including floor plans;~~

~~(B) Brochures;~~

~~(C) Tenant selection criteria;~~

~~(D) House rules;~~

~~(E) Number and size of available units;~~

~~(F) Number of units with accessible features (including, but not limited to units designed to meet Uniform Federal Accessibility Standards, the Fair Housing Act, or the Americans with Disabilities Act);~~

~~(G) Documentation on access to transportation and commercial facilities; and~~

~~(H) A description of onsite amenities.~~

(2) Affirmative Marketing. The Department and its service partners are responsible for affirmatively marketing the Program to Eligible Applicants in accordance with HUD's requirements.

(3) At any time, the Department may choose to advertise the Eligible Multifamily Property, even if the Eligible Multifamily Property has not yet entered into a RAC.

(j) Leasing Activities.

(1) Segregation of Assisted Units. The Owner must take actions or adopt procedures to ensure that the Assisted Units are not segregated to one area of a building (such as on a particular floor or part of a floor in a building) or in certain sections within the Eligible Multifamily Property.

(2) Form of Lease. The Owner will use the HUD Section 811 PRA Model Lease (HUD-92236-PRA), Exhibit 11 of the Cooperative Agreement and any Department approved Addendums, for all Eligible Families once a RAC is signed. The initial lease will be for not less than one year.

(3) Communication. Owners are required to document in writing all communication between the Eligible Tenant and the Owner, or Owner-designated agent regarding applications, notifications, evictions, complaints, non-renewals and move outs.

(4) Lease Renewals and Changes. The Owner must notify the Department of renewals of leases with Eligible Families and any changes to the terms of the lease.

~~(5) Development Policies. Upon the execution of the RAC, an Owner is required to submit a copy of the Development Policies (House Rules) to the Department for review. If deficiencies are noted, the Development will be required to correct and resubmit to the Department until all deficiencies have been properly corrected. The Owner is required to send a copy of amendments to the House Rules to the Department before implementing changes.~~Development Policies. Upon the execution of the RAC, the Owner is required to submit to the Section 811 Program Administrator for review the following Development Policies: Tenant Selection Plan (which also must be in compliance with 10 TAC §10.802 relating to Written Policies and Procedures), House Rules, EIV Policies and Termination Notices. Owner must provide updates to the Department whenever they are revised, and must self-certify against a provided checklist that they remain compliant. Review by the Department may be based on sampling or

risk-based. Notification of review and any noncompliance will be submitted to the Compliance Division for issuance through the Compliance Monitoring and Tracking System (CMTS). The Owner will have 90 days to correct any noncompliance, unless a shorter period is required federally or for health and safety reasons.

(k) Rent.

(1) Tenant Rent Payment. The Owner will determine the Tenant Rent payment of the Eligible Tenant, based on HUD Handbook 4350.3 and HUD Notices, and is responsible for collecting the Tenant Rent payment.

(2) Utility Reimbursement. The Owner is responsible for remitting any Tenant Rent payment due to the Eligible Tenant if the Utility Allowance exceeds the Total Tenant Payment no later than the 5th day of each month, beginning 30 days after initial move in.

(3) Rent Increase. Owner must provide the Eligible Tenant with at least 30 days notice before increasing rent, in accordance with HUD Handbook 4350.3.

(4) Rent Restrictions. Owner will comply with the following rent restrictions:

(A) If a Unit at the Development has a Department enforced rent restriction that is equal to or lower than Fair Market Rent (FMR), the initial rent is the maximum Department enforced rent restriction for that Unit, not to exceed the 60% Area Median Family Income limit.

(B) If there is no existing Department enforced rent restriction on the Unit, or the existing Department enforced rent restriction is higher than FMR, the Department will work with the Owner to conduct a market analysis of the Eligible Multifamily Property to support that a rent higher than FMR is attainable.

~~(C) After the signing of the original RAC with the Department, the Owner may request a new anniversary date to be consistent with other rent restrictions on the Eligible Multifamily Property allowed by the Department.~~

~~(D)~~ After the signing of the original RAC, upon request from the Owner to the Department, Rents may be adjusted on the anniversary date of the RAC.

~~(E)~~ Adjustments may not result in higher rents charged for an Assisted Unit as compared to a non-assisted unit. The calculation or methodology used for the annual increase amount will be identified in the Eligible Multifamily Property's RAC.

~~(F)~~ Owner can submit a request for a rent increase or to change the contract anniversary date using HUD Form 92458.

(l) Vacancy; Household Changes; Transfers; Eviction.

(1) Holding Assisted Units. Once an Owner signs a RAC, the Eligible Multifamily Property must hold an available Assisted Unit for 60 days from when the Owner notifies the Department of the available Unit while a qualified Eligible Applicant is referred by the Department and the applicant applies for and moves into the Assisted Unit.

(2) Notification. Owner will notify the Department of determination of ineligibility or the termination of any participating Eligible Families or any member of a participating Eligible Family.

(3) Initial Lease-up. Owners of a newly constructed, acquired and/or rehabilitated Eligible Multifamily Property must notify the Department no later than 180 days before the Eligible Multifamily Property will be available for initial move-in. Failure to reserve the agreed upon number of Assisted Units for Eligible Families will be cited as noncompliance, be referred for administrative penalties, and be considered possible grounds for Debarment.

(4) Vacancy. Upon execution of the RAC, the Owner must notify the Department of any vacancy of an Assisted Unit at the Eligible Multifamily Property as soon as possible, not to exceed seven calendar days from when the Owner becomes aware of the eligible Unit availability. Once the Department acknowledges receipt of the notice, the Department will notify the Owner within three business days if the Unit is acceptable and submit a referral. If the qualifying Eligible Tenant vacates the Assisted Unit, the Department will determine if the remaining family member(s) is eligible for continued assistance from the Program.

(5) Vacancy Payment. The Department may provide vacancy payments that cannot exceed 80% of the Contract Rent for up to 60 days from the effective date of the RAC. After the 60 days, the Owner may lease the Assisted Unit to a non-Eligible Tenant. Developments without an executed RAC are not eligible for vacancy payments.

(6) Household Changes. Owner will notify the Department of any changes in family composition in an Assisted Unit within three business days. If the change results in the Assisted Unit being smaller or larger than is appropriate for the Eligible Family size, the Owner must refer to the Department's written policies regarding family size, unit transfers and waitlist management. If the Department discovers the Eligible Family is ineligible for the size of the Assisted Unit, the Owner will be notified but Rental Assistance Payments will not be reduced or terminated until the Eligible Family can be transferred to an appropriate sized Assisted Unit.

(7) Transfers. Owner must notify the Department if the Eligible Family requests a transfer to another Assisted Unit within the Development. The Department will determine if the Eligible Family qualifies for the unit transfer, if the new Unit is eligible as an Assisted Unit and then notify the Owner. If the Department determines the Eligible Family is ineligible for the size of the Assisted Unit, the Department will notify the Owner and Rental Assistance Payments will not be reduced or terminated until the Eligible Family can be transferred to an appropriate sized Assisted Unit.

(8) Notice to Vacate and Nonrenewal. Owners are required to notify the Department at least three calendar days prior to issuing a Notice to Vacate or a Notice of Non-Renewal to the Eligible Family. Notices must be in compliance with HUD Handbook 4350.3 8-13(B)(2) and HUD Notices. A copy of the applicable Notice must be submitted via email to 811info@tdhca.texas.gov~~811info@tdhca.state.tx.us~~.

(A) Owner is required to notify the Department within seven calendar days of when the Development is notified that the Eligible Family will vacate or in the event that the Eligible Family vacates without notice, upon discovery that the Assisted Unit is vacant. Notification of vacancy must be submitted to 811info@tdhca.texas.gov~~811info@tdhca.state.tx.us~~.

(B) Upon move out, Owner must submit a move out disposition to the Department to ensure proper processing of the security deposit per HUD Handbook 4350.3 6-18.

(m) Construction Standards, Inspections, Repair and Maintenance, and Accessibility.

(1) Construction Standards. Upon execution of a RAC, the Eligible Multifamily Property shall be required to conform to National Standards for the Physical Standards of Real Estate (NSPIRE) which are uniform national standards established by HUD for housing that is decent, safe, sanitary, and in good repair. The site, building exterior, building systems, dwelling units and common areas of the Eligible Multifamily Property, as more specifically described in 24 CFR §5.703, must be inspected in any physical inspection of the property.

(2) Inspection. Prior to occupancy, the Eligible Tenant must be given the opportunity to be present for the move-in unit inspection.

(3) Repair and Maintenance. Owner will perform all repair and maintenance functions, including ordinary and extraordinary maintenance; will replace capital items; and will maintain the premises and equipment, appurtenant thereto, in good repair, safe and sanitary condition consistent with HUD and Department requirements.

(4) Accessibility. Owner must ensure that the Eligible Multifamily Property meets or exceeds the accessibility requirements under 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973; the Fair Housing Act Design Manual; Titles II and III of the Americans with Disabilities Act (42 U.S.C. §§12131 - 12189), as implemented by the U.S. Department of Justice regulations at 28 CFR Parts 35 and 36; and the Federal Fair Housing Act as implemented by HUD at 24 CFR Part 100. However, Assisted Units can consist of a mix of accessible units for those persons with physical disabilities and non-accessible units for those persons without physical disabilities.

(n) Owner Training. The Owner is required to train all property management staff engaging with Eligible Families on the requirements of the Program. Owner training must include, but is not limited to, the HUD Handbook 4350.3 and the information provided on the Department's 811 Program webpage, at ~~<https://www.tdhca.state.tx.us/section-811-pra/index.htm>~~.

(o) Reporting Requirements. Owner shall submit to the Department such reports on the operation and performance of the Program as required by the Participation Agreement and as may be required by the Department. Owner shall provide the Department with all reports necessary for the Department's compliance with 24 CFR Part 5, or any other federal or state law or regulation.

(p) Environmental Laws and Regulations.

(1) Compliance with Laws and Regulations. Owner must comply with, as applicable, any federal, state, or local law, statute, ordinance, or regulation, whether now or hereafter in effect, pertaining to health, industrial hygiene, or the environmental conditions on, under, or about the Land or the Improvements, ~~including without limitation, the following, as now or hereafter amended:~~

~~(A) Hazardous Materials Transportation Act (49 U.S.C.A. §1801 et seq.);~~

~~(B) Insecticide Fungicide and Rodenticide Act (7 U.S.C.A. §136 et seq.);~~

~~(C) National Environmental Policy Act (42 U.S.C. §4321 et seq.) (NEPA);~~

~~(D) Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C.A. §9601 et seq.) (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub. L. No. 99-499, 100 Stat. 1613, as amended Pub. L. No. 107-377) (Superfund or SARA);~~

~~(E) Resource, Conservation and Recovery Act (24 U.S.C.A. §6901 et seq.) (RCRA);~~

~~(F) Toxic Substances Control Act, (15 U.S.C.A. §2601 et seq.);~~

~~(G) Emergency Planning and Community Right to Know Act of 1986 (42 U.S.C.A. §1101 et seq.);~~

~~(H) Clean Air Act (42 U.S.C.A. §7401 et seq.) (CAA);~~

~~(I) Federal Water Pollution Control Act and amendments (33 U.S.C.A. §1251 et seq.) (Clean Water Act or CWA);~~

~~(J) Any corresponding state laws or ordinances including but not limited to Chapter 26 of the Texas Water Code regarding Water Quality Control;~~

~~(K) Texas Solid Waste Disposal Act (Chapter 361 of the Texas Health & Safety Code, formerly Tex. Rev. Civ. Stat. Ann. Art. 4477-7);~~

~~(L) Comprehensive Municipal Solid Waste Management, Resource Recovery, and Conservation Act (Chapter 363 of the Texas Health & Safety Code);~~

~~(M) County Solid Waste Control Act (Chapter 364 of the Texas Health & Safety Code);~~

~~(N) Texas Clean Air Act (Chapter 382 of the Texas Health & Safety Code);~~

~~(O) Hazardous Communication Act (Chapter 502 of the Texas Health & Safety Code); and~~

~~(P) Regulations, rules, guidelines, or standards promulgated pursuant to such laws, statute and regulations, as such statutes, regulations, rules, guidelines, and standards, as amended from time to time.~~

(2) Environmental Review. The environmental effects of each activity carried out with funds provided under this Agreement must be assessed in accordance with the provisions of the Program Requirements, National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. §432 et seq.). Each such activity must have an environmental review completed and support documentation prepared in accordance with §11.305 of this title (relating to complying with the NEPA, including screening for vapor encroachment following American Society for Testing and Materials (ASTM) 2600-10.

(q) Labor Standards.

(1) ~~Owner understands and acknowledges that e~~Every contract for the construction (rehabilitation, adaptive reuse, or new construction) of housing that includes 12 or more units assisted with Program funds must contain provisions in accordance with Davis-Bacon Regulations.

(2) ~~Owner understands and acknowledges that e~~Every contract involving the employment of mechanics and laborers of said construction shall be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. §§3701 to 3708), Copeland (Anti-Kickback) Act (40 U.S.C. §3145), the Fair Labor Standards Act of 1938, as amended (29 U.S.C. §201, et seq.) and Davis-Bacon and Related Acts (40 U.S.C. §§3141 - 3148).

(3) ~~Owner further acknowledges that i~~f more housing units are constructed than the anticipated 11 or fewer housing units, it is the Owner's responsibility to ensure that all the housing units will comply with these federal labor standards and requirements under the Davis-Bacon Act as supplemented by the U.S. Department of Labor regulations ("Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction" at 29 CFR Part 5).

(4) ~~Owner also understands that s~~Structuring the proposed assistance for the rehabilitation or construction of housing under this Agreement to avoid the applicability of the Davis-Bacon Act is prohibited.

(5) Construction contractors and subcontractors must comply with regulations issued under ~~these federal acts described herein, with other~~ federal laws, regulations pertaining to labor standards, including but not limited to "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction" at 29 CFR Part 5, HUD Federal Labor Provisions (HUD form 4010).

(r) Lead-Based Paint. Housing assisted with Program funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4821 - 4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§4851 - 4856), and implementing regulations Title X of the 1992 Housing and Community Development Act at 24 CFR Part 35, (including subparts A, B, J, K, M and R). Owner shall also comply with the Lead: Renovation, Repair, and Painting Program Final Rule, 40 CFR Part 745 and Response to Children with Environmental Intervention Blood Lead Levels. Failure to comply with the lead-based paint requirements may be subject to sanctions and penalties pursuant to 24 CFR §35.170.

(s) Limited English Proficiency. ~~Owner shall comply with the requirements in Executive Order 13166 of August 11, 2000, reprinted at 65 FR 50121, August 16, 2000, Improving Access to Services for Persons with Limited English Proficiency and 67 FR 41455. To ensure compliance the~~The Owner must take reasonable steps to ~~ensure~~insure that LEP persons with Limited English Proficiency have meaningful access to the program and activities. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary.

(t) Procurement of Recovered Materials. Owner, its subrecipients, and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

(u) Drug-Free Workplace. Owner will follow the Drug-Free Workplace Act of 1988 (41 U.S.C §701, et seq.) and HUD's implementing regulations at 2 CFR Part 2429. Owner affirms by executing the

Certification Regarding Drug-Free Workplace Requirements attached hereto as Addendum B, that it is implementing the Drug-Free Workplace Act of 1988.

(v) ~~Equal Opportunity, Fair Housing, Nondiscrimination, and Equal Access.~~

~~(1) Equal Opportunity. The Owner agrees to carry out an Equal Employment Opportunity Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965, as amended, and its implementing regulations at 41 CFR Part 60.~~

~~(2) Fair Housing Poster. The Owner is required to place a fair housing poster (HUD-928.1 and HUD-9281.A) provided by the Department in the leasing office, online, or anywhere else rental activities occur pursuant to 24 CFR §200.620(e). A copy of the poster in Spanish and in English can be found at <http://www.tdhca.state.tx.us/section-811-pra/participating-agents.htm>.~~

~~(3) Nondiscrimination Laws. Owner shall ensure that no person shall, on the grounds of race, color, religion, sex, disability, familial status, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any Program or activity funded in whole or in part with funds provided under this Agreement. Owner shall follow Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. §2000d et seq.), the Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.) and its implementing regulations at 24 CFR Part 146, Titles II and III of the Americans with Disabilities Act (42 U.S.C. §§12131 - 12189; 47 U.S.C. §§155, 201, 218 and 255) as implemented by U.S. Department of Justice at 28 CFR Parts 35 and 36, Section 527 of the National Housing Act (12 U.S.C. §1701z-22), the Equal Credit Opportunity Act (15 U.S.C. §1691 et seq.), the Equal Opportunity in Housing (Executive Order 11063 as amended by Executive Order 12259) and its implementing regulations at 24 CFR Part 107 and The Fair Housing Act (42 U.S.C. §3601 et seq.), as implemented by HUD at 24 CFR Part 100-115.~~

~~(4) Affirmatively Furthering Fair Housing. By Owner's execution of the Agreement and pursuant to Section 808(e)(5) of the Fair Housing Act, Owner agrees to use funds in a manner that follows the State of Texas' "Analysis of Impediments" or "Assessment of Fair Housing", as applicable and as amended, and will maintain records in this regard.~~

~~(5) Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking. Subpart L of 24 CFR part 5 shall apply to the Assisted Units in Eligible Multifamily Properties.~~

(w) Security of Confidential Information.

(1) Systems Confidentiality Protocols. Owner must undertake customary and industry standard efforts to ensure that the systems developed and utilized under this Agreement protect the confidentiality of every Eligible Applicant's and Eligible Tenant's personal and financial information, both electronic and paper, including credit reports, whether the information is received from the Eligible Applicants, Tenants or from another source. Owner must undertake customary and industry standard efforts so that neither they nor their systems vendors disclose any Eligible Applicant's or Tenant's personal or financial information to any third party, except for authorized personnel in accordance with this Agreement.

(2) Protected Health Information. If Owner collects or receives documentation for disability, medical records or any other medical information in the course of administering the Program, Owner shall comply with the Protected Health Information state and federal laws and regulations, as applicable,

under §1.24 of this title (relating to ~~Information Security and Privacy Requirements-Protected Health Information~~), Chapter 181 of the Texas Health and Safety Code, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Pub. L. 104-191, 110 Stat. 1936, enacted August 21, 1996), and the HIPAA Privacy Rules (45 CFR Part 160 and Subparts A and E of 45 CFR Part 164).

(x) Real Property Acquisition and Relocation. Except as otherwise provided by federal statute, HUD-assisted programs or projects are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) (42 U.S.C. §4601), and the government wide implementing regulations issued by the U.S. Department of Transportation at 49 CFR Part 24. The Uniform Act's protections and assistance apply to acquisitions of real property and displacements resulting from the acquisition, rehabilitation, or demolition of real property for federal or federally assisted programs or projects. With certain limited exceptions, real property acquisitions for a HUD-assisted program or project must comply with 49 CFR Part 24, Subpart B. To be exempt from the URA's acquisition policies, real property acquisitions conducted without the threat or use of eminent domain, commonly referred to as voluntary acquisitions, the Owner must satisfy the applicable requirements of 49 CFR §24.101(b)(1) - (5). Evidence of compliance with these requirements must be maintained by the ~~Owner~~ recipient. The URA's relocation requirements remain applicable to any tenant who is displaced by an acquisition that meets the requirements of 49 CFR §24.101(b)(1) - (5). The relocation requirements of the Uniform Act, and its implementing regulations at 49 CFR Part 24, cover any person who moves permanently from real property or moves personal property from real property as a direct result of acquisition, rehabilitation, or demolition for a program or project receiving HUD assistance. While there are no statutory provisions for temporary relocation under the URA, the URA regulations recognize that there are circumstances where a person will not be permanently displaced but may need to be moved from a project for a short period of time. Appendix A of the URA regulation (49 CFR §24.2(a)(9)(ii)(D)) explains that any tenant who has been temporarily relocated for a period beyond one year must be contacted by the displacing agency and offered URA relocation assistance.

(y) Dispute Resolution; Conflict Management.

(1) Eligible Tenant Disputes. The Owner or Owner's representative is required to participate in a Dispute Resolution process, as required by HUD, to resolve an appeal of an Eligible Tenant dispute with the Owner.

(2) Agreement Disputes. In accordance with Tex. Gov't Code 2306.082, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures (ADR) under the Governmental Dispute Resolution Act and the Negotiated Rulemaking Act (Chapters 2009 and 2006 respectively, Tex. Gov't Code), to assist in the fair and expeditious resolution of internal and external disputes involving the Department and the use of negotiated rulemaking procedures for the adoption of Department rules. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and the Owner, to exchange information and informally resolve disputes. ~~The Department also has administrative appeals processes to fairly and expeditiously resolve disputes.~~ If at any time the Owner would like to engage the Department in an ADR procedure, the Owner may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR policy, see the Department's Alternative Dispute Resolution and Negotiated Rulemaking at §1.17 of this title (relating to Alternative Dispute Resolution). The Department also has administrative appeals processes to fairly and expeditiously resolve the types of disputes discussed in §1.7 (relating to Appeals Process).

(3) Conflict Management. The purpose of the Conflict Management process is to address any concerns that Owner or Owner's agent or representative may have with an Eligible Family. At any time, an Eligible Family may choose to give consent to their Section 811 service coordinator to work directly with the property manager of the Eligible Multifamily Property. However, such consent cannot be made a condition of tenancy.

(z) Deadlines.

<u>Section Requirement</u>	<u>Deadline</u>
<u>(e)(1)</u>	<u>The Owner shall provide to the Department within 30 days of its receipt of the recorded Use Agreement, a copy of the executed, recorded Use Agreement.</u>
<u>(h)(8)</u>	<u>Rent Increase. Owners must submit a written request to the Department 30 days prior to the anniversary date of the RAC to request an annual increase.</u>
<u>(i)(5)</u>	<u>Upon the execution of the RAC, the Owner is required to submit to the Section 811 Program Administrator for review the following Development Policies: Tenant Selection Plan, House Rules, EIV Policies and Termination Notices.</u>
<u>(l)(3)</u>	<u>Initial Lease-up. Owners of a newly constructed, acquired and/or rehabilitated Eligible Multifamily Property must notify the Department no later than 180 days before the Eligible Multifamily Property will be available for initial move-in.</u>
<u>(l)(4)</u>	<u>Vacancy. Upon execution of the RAC, the Owner must notify the Department of any vacancy of an Assisted Unit at the Eligible Multifamily Property as soon as possible, not to exceed seven calendar days from when the Owner becomes aware of the eligible Unit availability.</u>
<u>(l)(6)</u>	<u>(6) Household Changes. Owner will notify the Department of any changes in family composition in an Assisted Unit within three business days.</u>
<u>(l)(8)</u>	<u>Notice to Vacate and Nonrenewal. Owners are required to notify the Department at least three calendar days prior to issuing a Notice to Vacate or a Notice of Non-Renewal to the Eligible Family.</u>



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1452

Agenda Date: 6/4/2026

Agenda #: 11.

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 23, Single Family HOME Program, Subchapter B, and Subchapter F; an order proposing new 10 TAC Chapter 23, Single Family HOME Program, Subchapter B and Subchapter F; and an order directing their publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, staff has assessed 10 TAC Chapter 23, Single Family HOME Program, Subchapter B, Availability of Funds, Application Requirements, Review and Award Procedures, General Administrative Requirements, and Resale and Recapture of Funds, and Subchapter F, Single Family Development Program, and recommends amendments to clarify requirements, update threshold requirements, and update requirements for the Single Family Development Program to reduce administrative burden and align with existing loan closing procedures;

WHEREAS, such revisions are being proposed through the repeal of the current rule and a simultaneous new rule to be proposed in its place; and

WHEREAS, upon Board approval, such proposed rulemaking will be published in the *Texas Register* for public comment from June 19, 2026, through July 20, 2026, and subsequently returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed actions herein in the form presented to this meeting, to be published in the *Texas Register* for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

The Single Family HOME Program offers the Single Family Development (SFD) program activity to increase the supply of quality affordable housing. SFD offers HOME Program funds in the

form of a deferred zero percent interest interim construction loan to developers of affordable housing for low-income homebuyers. To further support the development, funds are offered for developer fees, and the interim loan may be converted into permanent mortgage financing for the homebuyer. The permanent financing is a monthly amortizing loan. Additional funds for the homebuyer may be offered as a separate deferred forgivable loan for closing cost assistance and principal reduction in order to increase affordability, depending on the needs of the homebuyer.

The rule revisions include updates to Subchapter B, related to Availability of Funds, Application Requirements, Review and Award Procedures, General Administrative Requirements, and Resale and Recapture of Funds, and Subchapter F, related specifically to SFD. Changes to Subchapter B focus on updates to threshold requirements for projects and applicants, updates to contract terms and benchmarks, clarifications to allowable costs for construction projects, and removal of minimum size requirements for housing constructed with HOME funds. Changes to Subchapter F related to Single Family Development focus on expanding the program to incorporate flexibilities and incentives for developers of self-help housing, as well as updating the rule to conform to existing loan closing procedures.

The rule, as proposed, will be released for public comment from June 19, 2026, through July 20, 2026, and returned to the Board for final approval.

A summary of substantive changes is as follows:

Subchapter B, Availability of Funds, Application Requirements, Review and Award Procedures, General Administrative Requirements, and Resale and Recapture of Funds

§23.23(a)(5)(A)

Includes Single Family Development as a program activity subject to the existing Match requirements.

§23.23(a)(5)

Increases the cash reserve required for an entity applying for HOME funds to \$100,000 from \$80,000 for program activities involving construction and from \$30,000 to \$50,000 for tenant-based rental assistance. This increase reflects the need for Administrator's to have cash on hand to effectively operate the programs prior to reimbursement.

§23.23(a)(10)

Incorporates a threshold requirement related to prior monitoring. The new requirement considers as ineligible Applicants who have had closed, unresolved monitoring findings with disallowed costs in excess of \$5,000 in the past 3 years, even if they are already in a repayment plan.

§23.24(b) and (c)

Extends term for contracts, including benchmarks within the contract, to incorporate extended deadlines now permitted in federal regulations.

§23.27(f)

Allows for additional hard costs for abatement of hazardous conditions on the site other than those identified in the environmental review but that would cause a code violation, such as abandoning disused wells and filling in cisterns.

§23.28(a)(6)

Removes minimum unit size requirements for single family construction.

Subchapter F, Single Family Development Program

§23.60(b)

Moves requirements necessary for a commitment of funds for Single Family Development contracts into the application requirements to ensure that awards are made only for projects that are ready for the commitment of funds.

§23.60(c)(2)

Incorporates a provision allowing for a preference for self-help housing models for award.

§23.60(f)

Incorporates a provision that would allow for the value of volunteer labor and donated materials to be included in the calculation for the developer fee, increasing the available fee for developers utilizing these components in the project.

§23.60(h-i)

Allows for construction to commence prior to identification and qualification of an eligible buyer.

§23.60(j)

Clarifies that Developer's estimated costs to close the interim loan may be included in the interim construction loan if they are HOME eligible costs.

§23.60(k)

Removes the requirement for the HOME permanent loan to be in first or second lien position and defers to the lien position requirements as outlined in the Single Family Umbrella rule.

§23.60(k)(1)(C)

Removes the required front-end ratio for households with income exceeding 50% of Area Median Family Income.

§23.61

Changes to the overall structure of the rule to align with the existing loan closing process and to conform to changes allowing construction to commence prior to identifying the homebuyer.

Attachment 1: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 23, Single Family HOME Program, Subchapter B, Availability of Funds, Application Requirements, Review and Award Procedures, General Administrative Requirements, and Resale and Recapture of Funds, and Subchapter F, Single Family Development Program

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 23, Single Family HOME Program, Subchapter B, Availability of Funds, Application Requirements, Review and Award Procedures, General Administrative Requirements, and Resale and Recapture of Funds, and Subchapter F, Single Family Development Program. The purpose of the proposed repeal is to eliminate the current rule while replacing it with a more current version of the rule.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the repeal would be in effect:

1. The repeal does not create or eliminate a government program but relates to how the Department will reallocate financial assistance.
2. The repeal does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce workload to a degree that eliminates any existing employee positions.
3. The repeal does not require additional future legislative appropriations.
4. The repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.
6. The repeal will not expand or contract the applicability of an existing regulation.
7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.
8. The repeal will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The repeal does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed and new sections would be an updated and more germane rule. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 19, 2026, through July 20, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Abigail Versyp at abigail.versyp@tdhca.texas.gov. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, July 20, 2026.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed action affects no other code, article, or statute.

10 TAC Chapter 23, Single Family HOME Program

Subchapter B, Availability of Funds, Application Requirements, Review and Award Procedures, General Administrative Requirements, and Resale and Recapture of Funds

Subchapter F, Single Family Development Program

Attachment 2: Preamble, including required analysis, for proposed new 10 TAC Chapter 23, Single Family HOME Program, Subchapter B, Availability of Funds, Application Requirements, Review and Award Procedures, General Administrative Requirements, and Resale and Recapture of Funds, and Subchapter F, Single Family Development Program

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 23, Single Family HOME Program, Subchapter B, Availability of Funds, Application Requirements, Review and Award Procedures, General Administrative Requirements, and Resale and Recapture of Funds, and Subchapter F, Single Family Development Program. The purpose of the proposed rule is to make clarifying updates, to update threshold requirements for necessary cash reserves to operate HOME Program activities, and to update the requirements for the Single Family Development Program to reduce administrative burden and align with existing loan closing procedures.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset. While the requirements for cash reserves are increased, these reserves are utilized to pay costs temporarily prior to reimbursement by the Department.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the new section would be in effect:

1. The new section does not create or eliminate a government program but relates to how the Department will reallocate financial assistance.
2. The new section does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce workload to a degree that eliminates any existing employee positions.
3. The new section does not require additional future legislative appropriations.
4. The new section will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The new section does not create a new regulation, except that it is replacing a section being repealed simultaneously to provide for revisions.
6. The new section will not expand or contract an existing regulation.
7. The new section will not increase or decrease the number of individuals subject to the rule's applicability.
8. The new section will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the new section and determined that the action will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The new section does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the new section as to its possible effect on local economies and has determined that for the first five years the new section would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section would be an updated and clearer rule. There will not be economic costs to individuals required to comply with the new section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new rule is in effect, enforcing or administering the rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the proposed action and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis from any person required to comply with the rule action or any other interested person. REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 19, 2026, through July 20, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Abigail Versyp, ATTN: Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or by email to abigail.versyp@tdhca.texas.gov. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, July 20, 2026.

STATUTORY AUTHORITY. The proposed new section is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new section affects no other code, article, or statute.

CHAPTER 23 SINGLE FAMILY HOME PROGRAM

SUBCHAPTER B AVAILABILITY OF FUNDS, APPLICATION REQUIREMENTS, REVIEW AND AWARD PROCEDURES, GENERAL ADMINISTRATIVE REQUIREMENTS, AND RESALE AND RECAPTURE OF FUNDS

§23.20 Availability of Funds and Regional Allocation Formula

Funds made available through an open Application cycle and subject to regional allocation formula shall be made available to each region and subregion for a time period to be specified in the applicable NOFA, after which the funds remaining shall collapse and be made available statewide.

§23.21 Application Forms and Materials and Deadlines

(a) The Department will produce an Application to satisfy the Department's requirements to be qualified to administer HOME activities. The Application will be available on the Department's website.

(b) The Department must receive all Applications by the deadline specified in the NOFA.

§23.22 Application Review Process

(a) Contract award review process for open Application cycles. An Application received by the Department in response to an open Application cycle NOFA will be assigned a "Received Date." An Application will be prioritized for review based on its "Received Date." Application acceptance dates may be staggered under an open Application cycle to prioritize Applications which propose to serve areas identified in Tex. Gov't Code §2306.127 as priority for certain communities. An Application with outstanding administrative deficiencies under this section, may be suspended from further review until all administrative deficiencies have been cured or addressed to the Department's satisfaction. Applications that have completed the review process may be presented to the Board for approval with priority over Applications that continue to have administrative deficiencies at the time Board materials are prepared, regardless of "Received Date." If all funds available under a NOFA are awarded, all remaining Applicants will be notified and the remaining Applications will not be processed.

(b) Reservation System Participant review process. An Application for a Reservation System Participant (RSP) Agreement shall be reviewed and if approved under Chapter 1, Subchapter C of this Title, as amended or superseded, concerning Previous Participation Review of Department Awards, and not denied under this section, will be drafted and processed in the order in which it was accepted to be executed and made effective.

(c) Administrative deficiency review process. The administrative deficiency process allows staff to request that an Applicant provide clarification, correction, or non-material missing information to resolve inconsistencies in the original Application or to assist staff in evaluating the Application. Staff will request such information via a deficiency notice. Staff will send the deficiency notice via an email or if an email address is not provided in the Application, by facsimile to the Applicant. Responses must be submitted electronically to the Department. A review of the Applicant's response may reveal that issues initially identified as an administrative deficiency are actually determined to be beyond the scope of an administrative deficiency process, meaning that they are in fact matters of a material nature not susceptible to being resolved. Department staff may, in good faith, provide an Applicant confirmation that an administrative deficiency response has been received or that such response is satisfactory. Communication from staff that the response was satisfactory does not establish any entitlement to points, eligibility status, or to any presumption of having fulfilled any requirements. Final determination regarding

the sufficiency of documentation submitted to cure an administrative deficiency as well as the distinction between material and non-material missing information are reserved for the Executive Director or authorized designee, and Board, as applicable.

(d) An Applicant may not change or supplement any part of an Application in any manner after submission to the Department, and may not add any set-asides, except in response to a direct request from the Department to remedy an administrative deficiency or by amendment of an Application after the Board approval of a HOME award. An administrative deficiency may not be cured if it would, in the Department's determination, substantially change an Application, or if the Applicant provides any new unrequested information to cure the deficiency.

(e) The time period for responding to a deficiency notice commences on the first day following the deficiency notice date. If an administrative deficiency is not resolved to the satisfaction of the Department by 5:00 p.m., central time, on the 14th day following the date of the deficiency notice, the application may be terminated. The Department may accept a corrected Board Resolution submitted after the deficiency deadline on the condition that the corrected Board Resolution resolves the deficiencies to the satisfaction of the Department, but the Board Resolution must be received and deemed satisfactory by the Department before the RSP Agreement or Contract start date. Applicants that have been terminated may reapply.

§23.23 General Threshold Criteria

General Threshold. All Applicants and Applications to administer a HOME Program award from the Department must submit or comply with the following:

(1) An Applicant certification of compliance with state rules promulgated by the Department, and federal laws, rules and guidance governing the HOME Program as provided in the Application.

(2) A Resolution from the Applicant's direct governing body which includes:

(A) Authorization of the submission of the Application specifying the NOFA under which funds are requested for Contract award Applications;

(B) Commitment and amount of cash reserves, if applicable, for use during the Contract or RSP Agreement term;

(C) Source of funds for Match obligation and Match amount to be contributed as a percentage of Direct Activity Costs, if applicable;

(D) Title of the person authorized to represent the organization and who also has signature authority to execute a Contract and grant agreement or loan documents, as applicable, unless otherwise stated; and

(E) Date that the resolution was passed by the governing body, which must be within six months preceding Application submission for Reservation System Participation Agreement Applications, and no earlier than the date of the Department's Governing Board approval of the NOFA for Contract award Applications.

(3) An Applicant must be registered in the System for Award Management (SAM) and have a current Unique Entity Identification (UEID) number.

(4) Service Area. Applicants must include the Service Area proposed for the Contract or RSP Agreement for all Activity types. Administrators must state whether the Service Area is limited to only certain cities within any county in the proposed Service Area.

(A) The Service Area for TBRA must include the entire rural or urban area of a county as identified in the Application, excluding Participating Jurisdictions. However, Service Areas must include Participating Jurisdictions as applicable if the Agreement includes access to the Persons with Disabilities set-aside; or

(B) The Service Area may be limited to the boundaries of the jurisdiction of the Applicant if the Applicant for TBRA is a unit of local government.

(5) Match. The Department shall use population figures from the most recently available U.S. Census Bureau's American Community Survey (ACS) as of the date of submission of the Application to determine the applicable Match for cities with a population of less than 5,000 persons. The Department shall use the population figures from the most recent Population Estimates from the U.S. Census Bureau's QuickFacts for all counties and for cities with a population that exceeds 5,000 persons. The Department may incentivize or provide preference to Applicants committing to provide additional Match above the requirement of this paragraph. Such incentives may be established as selection criteria in the NOFA.

(A) Excluding Applications under the disaster relief and persons with disabilities set-asides, Match shall be required for Homeowner Reconstruction Assistance (HRA), ~~and~~ Homebuyer Assistance with New Construction (HANC), and Single Family Development (SFD) based on the tiers described in clauses (i) and (ii) of this subparagraph:

(i) Zero percent of Direct Activity Costs, exclusive of Match, is required as Match when:

(I) the Service Area includes the entire unincorporated area of a county and where the population of Administrator's Service Area is less than or equal to 20,000 persons; or

(II) When the Service Area does not include the entire unincorporated area of a county and the population of the Administrator's Service Area is less than or equal to 3,000 persons.

(ii) One percent of Direct Activity Costs, exclusive of Match, is required as Match for every 1,000 in population to a maximum of 25 percent.

(B) Applicants that charge customary fees related to the construction of single-family housing must waive all fees that otherwise apply to any HOME Activity. These fee waivers must be reported as Match, regardless of whether Match is otherwise required based on population and activity type. Applicants must submit their schedule of fees related to construction, if applicable, with their Application for a Contract or Reservation System Participation Agreement.

(6) Cash Reserve Threshold Requirements. Documentation, as described in subparagraphs (A) and (B) of this paragraph, must be submitted at the time of Application that demonstrates that the Applicant has at least ~~\$80~~\$100,000 in cash reserves if the Application includes construction Activities, and at least ~~\$30~~\$50,000 in cash reserves if the Application is for Tenant-Based Rental Assistance only. The cash reserves may be utilized to facilitate administration of the program, and to ensure the capacity to cover costs prior to reimbursement or costs determined to be ineligible for reimbursement. The amount of the cash reserve commitment must be included in the Applicant's resolution. To meet this requirement, Applicants must submit:

(A) financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves and a letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or

(B) evidence of an available line of credit or equivalent tool in an amount equal to or exceeding the requirement in this paragraph.

~~(7) A NOFA may include incentives or otherwise require architectural plans to incorporate "green building" elements.~~

~~(8) Applications proposing development using the Community Housing Development Organization (CHDO) set-aside must submit an Application for CHDO certification. Applicants must meet the requirement for CHDO certification as defined in §13.2 of this Title (relating to the Multifamily Direct Loan Rule Definitions).~~

(8) In addition to the requirements in §1.21 (relating to Action by Department if Outstanding Balances Exist), Applicants with closed unresolved findings in accordance with 10 TAC §20.14(h) which include questioned costs in excess of \$5,000 from a monitoring that occurred within three years from the date of Application submission are ineligible until questioned costs have been repaid.

(9) Other Threshold and/or Selection criteria for this Activity may be outlined in the NOFA.

(10) An Application must be substantially complete when received by the Department. An Application will be terminated if an entire tab of the Application is missing; has excessive omissions of documentation from the threshold or selection criteria or uniform Application documentation; or is so unclear, disjointed, or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department. Such Application will be terminated without being processed as an administrative deficiency. To the extent that a review was able to be performed, specific reasons for the Department's termination will be included in the notification sent to the Applicant but, because of the suspended review, may not include an all-inclusive list of deficiencies in the Application.

§23.24 Contract Benchmarks and Limitations

(a) Contract Award Funding Limits. Limits on the total amount of a Contract award will be established in the NOFA.

(b) Contract Award Terms. Homeowner Reconstruction Assistance awards will have a Contract term of not more than 21 months, exclusive of any applicable affordability period or loan term. Single Family Development awards will have a Contract term of not more than ~~24~~36 months, exclusive of any applicable affordability period or loan term. Tenant-Based Rental Assistance awards will have a Contract term of not more than 36 months.

(c) Contract Award Benchmarks. Administrators must have attained environmental clearance for the contractually required number of Households served within six months of the effective date of the Contract. Contract Administrators must submit to the Department complete Activity setup information for the Commitment of Funds of all contractually required ~~Households~~Activities in accordance with the requirements herein within ~~nine~~twelve months from the effective date of the Contract. All remaining funds will be deobligated and reallocated in accordance with Chapter 1 of this Title relating to Reallocation of Financial Assistance.

(d) Voluntary deobligation. The Administrator may fully deobligate funds in the form of a written request signed by the signatory, or successor thereto, of the Contract. The Administrator may partially deobligate funds under a Contract in the form of a written request from the signatory if the letter also deobligates the associated number of targeted Households, funds for administrative costs, and Match and the partial deobligation would not have impacted the award of the Contract. Voluntary deobligation that occurs within twelve months from the effective date of a Contract does not limit an Administrator's ability to participate in an open application cycle.

(e) The Department may request information regarding the performance or status under a Contract prior to a Contract benchmark or at various times during the term of a Contract. Administrator must respond within the time limit stated in the request. Prolonged or repeated failure to respond may result in suspension of funds and ultimately in termination of the Contract by the Department.

(f) Pre-Contract Costs.

(1) The Administrator may be reimbursed for eligible administrative and Activity soft costs incurred before the effective date of the Contract in accordance with 24 CFR §92.212 and at the sole discretion of the Department.

(2) A ~~Community Housing Development Organization~~ Developer may be reimbursed for Predevelopment Costs as defined in this Chapter for an Activity funded under Single Family Development.

(3) In no event will the Department reimburse expenses incurred more than six months prior to Governing Board approval of the Administrator's award.

(g) Amendments to Contract awards will be processed in accordance with Chapter 20 of this Title, relating to Single Family Programs Umbrella Rule.

§23.25 Reservation System Participant (RSP) Agreement

(a) Terms of Agreement. The term of an RSP Agreement will not exceed 36 months. Execution of an RSP Agreement does not guarantee the availability of funds under a reservation system. Reservations submitted under an RSP agreement will be subject to the provisions of this Chapter in effect as of the date of submission by the Administrator.

(b) Limits on Number of Reservations. Except for Activities submitted under the Disaster set-aside, RSP Administrators may have no more than five Reservations per county within the RSP's Service Area submitted to the Department for approval at any given time, except that Tenant-Based Rental Assistance Reservations submitted for approval under an RSP Agreement is limited to 30 at any given time.

(c) Extremely Low-Income Households. Except for Households submitted under the Disaster set-aside, each RSP will be required to serve at least one extremely low-income Household out of every four Households submitted and approved for assistance. For purposes of this subsection, extremely low-income is defined as families that are either at or below 30 percent AMFI for the county in which they will reside or have an income that is lower than the statewide 30 percent income limit without adjustments to HUD limits.

(d) Match. Administrators must meet the Match requirement per Activity approved for assistance. Match may not be transferred from one Activity to another Activity.

(e) Completion of Construction. For Activities involving construction, construction must be complete within 12 months from the Commitment of Funds for the Activity, unless amended in accordance with subsection (g) of this section.

(f) Household commitment contract term. The term of a Household commitment contract may not exceed 12 months, except that the Household commitment contract term for Tenant-Based Rental Assistance may not exceed 24 months. Household commitment contracts may commence after the end date of an RSP Agreement only in cases when the Administrator has submitted a Reservation on or before the termination date of the RSP Agreement.

(g) Amendments to Household commitment contracts may be considered by the Department provided the approval does not conflict with the federal regulations governing use of these funds, or impact federally imposed obligation or expenditure deadlines.

(1) The Executive Director's authorized designee may approve an amendment that extends the term of a Household commitment contract by not more than six months, except that the term of a Household commitment contract for Tenant-Based Rental Assistance may not be extended to exceed a total Household commitment contract term of 24 months.

(2) The Executive Director's authorized designee may approve one or more amendments to a Household commitment contract to:

(A) extend the Construction Completion Date by not more than six months;

(B) extend the term of rental subsidy up to a total term of 24 months;

(C) extend the draw period by not more than three months after the Construction Completion Date or termination of rental subsidy; or

(D) to increase Activity funds within the limitations set forth in this Chapter.

(3) The Executive Director may approve amendments to a Household commitment contract, except amendments to extend the contract term of a Household Commitment contract by more than 12 months.

(h) Pre-agreement costs. The Administrator may be reimbursed for eligible administrative and Activity soft costs incurred before the effective date of the RSP Agreement in accordance with 24 CFR §92.212 and at the sole discretion of the Department. In no event will the Department reimburse expenses incurred more than six months prior to the effective date of the RSP Agreement.

(i) Administrator must remain in good standing with the Department, the state of Texas, and HUD. If an Administrator is not in good standing, participation in the Reservation System will be suspended and may result in termination of the RSP Agreement.

§23.26 General Administrative Requirements

Unless otherwise provided in this Chapter, the Administrator or Developer must comply with the requirements described in paragraphs (1) - (~~21~~22) of this section, for the administration and use of HOME funds:

(1) Complete training, as applicable.

(2) Provide all applicable Department Housing Contract System access request information and documentation requirements.

(3) Establish and maintain sufficient records at its regular place of business and make available for examination by the Department, HUD, the U.S. General Accounting Office, the U.S. Comptroller, the State Auditor's Office of Texas, the Comptroller of Public Accounts, or any of their duly authorized representatives, throughout the applicable record retention period.

(4) For non-Single Family Development Contracts, develop and establish written procurement procedures that comply with federal, state, and local procurement requirements including:

(A) Develop and comply with written procurement selection criteria and committees, including appointment of a procurement officer to manage any bid process;

(B) Develop and comply with a written code of conduct governing employees, officers, or agents engaged in administering HOME funds;

(C) Ensure consultant or any procured service provider does not participate in or direct the process of procurement for services. A consultant cannot assist in their own procurement before or after an award is made;

(D) Ensure that procedures established for procurement of building construction contractors do not include requirements for the provision of general liability insurance coverage in an amount to exceed the value of the contract and do not give preference for contractors in specific geographic locations;

(E) Ensure that building construction contractors are procured in accordance with State and Federal regulations for single family HOME Activities;

~~(F) To the extent that a set of architectural plans are generated and used by an Administrator for more than one Single Family Housing Unit, the Department will reimburse only for the first time a set of architectural plans is used, unless any subsequent site specific fees are paid to a Third Party architect or licensed engineer for the reuse of the plans on that subsequent specific site, as demonstrated by a contract with the third party;~~

~~(G)~~ Ensure that professional service providers (consultants) are procured using an open competitive procedure and are not procured based solely on the lowest priced bid; and

~~(H)~~ Ensure that any Request for Proposals or Invitation for Bid include:

(i) an equal opportunity disclosure and a notice that bidders are subject to search for listing on the Excluded Parties List;

(ii) bidders' protest rights and an outline of the procedures bidders must take to address procurement related disputes;

(iii) a conflict of interest disclosure;

(iv) a clear and accurate description of the technical requirements for the material, product, or service to be procured. The description must include complete, adequate, and realistic specifications;

(v) for sealed bid procedures, disclose the date, time and location for public opening of bids and indicate a fixed-price contract;

(vi) must not have a term of services greater than five years; and

(vii) for competitive proposals, disclose the specific election/evaluation criteria.

~~(5)~~ ~~(F)~~ To the extent that a set of architectural plans are generated and used by an Administrator or Developer for more than one Single Family Housing Unit, the Department will reimburse only for the first time a set of architectural plans is used, unless any subsequent site specific fees are paid to a Third Party architect or licensed engineer for the reuse of the plans on that subsequent specific site, as demonstrated by a contract with the third-party;

~~(56)~~ In instances where a potential prohibited conflict of interest exists, follow procedures to submit required documentation to the Department sufficient to submit an exception request to HUD for any conflicts prohibited by 24 CFR §92.356. The request submitted to the Department must include a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict by newspaper publication, a description of how the public disclosure was made, and an

attorney's opinion that the conflict does not violate state or local law. No HOME funds will be committed to or reserved to assist a Household impacted by the conflict of interest regulations until HUD has granted an exception to the conflict of interest provisions.

(~~6~~7) Perform environmental clearance procedures, as required, before acquiring any Property or before performing any construction activities, including demolition, or before the occurrence of the loan closing, if applicable.

(~~7~~8) Develop and comply with written Applicant intake and selection criteria for program eligibility that promote and comply with Fair Housing requirements and the State's One Year Action Plan.

(~~8~~9) Complete Applicant intake and Applicant selection. Notify each Applicant Household in writing of either acceptance or denial of HOME assistance within 60 days following receipt of the intake application.

(~~9~~10) Determine the income eligibility of a Household using the "Annual Income" as defined at 24 CFR §5.609, by using the list of income included in HUD Handbook 4350.3 (or most recent version), and excluding from income those items listed in HUD's Updated List of Federally Mandated Exclusions from Income. The Single Family HOME Program will implement the applicable requirements of the Housing Opportunity Through Modernization Act (HOTMA) not later than January 1, ~~2026~~2027.

(~~10~~11) Complete an updated income eligibility determination of a Household if the date of certification is more than six months prior to the Date of Assistance.

(~~11~~12) For single family Activities involving construction, perform initial inspection in accordance with Chapter 20 of this Title (relating to Single Family Programs Umbrella Rule). Property inspections must include photographs of the front, back, and side elevations of the housing unit and at least one picture of each of the kitchen, family room, each bedroom and each bathroom. The inspection must be signed and dated by the inspector and the Administrator. The photographs submitted with the initial inspection should evidence the deficiencies noted on the initial inspection and must clearly show the entire property, including other buildings located on the property.

(~~12~~13) Submit a substantially complete request for the Commitment or Reservation of Funds, loan closing preparation, and for disbursements. Administrators must upload all required information and verification documentation in the Housing Contract System. Requests determined to be substantially incomplete will not be reviewed and may be disapproved by the Department. Expenses for which reimbursement is requested must be documented as incurred. If the Department identifies administrative deficiencies during review, the Department will allow a cure period of 14 calendar days beginning at the start of the first day following the date the Administrator or Developer is notified of the deficiency. If any administrative deficiencies remain after the cure period, the Department, in its sole discretion, may disapprove the request. Disapproved requests will not be considered sufficient to meet the performance benchmark and shall not constitute a Reservation of Funds.

(~~13~~14) Submit signed program documents timely as may be required for the completion of a Commitment or Reservation of Funds, and for closing preparation of the loan or grant documents. Department reserves the right to cancel or terminate Activities when program documents are not executed timely, in the Department's sole and reasonable discretion.

(~~14~~15) Not proceed or allow a contractor to proceed with construction, including demolition, on any Activity or development without first completing the required environmental clearance procedures, preconstruction conference and receiving notice to proceed, if applicable, and execution of grant agreement or loan closing with the Department, whichever is applicable.

~~(1516)~~ Submit any Program Income received by the Administrator or Developer to the Department within 14 days of receipt; any fund remittance to the Department, including refunds, must include a written explanation of the return of funds, the Contract number, name of Administrator or Developer, Activity address and Activity number, and must be sent to the Department's accounting division.

~~(1617)~~ Submit required documentation for project completion reports no later than 60 days after the completion of the Activity, unless this term is extended through amendment.

~~(1718)~~ For Contract awards, submit certificate of Contract Completion within 14 days of the Department's request.

~~(1819)~~ Submit to the Department reports or information regarding the operations related to HOME funds provided by the Department.

~~(1920)~~ Submit evidence with the final draw for construction related activities that the builder has provided a one-year warranty specifying at a minimum that materials and equipment used by the contractor will be new and of good quality unless otherwise required, the work will be free from defects other than those inherent in the work as specified, and the work will conform to the requirements of the contract documents.

~~(2021)~~ Provide the Household all warranty information for work performed by the builder and any materials purchased for which a manufacturer or installer's warranty is included in the price.

~~(2122)~~ If required by state or federal law, place the appropriate bonding requirement in any contract or subcontract entered into by the Administrator or Developer in connection with a HOME award. Failure to include the bonding requirement in subcontracts may result in termination of the RSP Agreement.

§ 23.27 Project Cost Limitations.

(a) Direct Activity Costs for construction, exclusive of Match funds, are limited to the amounts described in this section; however, not more than once per year, the Board in its sole discretion, may increase or decrease by up to five percent of the limitation for Direct Activity Costs. Total Activity costs may not exceed HUD Subsidy Limits. Dollar amounts in a Household commitment contract are set at the time of Contract execution and may not be adjusted through this process. Current limit amounts under this section will be reflected on the Department's website.

(b) Reconstruction and New Construction of site-built housing: the lesser of \$150 per square foot of conditioned space or \$175,000; or for Households of five or more Persons that require a four-bedroom unit, the lesser of \$150 per square foot of conditioned space, or \$200,000; and

(c) Direct Activity Costs for acquisition and placement of a unit of Manufactured Housing, including demolition or removal of existing housing and exclusive of Match funds, is limited to \$125,000.

(d) Direct Activity Costs for conversion of a Contract for Deed, including closing costs paid from HOME funds, is limited to \$40,000.

(e) In addition to the Direct Activity Costs allowable under subsections (b) and (c) of this section, additional funds in the amount of \$15,000 may be used to pay for each of the following, as applicable:

(1) Necessary environmental mitigation as identified during the Environmental review process or abatement of hazardous conditions on the site other than those identified during the Environmental

review process that would preclude the entire assisted property from meeting required property standards;

(2) Installation of an aerobic septic system; and

(3) Homeowner requests for accessibility features for a household member who is a person with disabilities.

(f) Activity soft costs eligible for reimbursement for Activities of the following types are limited to:

(1) Acquisition or refinance in conjunction with New Construction of site-built housing or placement of an MHU: no more than \$2,500 per housing unit;

(2) Replacement with an MHU: no more than \$10,000 per housing unit;

(3) Reconstruction or New Construction of site-built housing: \$15,000 per housing unit; and

(4) ~~For HRA, R~~reasonable and necessary third-party costs incurred in connection with required housing counseling, appraisals, title reports or insurance, tax certificates, recording fees, surveys, and first year hazard and flood insurance.

(g) Project Cost Limitations for Tenant-Based Rental Assistance Activities are limited as described in Subchapter E of this Chapter.

(h) Projects Costs must not exceed the federal subsidy limit, unless waived by HUD.

(i) Unless waived by HUD, the purchase price of acquired property and the post-improvement value of the unit may not exceed the limitations set forth in 24 CFR §92.254. Compliance with the purchase price limitation must be evidenced prior to loan closing with an as-built appraisal.

(j) Administrative Cost Limitations.

(1) Funds for administrative costs are limited to no more than five percent of the Direct Activity Costs, exclusive of Match funds, for HRA.

(2) Funds for administrative costs are limited to no more than eight percent of the Direct Activity Costs, exclusive of Match funds, for CFD and HANC.

(3) For TBRA, Administrators must select one method under which funds for administrative costs and Activity soft costs may be reimbursed prior to execution of an RSP agreement or at Application for an award of funds. All costs must be reasonable and customary for the Administrator's Service Area. Applicants and Administrators may choose from one of the following options, and in any case funds for Administrative costs may be increased by an additional one percent of Direct Activity Costs if Match is provided in an amount equal to five percent or more of Direct Activity Costs:

(A) Funds for Administrative costs are limited to four percent of Direct Activity Costs, excluding Match funds, and Activity soft costs are limited to \$1,200 per Household assisted. Activity soft costs may reimburse expenses for costs related to determining Household income eligibility, including ~~recertification~~ ~~revisions~~, and conducting ~~Housing Quality Standards (HQS)~~ property standards inspections. All costs must be reasonable and customary for the Administrator's Service Area; or

(B) Funds for Administrative costs are limited to ten percent of Direct Activity Costs, excluding Match funds, and Administrator may not be reimbursed for Activity soft costs.

§ 23.28 Design and Quality Requirements.

(a) Each Single Family Housing Unit constructed with HOME funds must meet the design and quality requirements as described in paragraphs (1)- (6) of this subsection, and plans must be certified by a licensed architect or engineer:

(1) Current applicable International Residential Code, local codes, ordinances, and zoning ordinances in accordance with 24 CFR §92.251(a);

(2) Requirements in Chapters 20 and 21 of this Title;

(3) Units must include the following amenities: Wired with RG-6 COAX or better and CAT3 phone cable or better to each bedroom and living room; Blinds or window coverings for all windows; Disposal and Energy-Star or equivalently rated dishwasher (must only be provided as an option to each Household); Oven/Range; and Exhaust/vent fans (vented to the outside) in bathrooms; ~~Energy Star or equivalently rated lighting in all rooms, which may include LED bulbs.~~ The living room and each bedroom must contain at least one ceiling lighting fixture and wiring must be capable of supporting ceiling fans; and Paved-off-street parking for each unit to accommodate at least one mid-sized car and access to on-street parking for a second car must be present;

(4) ~~Units must contain no less than two bedrooms.~~ Each Single Family Housing Unit must contain complete physical facilities and fixtures for living, sleeping, eating, cooking, and sanitation;

(5) Each bedroom must be no less than 100 square feet; have a length or width no less than 8 feet; be self-contained with a door; have at least one window that provides exterior access; and have at least one closet that is not less than two feet deep and three feet wide and high enough to contain at least five feet of hanging space; and

~~(6) Units must be no less than 800 total net square feet for a two bedroom Single Family Housing Unit; no less than 1,000 total net square feet for a three bedroom and two bathroom Single Family Housing Unit; and no less than 1,200 total net square feet for a four bedroom and two bathroom Single Family Housing Unit.~~

~~(7)~~ An exception to paragraphs ~~(23)~~ - ~~(65)~~ may be requested by the Household and approved by the Division Director prior to submission of the Activity. A request for an exception must include the specific feature or design requirement for which the exception is requested, and must include justification for the exception.

(b) Units selected by Households assisted under the Tenant-Based Rental Assistance Program ~~must be inspected for compliance with Housing Quality Standards, as established by HUD before occupancy and any subsequent inspection when the Commitment Assistance Date is on or before October 1, 2026. Thereafter, rental units must be inspected using the National Standards for the Physical Inspection of Real Estate, as modified for the HOME program.~~ meet the applicable federal requirements for the HOME Program as of the date of initial occupancy and any subsequent inspection.

§23.29 Resale and Recapture Provisions

(a) Recapture is the primary method the Department will use to recoup HOME funds under 24 CFR §92.254(a)(5)(ii).

(b) To ensure continued affordability, the Department has established the recapture provisions described in paragraphs (1) - (4) of this subsection and further defined in 24 CFR §92.254(a)(5)(ii).

(1) In the event that a federal affordability period is required and the assisted property is rented, leased, or no member of the Household has it as the Principal Residence, the entire HOME investment is subject to recapture. The Department will include any loan payments previously made when calculating the amount subject to recapture. Loan forgiveness is not the same thing as loan payments for purposes of this subsection.

(2) In the event that a federal affordability period is required and the assisted property is sold, including through a short sale, deed in lieu of foreclosure, or foreclosure, prior to the end of the affordability period, the Department will recapture the available amount of net proceeds based on the requirements of 24 CFR §92.254, and as outlined in the State's One Year Action Plan.

(3) The Household can sell the unit to any willing buyer at any price. In the event of sale to a qualified low-income purchaser of a HOME-assisted unit, the qualified low-income purchaser may assume the existing HOME loan and assume the recapture obligation entered into by the original buyer if no additional HOME assistance is provided to the low-income purchaser. In cases in which the subsequent homebuyer needs HOME assistance in excess of the balance of the original HOME loan, the HOME subsidy (the direct subsidy as described in 24 CFR §92.254) to the original homebuyer must be recaptured. A separate HOME subsidy must be provided to the new homebuyer, and a new affordability period must be established based on that assistance to the buyer.

(4) If there are no net proceeds from the sale, no repayment will be required of the Household and the balance of the loan shall be forgiven as outlined in the State's applicable One Year Action Plan.

(c) The Department has established the resale provisions described in paragraphs (1) - (7) of this subsection, only in the event that the Department must impose the resale provisions of 24 CFR §92.254(a)(i).

(1) Resale is defined as the continuation of the affordability period upon the sale or transfer, rental or lease, refinancing, and no member of the Household is occupying the property as their Principal Residence.

(2) In the event that a federal affordability period is required and the assisted property is rented or leased, or no member of the Household has it as the Principal Residence, the HOME investment must be repaid.

(3) In the event that a federal affordability period is required and the assisted property is sold or transferred in lieu of foreclosure to a qualified low-income buyer at an affordable price, the HOME loan balance shall be transferred to the subsequent qualified buyer and the affordability period shall remain in force to the extent allowed by law.

(4) The resale provisions shall remain in force from the date of loan closing until the expiration of the required affordability period.

(5) The Household is required to sell the home at an affordable price to a reasonable range of low-income homebuyers that will occupy the home as their Principal Residence. Affordable to a reasonable range of low-income buyers is defined as targeting Households that have income between 70 and 80 percent AMFI and meet all program requirements.

(A) The seller will be afforded a fair return on investment defined as the sum of down payment and closing costs paid from the initial seller's cash at purchase, closing costs paid by the seller at sale, the principal payments only made by the initial homebuyer in excess of the amount required by the loan, and any documented capital improvements in excess of \$500.

(B) Fair return on investment is paid to the seller at sale once first mortgage debt is paid and all other conditions of the initial written agreement are met. In the event there are no funds for fair return, then fair return does not exist. In the event there are partial funds for fair return, then the appropriate partial fair return shall remain in force.

(6) The appreciated value is the affordable sales price less first mortgage debt less fair return.

(A) If appreciated value is zero, or less than zero, then no appreciated value exists.

(B) The initial homebuyer's investment of down payment and closing costs divided by the Department's HOME investment equals the percentage of appreciated value that shall be paid to the initial homebuyer or persons as otherwise directed by law. The balance of appreciated value shall be paid to the Department.

(7) The property qualified by the initial Household will be encumbered with a lien for the full affordability period.

(d) In the event the housing unit transfers by devise, descent, or operation of law upon the death of the assisted homeowner, forgiveness of installment payments under the loan may continue until maturity or the penalty amount for noncompliance under the conditional grant agreement may be waived, if the new Household qualifies for assistance in accordance with this subchapter. If the new Household does not qualify for assistance in accordance with this Chapter, forgiveness of installment payments will cease and repayment of scheduled payments under the loan will commence and continue until maturity or payment of a penalty amount under the conditional grant agreement may be required in accordance with the terms of the conditional grant agreement.

(e) Forgiveness of installment payments under the loan may continue until maturity or the penalty amount under conditional grant agreement may be waived by the Department if the housing unit is sold by the decedent's estate to a purchasing Household that qualifies for assistance in accordance with this Chapter.

(f) Grants subject to conditional grant agreements are not subject to the entire penalty amount in the event the property is no longer the Principal Residence of any Household member.

SUBCHAPTER F SINGLE FAMILY DEVELOPMENT PROGRAM

§23.60 Single Family Development (SFD) General Requirements

(a) Program funds under this subchapter may be used for the Development of new single family housing for homeownership that complies with affordability requirements as defined at 24 CFR §92.254. Direct Activity Costs, exclusive of Match funds, are limited to the amounts described in § 23.27, Project Cost Limitations.

(b) In addition to the requirements of Chapter 1, Subchapter B of this Title and Subchapter B of this Chapter, Applicants for an award of Single Family Development funds must submit a proposed development plan. The proposed development plan must be consistent with the requirements of this Chapter, all other federal and state rules, and include:

(1) a floor plan and front exterior elevation for each proposed unit which reflects the exterior building composition;

(2) a FEMA Issued Flood Map that identifies the location of the proposed site(s) evidencing that the housing unit(s) will be outside of the 100-year floodplain;

(3) letters from local utility providers, on company letterhead, confirming each site has access to the following services: water and wastewater, sewer, electricity, garbage disposal and natural gas, if applicable;

(4) evidence that the site is zoned appropriately for the proposed housing, including a map with the site and zoning notated, or a letter from the local jurisdiction stating that the site is zoned for single family residential construction;

(4~~5~~) documentation of site control of each proposed lot: A recorded warranty deed with corresponding executed settlement statement; or a contract or option for the purchase of the proposed lots that is valid for at least 180 days from the date of application submission; ~~and~~

(5~~6~~) an "as vacant" appraisal of at least one of the proposed lots if the Applicant has an Identity of Interest with the seller or current owner of the property; or any of the proposed property is part of a newly developed or under-development subdivision in which at least three other third-party sales cannot be evidenced. The purchase price of any lot in which the current owner has an Identity of Interest must not exceed the appraised value of the vacant lot at the time of Activity submission. The appraised value of the lot may be included in the sales price for the homebuyer transaction; ~~and~~

(7) A title commitment to issue a title policy that evidences the property will transfer with no tax lien, child support lien, mechanic's or materialman's lien or any other restrictions or encumbrances that impair the good and marketable nature of title to the ownership interest and that the definition of Homeownership will be met. A title commitment must include the complete legal description, copies of covenants, conditions and restrictions, easements, and any supplements. The effective date of the title commitment must be no more than 60 days prior to the date of project submission. Commitments that expire prior to execution of closing must be updated at closing and must not have any adverse changes in order to close; and

(8) Identification of Lead-Based Paint (LBP) if site remediation is needed;

(9) A subdivision plat that includes each proposed site on which housing is to be developed;

(10) An Elected Officials and Neighborhood Organizations form, including evidence of request for neighborhood organizations submitted at least 14 days prior to the Application submission date;

(11) a commitment, term sheet, or letter of interest/intent for each non-TDHCA source of funds to be provided for either interim construction or permanent mortgage financing for the Development;

(12) a completed market assessment demonstrating demand;

(213) A-a budget that includes the amount of Activity funds specifying the acquisition cost, construction costs, contractor fees, and developer fees, as applicable. A maximum of five percent of hard construction costs for contingency items, proposed Match to be provided, evidence that Activity Cost limitations are not exceeded, and evidence that any duplication of benefit is addressed; and

(14) required certifications as described in the Application.

(6c) The Department may prioritize Applications or otherwise incentivize Applications that:

(1) partner with other lenders include other lenders that commit to provide some or all of the permanent purchase money financing for the purchase of Single Family Housing Units developed with funds provided under this subchapter; or-

(2) include a self-help component as defined in the Notice of Funding Availability.

(ed) Program funds under this subchapter are only eligible to be administered by a CHDO certified as such by the Department if administered utilizing the CHDO set-aside. A separate grant for CHDO operating expenses may be awarded to CHDOs that receive a Contract award if funds are provided for this purpose in the NOFA. A CHDO may not receive more than one grant of CHDO operating funds in an amount not to exceed \$50,000 within any one year period, and may not draw more than \$25,000 in CHDO operating funds in any twelve month period from any source, including CHDO operating funds from other HOME Participating Jurisdictions.

(de) Direct Activity Costs are limited to the costs described in § 23.27, Project Cost Limitations.

(ef) Developer fees (including consulting fees) are limited to 15 percent of the total hard construction costs. For self-help housing, total hard construction costs include the value of donated labor and materials calculated in accordance with Match requirements for the HOME Program, except that the source of the donated labor is not limited to parties eligible to provide Match. The developer fee will be reduced by one percent per month or partial month that the construction period exceeds the original term of the construction period financing.

(fg) General Contractor Fees are limited to 15 percent of the total hard construction costs. The General Contractor is defined as one who contracts for the construction of an entire development Activity, rather than a portion of the work. The General contractor hires subcontractors, such as plumbing contractors, electrical contractors, etc., coordinates all work, and is responsible for payment to the subcontractors. A prime subcontractor will also be treated as a General Contractor, and any fees payable to the prime subcontractor will be treated as fees to the General Contractor, in the scenarios described in paragraphs (1) and (2) of this subsection:

(1) Any subcontractor, material supplier, or equipment lessor receiving more than 50 percent of the contract sum in the construction contract will be deemed a prime subcontractor; or

(2) If more than 75 percent of the contract sum in the construction contract is subcontracted to three or fewer subcontractors, material suppliers, and equipment lessors, such parties will be deemed prime subcontractors.

(gh) Construction period financing for each unit shall be structured as a zero percent interest loan with a ~~12~~24-month term. The maximum construction loan amount may not exceed the total development cost less developer fees/profit, closing costs associated with the permanent mortgage financing, and ineligible Activity costs. ~~Prior to construction loan closing, a sales contract must be executed with a qualified homebuyer.~~

(i) Prior to the expiration of the interim construction loan term, the property must be sold to a qualified homebuyer. If the housing unit is not sold to an eligible homebuyer within 12 months of the Construction Completion Date, additional funding, closings, and draws on the award will cease and the Department will require the Applicant to repay any outstanding construction debt in full.

(hj) In the instance that the total development cost equals more than 100 percent of the appraised value, the portion of the development cost that exceeds 100 percent of the appraised value ~~will~~may be granted to the ~~developer~~Developer to buy down the purchase price. Reasonable and customary seller closing costs may be ~~provided with HOME funds as a grant to the Developer~~included in the interim construction loan and deducted from the developer fee at the time of sale to a qualified homebuyer.

~~(ik) Direct assistance to the a qualified homebuyer may be provided by the Department, and will be structured as a first and/or second lien loan(s) must comply with requirements of Chapter 20 of this title:~~

(1) A ~~first lien~~, fully amortizing, repayable loan with a ~~term up to 30-year~~term may be provided by the Department and will initially be evaluated at zero percent interest. The ~~Department's~~ loan amount will not exceed the ~~total HOME~~total HOME funded portion of the development cost combined with reasonable and customary buyer's closing costs paid with HOME funds. Should the estimated housing payment, including all funding sources, be less than the minimum required housing payment for the minimum term, the Department may charge an interest rate to the homebuyer such that the total estimated housing payment is no less than the required minimum housing payment. In no instance shall the interest rate charged to the homebuyer exceed five percent, and such result may deem the applicant as overqualified for assistance.

(A) The total Mortgage Loan may include costs incurred for the total development cost and Mortgage Loan Closing Costs, exclusive of Match funds.

(B) The total Debt-to-Income Ratio shall not exceed the limitations set forth in Chapter 20 of this Title.

~~(C) For buyers whose income is equal to or less than 50 percent AMFI, the minimum required housing payment shall be no less than 15 percent of the household's gross income. For homebuyers whose income exceeds 50 percent AMFI, the minimum required housing payment shall be no less than 20 percent of the household's gross income.~~

(2) Down payment and closing costs assistance is limited to the lesser of down payment required by a third-party lender and reasonable and customary buyer's closing costs, or the amount required to ensure affordability of the ~~HOME~~permanent financing. Down payment and closing cost assistance may not exceed ten percent of the total development cost and shall be structured as a five-~~or ten~~-year deferred, forgivable loan with a subordinate lien, in accordance with the required federal affordability period.

(3) A first lien ~~conventional~~ mortgage not provided by the Department must meet the mortgage financing requirements outlined in Chapter 20 of this Title.

(jl) Earnest money is limited to no more than \$1,000, which may be credited to the homebuyer at closing, but may not be reimbursed as cash.

(km) If a Household should become ineligible or otherwise cease participation and a replacement Household is not located within 90 days of the end of the construction period, all additional funding, closings, and draws on the award will cease and the Department will require the Applicant to repay any outstanding construction debt in full.

(ln) The Division Director may approve the use of alternative floor plans or lots from those included in the approved Application, provided the requirements of this section can still be met and such changes do not materially affect the total budget.

(mo) To ensure affordability, the Department will impose resale or recapture provisions established in this Chapter.

§23.61 Single Family Development (SFD) Administrative Requirements

~~(a) Commitment or Reservation of Funds. The Administrator must submit true and correct information, certified as such, with a request for the Commitment of Funds as described in paragraphs (1) – (12) of this subsection: (7) Identification of Lead-Based Paint (LBP) if site remediation is needed; (62) Project cost estimates, cConstruction contracts, and other construction documents necessary, in the Department's sole determination, to ensure applicable property standard requirements will be met at completion;~~

~~(9) Evidence that the housing unit will be located outside the 100-year floodplain;~~

(a) Interim Construction Loan Closing. Interim construction loan closing must occur not more than 18 months from the date of Contract execution. Prior to closing the interim construction loan, the Developer must submit:

(1) Construction contracts, and other construction documents, including verification of adequate builder's risk insurance, that are necessary, in the Department's sole determination, to ensure applicable property standard requirements will be met at completion;

~~(12) Site-specific aAppraisal, which includes post construction improvements prepared by a licensed real estate appraiser; and~~

(3) Site-specific survey that meets the requirements of Chapter 20 of this title;

(4) Verification of environmental clearance; and

~~(5) A title commitment to issue a title policy that evidences the property will transfer with no tax lien, child support lien, mechanic's or materialman's lien or any other restrictions or encumbrances that impair the good and marketable nature of title to the ownership interest and that the definition of Homeownership will be met. The effective date of the title commitment must be no more than 60 days prior to the date of project submission. Title cCommitments that expire prior to execution of closing must be updated at closing and must not have any adverse changes in order to close; and~~

~~(1) Head of Household name and address of housing unit for which assistance is being requested;~~

~~(2) A budget that includes the amount of Activity funds specifying the acquisition cost, construction costs, contractor fees, and developer fees, as applicable. A maximum of five percent of hard construction costs~~

~~for contingency items, proposed Match to be provided, evidence that Activity Cost limitations are not exceeded, and evidence that any duplication of benefit is addressed;~~

~~(3) Verification of environmental clearance;~~

~~(4) A copy of the Household's intake application on a form prescribed by the Department;~~

~~(5) Certification of the income eligibility of the Household signed by the Administrator and all Household members age 18 or over, and including the date of the income eligibility determination. All documentation used to determine the income of the Household must be provided;~~

~~(6) Project cost estimates, construction contracts, and other construction documents necessary, in the Department's sole determination, to ensure applicable property standard requirements will be met at completion;~~

~~(7) Identification of Lead-Based Paint (LBP) if site remediation is needed;~~

~~(8) Executed sales contract and documentation that the first lien mortgage meets the eligibility requirements;~~

~~(9) Evidence that the housing unit will be located outside the 100-year floodplain;~~

~~(10) If applicable, documentation to address or resolve any potential conflict of interest, Identity of Interest, duplication of benefit, or floodplain mitigation;~~

~~(11) Appraisal, which includes post construction improvements; and~~

~~(12) Any other documentation necessary to evidence that the Activity meets the program requirements.~~

~~(b) Construction Loan closing. The Administrator must submit the documents described in paragraphs (1) – (2) of this subsection, with a request for the preparation of loan closing with the request for the Commitment of Funds:~~

~~(1) A title commitment to issue a title policy that evidences the property will transfer with no tax lien, child support lien, mechanic's or materialman's lien or any other restrictions or encumbrances that impair the good and marketable nature of title to the ownership interest and that the definition of Homeownership will be met. The effective date of the title commitment must be no more than 60 days prior to the date of project submission. Commitments that expire prior to execution of closing must be updated at closing and must not have any adverse changes in order to close; and~~

~~(2) Within 90 days after the loan closing date, the Administrator must submit to the Department the original recorded deed of trust and transfer of lien, if applicable. Failure to submit these documents within 90 days after the loan closing date will result in the Department withholding payment for disbursement requests.~~

~~(c) Disbursement of interim construction loan funds. The Administrator-Developer must comply with the requirements described in paragraphs (1) - (11) of this subsection, for a request for disbursement of funds to reimburse eligible costs incurred. Submission of documentation related to the Administrator-Developer compliance with requirements described in paragraphs (1) - (11) of this subsection may be required with a request for disbursement:~~

~~(1) Within 90 days after the interim construction loan closing date, the Administrator-Developer must submit to the Department the original recorded deed of trust and transfer of lien interim construction loan~~

documents, if applicable. Failure to submit these documents within 90 days after the loan closing date will result in the Department withholding payment for disbursement requests;:

~~(12) For construction costs, a~~An interim construction binder advance endorsement not older than the date of the last disbursement of funds or 45 days, whichever is later;:~~For release of retainage a down date endorsement to the mortgagee policy issued to the homebuyer dated at least 40 days after the Construction Completion Date;~~

(23) If required or applicable, a maximum of 50 percent of Direct Activity Costs for an Activity may be drawn before providing evidence of Match. Thereafter, each ~~Administrator~~Developer must provide evidence of Match, including the date of provision, in accordance with the percentage of Activity funds disbursed;

(34) Property inspections, including photographs of the front, back, and side elevations of the housing unit and at least one picture of each of the kitchen, family room, each bedroom and each bathroom with date and property address reflected on each photo. The inspection must be signed and dated by the inspector and ~~Administrator or Developer~~;

(45) Certification that its fiscal control and fund accounting procedures are adequate to assure the proper disbursement of, and accounting for, funds provided, no Person that would benefit from the award of HOME funds has provided a source of Match or has satisfied the Applicant's cash reserve obligation or made promises in connection therewith; that each request for disbursement of HOME funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions;

(56) Original, executed, legally enforceable loan documents containing remedies adequate to enforce any applicable affordability requirements. Original documents must evidence that such agreements have been recorded in the real property records of the county in which the housing unit is located and the original documents must be returned, duly certified as to recordation by the appropriate county official;

(67) Expenditures must be allowable and reasonable in accordance with federal, state, and local rules and regulations. The Department shall determine the reasonableness for expenditures submitted for reimbursement. The Department may request ~~Administrator or Developer~~ to make modifications to the disbursement request and is authorized to modify the disbursement procedures set forth herein and to establish such additional requirements for payment of HOME funds to ~~Administrator or Developer~~ as may be necessary or advisable for compliance with all Program Requirements; and

~~(7) Table funding requests must be submitted to the Department with complete documentation no later than 14 days prior to the anticipated loan closing date. Such a request must include a draft settlement statement, title company payee identification information, the Administrator or Developer's authorization for disbursement of funds to the title company, request letter from title company to the Comptroller of Public Accounts with bank account wiring instructions, and invoices for costs being paid at closing;~~

(88) Include the withholding of ten percent of hard construction costs for retainage. Retainage will be held until at least 40 days after the Construction Completion Date.;

~~(9) For final disbursement requests, submission of documentation required for Activity completion reports;~~

~~(10) The final request for disbursement must be submitted to the Department with support documentation no later than 60 days after the termination date of the Contract in order to remain in~~

~~compliance with Contract and eligible for future funding. The Department shall not be obligated to pay for costs incurred or performances rendered after the termination date of a Contract, and~~

~~(11) For costs associated with insurance policies, including title policies and homeowner's insurance policies, charged as Activity costs, evidence of payment of the cost must be submitted with the retainage request.~~

(c) Sale to a Qualified Homebuyer. Not less than nine months prior to the expiration of the interim construction loan and no more than nine months after the Construction Completion Date, Developer must submit documentation to the Department evidencing a pending sale to a qualified homebuyer. Documentation submitted must include:

(1) Head of Household name and address of housing unit for which assistance is being requested;

(2) A copy of the Household's intake application on a form prescribed by the Department;

(3) Certification of the income eligibility of the Household signed by the Developer and all Household members aged 18 or over that includes the date of the income eligibility determination. All documentation used to determine the income of the Household must be provided;

(4) Executed sales contract and documentation that the first lien mortgage meets the eligibility requirements;

(5) If applicable, documentation to address or resolve any potential conflict of interest, Identity of Interest, duplication of benefit, or floodplain mitigation;

(6) A title commitment to issue a title policy that evidences the property will transfer with no tax lien, child support lien, mechanic's or materialman's lien or any other restrictions or encumbrances that impair the good and marketable nature of title to the ownership interest and that the definition of Homeownership will be met. A title commitment must include the complete legal description, copies of covenants, conditions and restrictions, easements, and any supplements. The effective date of the title commitment must be no more than 60 days prior to the date of submission. Commitments that expire prior to execution of closing must be updated at closing and must not have any adverse changes in order to close;

(7) A down date endorsement to the mortgagee policy issued to the homebuyer dated at least 40 days after the Construction Completion Date; and

(8) Any other documentation necessary to evidence that the Activity meets the program requirements.

(d) Table funding requests must be submitted to the Department with complete documentation no later than 28 days prior to the anticipated loan closing date. Such a request must include a draft settlement statement, title company payee identification information, the Developer's authorization for disbursement of funds to the title company, request letter from title company to the Comptroller of Public Accounts with bank account wiring instructions, and invoices for costs being paid at closing

(e) For costs associated with insurance policies, including title policies and homeowner's insurance policies, charged as Activity costs, evidence of payment of the cost must be submitted with the retainage request.

(f) Final Activity disbursement. Within 90 days after the homebuyer loan closing date, the Developer must submit to the Department:

(1) the original recorded deed of trust and transfer of lien, if applicable. Failure to submit these documents within 90 days after the loan closing date will result in the Department withholding disbursement of the Developer Fee; and-

(92) For final disbursement requests, submission of documentation required for Activity completion reports.;

(10g) The final request for disbursement under the Contract must be submitted to the Department with support documentation no later than 60 days after the termination date of the Contract, in order to remain in compliance with Contract and eligible for future funding. The Department shall not be obligated to pay for costs incurred or performances rendered after the termination date of a Contract.



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1455

Agenda Date: 6/4/2026

Agenda #: 12.

Presentation, discussion, and possible action on an order proposing the amendment of 10 TAC Chapter 6, Community Affairs Programs, §6.2 Definitions, and directing its publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, 10 TAC §6.2 provides the definitions used in the Community Affairs Programs;

WHEREAS, the Texas Regulatory Efficiency Office (TREG) coordinates with state agencies to review agency rules and recommends potential rule actions to improve efficiency, and TREG provided TDHCA with a Regulatory Efficiency Review Report that made suggestions on opportunities for improvement, and as requested by TREG such report was made available for stakeholder feedback in May 2026;

WHEREAS, it was suggested in the Report that §6.2 could be amended to improve efficiency of the rule and therefore the rule is being recommended for amendment; and

WHEREAS, such proposed repeal will be published in the *Texas Register* for public comment and subsequently returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed action herein in the form presented to this meeting, to be published in the *Texas Register* for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

BACKGROUND

Chapter 6 governs the Community Affairs Programs. §6.2 specifically addresses the definitions for those programs.

The Texas Regulatory Efficiency Office (TREG) coordinates with state agencies to review agency rules and recommends potential amendments to, or repeals of, those rules. In April 2026, TREG released a draft Regulatory Efficiency Review (RER) report of possible regulatory changes that the Texas Department of Housing and Community Affairs (the Department) could make to

improve efficiency in some of its rules. The recommendations in the report were not mandates or directives, but rather ideas and opportunities for improvement. TREO requested that the Department share these ideas with stakeholders for a 14-day period to garner feedback, which occurred from April 30, 2026 to May 14, 2026.

The report included a recommendation that §6.2 be revised to improve efficiency and clarity and remove unnecessary language. No feedback on the suggestion was received during the 14-day input period. Upon further review, staff thought some definitions were necessary to retain as they define concepts reflected in other Department rules. For the other suggestions, staff is recommending amendments to §6.2.

Behind the preamble, the current rule that is being amended is reflected in blackline. This rule action will be released for public comment and returned to the Board for final adoption.

Attachment 1: Preamble for the proposed amendment of 10 TAC Chapter 6 Community Affairs Programs, §6.2 Definitions

The Texas Department of Housing and Community Affairs (the Department) proposes amendments to 10 TAC Chapter 6, Community Affairs Programs, §6.2, Definitions. The purpose of the proposed amendment is to remove unnecessary language, improve clarity and provide greater regulatory efficiency.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for

each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the amended rule would be in effect:

1. The amended rule does not create or eliminate a government program.
2. The amended rule does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce workload to a degree that eliminates any existing employee positions.
3. The amended rule does not require additional future legislative appropriations.
4. The amended rule will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The amended rule is not creating a new regulation.
6. The amended rule will not expand, limit, or repeal existing regulation.
7. The amended rule will not increase or decrease the number of individuals subject to the rule's applicability.
8. The amended rule will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002. The Department has evaluated the amendment and determined that the action will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The amended rule does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the amended rule as to its possible effects on local economies and has determined that for the first five years the amended rule will be in effect the rule has no economic effect on local employment because the rule relates only to programs and processes which have already been in effect for existing Subrecipients; therefore, no local employment impact statement is required to be prepared for the amended rules.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Bobby Wilkinson, Executive Director, has determined that, for each year of the first five years the amended rule is in effect, the public benefit anticipated as a result of the new rule will be improved regulatory efficiency and greater clarity. There will not be any economic costs to any individuals required to comply with the amended rule because the rule has already been in place.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the amended rule is in effect, enforcing or administering the new rule does not have any foreseeable implications related to costs or

revenues of the state or local governments because the amended rule relates only to programs and processes which have already been in effect for existing subrecipients.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed action, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The public comment period will be held from June 19, 2026 to July 20, 2026. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, or by email to brooke.boston@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 pm Central time, July 20, 2026.

STATUTORY AUTHORITY. The rule action is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the amended section affects no other code, article, or statute.

10 TAC §6.2 Definitions

(a) To ensure a clear understanding of the terminology used in the context of the CSBG, LIHEAP, and DOE-WAP programs of the Community Affairs Division, a list of terms and definitions has been compiled as a reference. Any capitalized terms not specifically defined in this section or any section referenced in this chapter shall have the meaning as defined in Chapter 2306 of the Tex. Gov't Code, Chapter 1 of this title (relating to Administration), Chapter 2 of this title (relating to Enforcement), or applicable federal regulations.

(b) The words and terms in this chapter shall have the meanings described in this subsection unless the context clearly indicates otherwise. Refer to Subchapters B, C, and D of this chapter for program specific definitions.

(1) Affiliate--An entity related to an Applicant that controls by contract or by operation of law the Applicant or has the power to control the Applicant or a third entity that controls, or has the power to control both the Applicant and the entity. Examples include but are not limited to entities submitting under a common application, or instrumentalities of a unit of government. This term also includes any entity that is required to be reported as a component entity under Generally Accepted Accounting Standards, is required to be part of the same Single Audit as the Applicant, is reported on the same IRS Form 990, or is using the same federally approved indirect cost rate.

(2) Awarded Funds--The amount of funds or proportional share of funds committed by the Department's Board to a Subrecipient or Service Area.

(3) Categorical Eligible/Eligibility--A method where a Subrecipient must deem a Household to be eligible for LIHEAP or DOE benefits if that Household includes at least one member that receives assistance under specific federal programs as identified in this chapter or by Contract.

(4) Child--Household member not exceeding 18 years of age.

~~(5) Code of Federal Regulations (CFR)--The codification of the general and permanent rules and regulations of the federal government as adopted and published in the Federal Register.~~

~~(56) Community Action Agencies (CAAs)--Private Nonprofit Organizations and Public Organizations that carry out the Community Action Program, which was established by the 1964 Economic Opportunity Act to fight poverty by empowering the poor in the United States.~~

~~(67) Community Services Block Grant (CSBG)--An HHS-funded program, which provides funding for CAAs and other Eligible Entities that seek to address poverty at the community level.~~

~~(78) Comprehensive Energy Assistance Program (CEAP)--A LIHEAP-funded program, to assist low-income Households, in meeting their immediate home energy needs.~~

~~(89) Concern--A policy, practice or procedure that has not yet resulted in a Finding or Deficiency, but if not changed will or may result in a Finding or Deficiency.~~

~~(910) Contract--The executed written agreement between the Department and a Subrecipient performing an activity related to a program that describes performance requirements and responsibilities assigned by the document, for which the first day of the Contract Term is the point at which program funds may be considered by a Subrecipient for Expenditure, unless otherwise directed in writing by the Department.~~

~~(11) Contract System--A web-based data collection platform which allows Subrecipients of Community Services programs to sign and view Contracts and submit performance and financial reports online.~~

~~(102) Contract Term--The period of Expenditure under a Contract.~~

~~(13) Contracted Funds--The gross amount of funds Obligated by the Department to a Subrecipient as reflected in a Contract.~~

~~(1114) Cost Reimbursement--A Contract sanction whereby reimbursement of costs incurred by the Subrecipient is made only after the Department has conducted such review as it deems appropriate as more fully described in §2.201 of this Title (relating to Cost Reimbursement). which may be complete or limited, such as on a sampling basis, and approved backup documentation provided by the Subrecipient to support such costs. Such a review and approval does not serve as a final approval and all uses of advanced funds remain subject to review in connection with future or pending reviews, monitoring, or audits and in no way serves to constrain or limit them.~~

~~(1215) Declaration of Income Statement (DIS)--A Department-approved form used only when it is not possible for an applicant to obtain third party or firsthand verification of income.~~

~~(1316) Deficiency--Consistent with the CSBG Act, a Deficiency exists when an Eligible Entity has failed to comply with the terms of an agreement or a State plan, or to meet a State requirement. The Department's determination of a Deficiency may be based on the Eligible Entity's failure to provide CSBG services, or to meet appropriate standards, goals, and other requirements established by the State, including performance objectives, or as provided for in §2.203(b) of this title (relating to Termination and Reduction of Funding for CSBG Eligible Entities). A Finding, Observation, or Concern that is not corrected, or is repeated, may become a Deficiency.~~

~~(147) Deobligate/Deobligation--The partial or full removal of Contracted Funds from a Subrecipient. Partial Deobligation is the removal of some portion of the full Contracted Funds from a Subrecipient, leaving some remaining balance of Contracted Funds to be administered by the Subrecipient. Full Deobligation is the removal of the full amount of Contracted Funds from a Subrecipient. This definition does not apply to CSBG non-Discretionary funds.~~

~~(158) Department of Energy (DOE)--Federal department that provides funding for a weatherization assistance program.~~

~~(169) Department of Health and Human Services (HHS)--Federal department that provides funding for CSBG and LIHEAP ~~energy assistance and weatherization.~~~~

~~(1720) Discretionary Funds--CSBG funds, excluding the 90% of the state's annual allocation that is designated for statewide allocation to CSBG Eligible Entities under §6.203 of this subchapter (relating to Formula for Distribution of CSBG Funds) and state administrative funds, maintained by the Department, at its discretion, for CSBG allowable uses as authorized by the CSBG Act.~~

~~(1824) Dwelling Unit--A house, including a stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters.~~

~~(1922) Elderly Person--~~

~~(A) For CSBG, a person who is 55 years of age or older; and~~

~~(B) For CEAP and WAP, a person who is 60 years of age or older.~~

~~(2023) Eligible Entity--Those local organizations in existence and designated by the federal and state government to administer programs created under the Federal Economic Opportunity Act of 1964. This includes CAAs, limited-purpose agencies, and units of local government. ~~The CSBG Act defines an Eligible Entity as an organization that was an Eligible Entity on the day before the enactment of the Coats Human Services Reauthorization Act of 1998 (October 27, 1998), or is designated by the Governor to serve a given area of the state and that has a tripartite board or other mechanism specified by the state for local governance.~~~~

~~(214) Emergency--defined as:~~

~~(A) A Natural Disaster;~~

- (B) A significant home energy supply shortage or disruption;
 - (C) Significant increase in the cost of home energy, as determined by the Secretary of HHS;
 - (D) A significant increase in home energy disconnections reported by a utility, a state regulatory agency, or another agency with necessary data;
 - (E) A significant increase in participation in a public benefit program such as the food stamp program carried out under the Supplemental Nutrition Assistance Program (SNAP) Food and Nutrition Act of 2008 ~~Food Stamp Act of 1977 (7 U.S.C. §§2011, et seq.), SSI the national program to provide supplemental security income carried out under Title XVI of the Social Security Act (42 U.S.C. §§1381, et seq.) or the state temporary assistance for needy families program carried out under Part A of Title IV of the Social Security Act (42 U.S.C. §§601, et seq.), as determined by the head of the appropriate federal agency;~~
 - (F) A significant increase in unemployment, layoffs, or the number of Households with an individual applying for unemployment benefits, as determined by the Secretary of Labor; or
 - (G) An event meeting such criteria as the Secretary of HHS, at the discretion of the Secretary of HHS, may determine to be appropriate.
- ~~(225)~~ Expenditure--Funds that have been accrued or remitted for purposes of the award.
 - ~~(236)~~ Extended Foster Care--The Texas Department of Family Services program as identified in 40 TAC §700.346 or successor regulation.
 - ~~(247)~~ Families with Young Children--A Household that includes a Child age five or younger. For LIHEAP-WAP only, a Family with Young Children also includes a Household that has a pregnant woman.
 - ~~(258)~~ Federal Poverty Income Guidelines--The official poverty income guidelines as issued by HHS annually.
 - ~~(269)~~ Finding--A Subrecipient's material failure to comply with rules, regulations, the terms of the Contract or to provide services under each program to meet appropriate standards, goals, and other requirements established by the Department or funding source (including performance objectives). ~~A Finding impacts the organization's ability to achieve the goals of the program and jeopardizes continued operations of the Subrecipient.~~ Findings include the identification of an action or failure to act that results or may result in disallowed costs.
 - ~~(2730)~~ Gross Annual Income--Defined as the total amount of non-excluded income earned annually before taxes or any deductions for all Household members 18 years of age and older.
 - ~~(2834)~~ High Energy Burden--A Household whose energy burden exceeds 11% of their Gross Annual Income, determined by dividing a Household's annual home energy costs by the Household's Gross Annual Income.
 - ~~(2932)~~ High Energy Consumption--A Household that is billed more than \$1000 annually for related fuel costs for heating and cooling their Dwelling Unit.
 - ~~(3033)~~ Household--An individual or group of individuals, excluding unborn Children, who are living together as one economic unit. For DOE WAP this includes all persons living in the Dwelling Unit. For CSBG/LIHEAP it includes these persons customarily purchasing residential energy in common or making undesignated payments for energy. In CSBG/LIHEAP a live-in aide, or a Renter with a separate lease that includes a separate bill for utilities is not considered a Household member.
 - ~~(314)~~ Inverse Ratio of Population Density Factor--The number of square miles of a county divided by the number of poverty Households of that county.
 - ~~(325)~~ Low Income Household--Defined as:

(A) For DOE WAP, a Household whose total combined annual income is at or below 200% of the Federal Poverty Income guidelines, or a Household who is Categorically Eligible;

(B) For CEAP and LIHEAP-WAP, a Household whose total combined annual income is at or below 150% of the Federal Poverty Income guidelines, or a Household who is Categorically Eligible; and

(C) For CSBG, a Household whose total combined annual income is at or below 125% of the Federal Poverty Income guidelines.

~~(336) Low Income Home Energy Assistance Program (LIHEAP)--An HHS funded program, which serves Low Income Households who seek assistance for their home energy bills and/or weatherization services.~~

~~(347) Means Tested Veterans Program--A program whereby applicants who meet certain Veterans Affairs requirements, including but not limited to income and net worth limits set by Congress, receive payments from the U.S. Department of Veterans Affairs.~~

~~(358) Mixed Status Household--A Household that contains one or more members that are U.S. Citizens, U.S. Nationals, or Qualified Aliens, and one or more members that are Unqualified Aliens.~~

~~(369) Monthly Performance and Expenditure Report--Two separate but linked reports indicating a Subrecipient's or Eligible Entity's performance and financial information, due to the Department on or before the fifteenth day of each month of the Contract Term following the reporting month. If the fifteenth falls on a weekend or holiday, the reports must still be entered on or before the fifteenth. The data the Department collects is subject to change based on changes required by DOE or HHS.~~

~~(3740) Obligation--Funds become obligated upon approval of an award to Subrecipient by the Department's Governing Board, unless the Department does not receive sufficient funding from the cognizant federal entity.~~

~~(3844) Observation--A notable policy, practice or procedure observed through the course of monitoring.~~

~~(42) Office of Management and Budget (OMB) Office within the Executive Office of the President of the United States that oversees the performance of federal agencies and administers the federal budget.~~

~~(3943) Office of Management and Budget (OMB) Circulars--Instructions and information issued by OMB to Federal agencies that set forth principles and standards for determining costs for federal awards and establish consistency in the management of grants for federal funds, as more fully. Uniform cost principles and administrative requirements for local governments and for nonprofit organizations, as well as audit standards for governmental organizations and other organizations expending federal funds are set forth in 2 CFR Part 200, unless different provisions are required by statute or approved by OMB.~~

~~(44) Outreach The method used by a Subrecipient that attempts to identify customers who are in need of services, alerts these customers to service provisions and benefits, and helps them use the services that are available. Outreach is utilized to locate, contact and engage potential customers.~~

~~(45) Performance Statement A document which identifies the services to be provided by a Subrecipient.~~

~~(406) Person with a Disability--Any individual who is:~~

~~(A) An individual described in 29 U.S.C. §701 or has a disability under 42 U.S.C. §§12131 - 12134;~~

~~(B) Disabled as defined in 42 U.S.C. §1382(a)(3)(A), 42 U.S.C. §423, or in 42 U.S.C. §15001;~~

~~(C) Receiving benefits under 38 U.S.C. Chapter 11 or 15; or~~

(D) An individual with a disability as defined in §1.202(4).

~~(417)~~ Population Density--The number of persons residing within a given geographic area of the state.

~~(428)~~ Private Nonprofit Organization--An organization described in §501(c) of the Internal Revenue Code (the Code) of 1986 and which is exempt from taxation under subtitle A of the Code and that is not a Public Organization.

~~(439)~~ Production Schedule--The estimated monthly and quarterly performance targets and Expenditures for a Contract Term. The Production Schedule must be signed by the applicable approved signatory and approved by the Department in writing.

~~(4450)~~ Program Year--January 1 through December 31 of each calendar year for CSBG and LIHEAP; July 1 through June 30 of each calendar year for DOE WAP.

~~(4451)~~ Public Organization--A unit of government, as established by the Legislature of the State of Texas. Includes, but may not be limited to, cities, counties, and councils of governments.

~~(4552)~~ Qualified Alien--A person that is not a U.S. Citizen or a U.S. National and is described at 8 U.S.C. §1641(b) and (c).

~~(4653)~~ Referral--The documented process of providing information to a customer Household about an agency, program, or professional person that can provide the service(s) needed by the customer.

~~(4754)~~ Reobligate/Reobligation--The reallocation of Deobligated funds to other Subrecipients or back to the Department for allowable uses.

~~(4855)~~ Service Area--The geographical area where a Subrecipient must provide services under a Contract.

~~(4956)~~ Single Audit--The audit required by OMB, 2 CFR Part 200, Subpart F, or Tex. Gov't Code, Chapter 738, Uniform Grant and Contract Management, as reflected in an audit report.

~~(507)~~ State--The State of Texas or the Department, as indicated by context.

~~(518)~~ Subcontractor--A person or an organization with whom the Subrecipient contracts with to provide services.

~~(529)~~ Subrecipient--An organization that receives federal funds passed through the Department to operate the CSBG, CEAP, DOE WAP, and/or LIHEAP program(s).

~~(60) Supplemental Security Income (SSI) -- A means tested program run by the Social Security Administration.~~

~~(5361)~~ System for Award Management (SAM)--Combined federal database that includes the Excluded Parties List System (EPLS).

~~(5462)~~ Systematic Alien Verification for Entitlements (SAVE)--Automated intergovernmental database that allows authorized users to verify the immigration status of applicants.

~~(63) Texas Administrative Code (TAC) -- A compilation of all state agency rules in Texas.~~

~~(5564)~~ Texas Grant Management Standards (TxGMS) and Uniform Assurances--The standardized set of financial management procedures and Assurances established by Tex. Gov't Code Chapter 783 for Contracts executed on or after January 1, 2022, and as further described in Chapter 1 Subchapter D of this title (relating to Uniform Guidance for Recipients of Federal and State Funds). The term "Assurance" refers to a statement of compliance with federal or state law that is required of a local government as a condition for the receipt Contract funds to promote the efficient use of public funds in local government and in programs requiring cooperation among local, state, and Federal agencies. This includes all Public Organizations. In addition, Tex. Gov't Code Chapter 2105, subjects Subrecipients of federal block grants (as defined therein) to the Texas Grant Management Standards and Uniform Assurances.

(~~5665~~) Uniform Grant Management Standards (UGMS)--The standardized set of financial management procedures and definitions established by Tex. Gov't Code Chapter 783 for Contracts executed before January 1, 2022, to promote the efficient use of public funds by requiring consistency among grantor agencies in their dealings with grantees, and by ensuring accountability for the expenditure of public funds. State agencies are required to adhere to these standards when administering grants and other financial assistance agreements with cities, counties and other political subdivisions of the state. This includes all Public Organizations. In addition, Tex. Gov't Code Chapter 2105, subjects Subrecipients of federal block grants (as defined therein) to the Uniform Grant and Contract Management Standards.

~~(66) United States Code (U.S.C.) A consolidation and codification by subject matter of the general and permanent laws of the United States.~~

(~~5767~~) Unqualified Alien--A person that is not a U.S. Citizen, U.S. National, or a Qualified Alien.

(~~5868~~) Vendor Agreement--An agreement between the Subrecipient and energy vendors that contains assurances regarding fair billing practices, delivery procedures, and pricing for business transactions involving LIHEAP beneficiaries.

(~~5969~~) Vulnerable Populations--Elderly persons, Persons with a Disability, and Households with a Child at or below the age of five.

(~~6070~~) Weatherization Assistance Program (WAP)--DOE and LIHEAP funded program, designed to reduce the energy cost burden of Low Income Households through the installation of energy efficient weatherization materials and education in energy use.



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1456

Agenda Date: 6/4/2026

Agenda #: 13.

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 27, Texas First Time Homebuyer Program Rule; an order proposing new 10 TAC Chapter 27, Texas First Time Homebuyer Program and Taxable Mortgage Program Rules; and directing their publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, Chapter 27, provides the rules that govern the Texas First Time Homebuyer (FTHB) Program, and Chapter 28 provides the rules that govern the Taxable Mortgage Program (TMP);

WHEREAS, the Texas Regulatory Efficiency Office (TREG) coordinates with state agencies to review agency rules and recommends potential rule actions to improve efficiency, and TREG provided TDHCA with a Regulatory Efficiency Review Report that made suggestions on opportunities for improvement, and as requested by TREG such report was made available for stakeholder feedback in May 2026;

WHEREAS, it was suggested in the Report, at the initiation of the Department, that because of the nearly identical content of Chapters 27 and 28, these rules could be combined into one rule governing both programs to improve regulatory efficiency, and therefore under this action Chapter 27 is being proposed to be revised and retitled to include the TMP Program, and under separate action Chapter 28 is being proposed for repeal; and

WHEREAS, such proposed rulemaking will be published in the *Texas Register* for public comment to be received from June 19, 2026, to July 20, 2026, and returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed actions herein in the form presented to this meeting, to be published in the *Texas Register* for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

BACKGROUND

Chapter 27 lays out the parameters for administration of the Texas First Time Homebuyer Program. A very

similar rule in content is Chapter 28, which lays out the parameters for administration of the Taxable Mortgage Program.

The Texas Regulatory Efficiency Office (TREO) coordinates with state agencies to review agency rules and recommends potential amendments to, or repeals of, those rules. In April 2026, TREO released a draft Regulatory Efficiency Review (RER) report of possible regulatory changes that the Texas Department of Housing and Community Affairs (the Department) could make to improve efficiency in some of its rules. The recommendations in the report were not mandates or directives, but rather ideas and opportunities for improvement. TREO requested that the Department share these ideas with stakeholders for a 14-day period to garner feedback, which occurred from April 30, 2026 to May 14, 2026.

The report included a recommendation, initiated by the Department, that because of the nearly identical content of Chapters 27 and 28, these rules could be combined into one rule governing both programs to improve regulatory efficiency. No feedback on the suggestion was received during the 14-day input period. Therefore, this action includes proposing revisions to Chapter 27 that incorporate the TMP and retitling that chapter. Under separate action Chapter 28 is being proposed for repeal as well. These actions will streamline regulations, improve clarity and remove unnecessary language.

Upon Board approval, the proposed rule actions will be published in the *Texas Register* and released for public comment from June 19, 2026, to July 20, 2026. Behind the preamble is a copy of the rule in blackline form reflecting the changes being proposed from the current version of the rule.

Attachment 1: Preamble, including required analysis, for the proposed repeal of 10 TAC Chapter 27, Texas First Time Homebuyer Program Rule

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 27, Texas First Time Homebuyer Program Rule. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action. The new updated rule retitles the chapter and now incorporates the Taxable Mortgage Program (TMP) into the rule, previously found in Chapter 28. Under separate action Chapter 28 is being proposed for repeal as its rules will now be covered by Chapter 27.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for repeal because there are no costs associated with the repeal.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

1. Robert Wilkinson, Executive Director, has determined that, for the first five years the repeal will be in effect, the repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous proposed new rule making changes to the rule governing the Texas First Time Homebuyer Program Rule.

2. The repeal does not require a change in work that will require the creation of new employee positions, nor will the repeal reduce workload to a degree that any existing employee positions are eliminated.

3. The repeal does not require additional future legislative appropriations.
4. The repeal does not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.
6. The action will repeal an existing regulation, but is associated with a simultaneous readoption making changes to the existing procedures for the Texas First time Homebuyer Program.
7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.
8. The repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The repeal does not contemplate nor authorize a taking by the Department, therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal will be in effect there will be no economic effect on local employment; therefore no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section would be a more efficient rule that governs both the FTHB Program and TMP. There will be no economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The Department requests comments on the repeal. The public comment period will be held June 19, 2026, to July 20, 2026, to receive input on the proposed actions. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, July 20, 2026.

STATUTORY AUTHORITY. The repeal is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC Chapter 27, Texas First Time Homebuyer Program Rule

§27.1 Purpose

§27.2 Definitions

§27.3 Restrictions on Residences Financed and Applicant

§27.4 Occupancy and Use Requirements

§27.5 Application Procedure and Requirements for Commitments by Mortgage Lenders

§27.6 Criteria for Approving Participating Mortgage Lenders

§27.7 Resale of the Residence

§27.8 Conflicts with Bond Indentures and Applicable Law

§27.9 Waiver

Attachment B: Preamble, including required analysis, for proposed new 10 TAC Chapter 27, Texas First Time Homebuyer Program and Taxable Mortgage Program Rules

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 27, Texas First Time Homebuyer Program and Taxable Mortgage Program Rules. The purpose of the new is to retitle the chapter and now incorporate the Taxable Mortgage Program (TMP) into the rule, previously found in Chapter 28. Under separate action Chapter 28 is being proposed for repeal as its rules will now be covered in this Chapter.

Tex. Gov't Code §2001.0045(b) does not apply to the rule being adopted, because it meets the exceptions described under items (c)(4) and (9) of that section. The rules relate to a program through which the Department accesses federal bond authority to provide affordable housing opportunities to low income Texans under Treasury Regulations §143. The rule also ensures compliance with Tex. Gov't Code, Subchapter MM, Texas First-Time Homebuyer Program. Even though excepted, it should be noted that no costs are associated with this action that would have prompted a need to be offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Robert Wilkinson, Executive Director, has determined that, for the first five years the new rule will be in effect:

1. The new rule does not create or eliminate a government program, but relates to adding the TMP rules into this chapter.
2. The new rule does not require a change in work that would require the creation of new employee positions, nor will it reduce workload to a degree that eliminates any existing employee positions.
3. The new rule changes do not require additional future legislative appropriations.
4. The new rule will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The new rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.

6. The rule does expand the existing regulation, but simultaneously is repealing a regulation in Chapter 28.
 7. The new rule does not increase or decrease the number of individuals to whom this rule applies; and
 8. The new rule will not negatively or positively affect the state's economy.
- b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.
1. The Department has evaluated this rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.
 2. This rule relates to the general program guidelines for the First Time Homebuyer Program and Taxable Mortgage Program. The beneficiaries of this program are individual households, therefore no small or micro-businesses are subject to the rule.
 3. The Department has determined that because this rule relates only to a revision to a rule that applies to programs for which individual households are the beneficiaries, there will be no economic effect on small or micro-businesses or rural communities.
- c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The new rule does not contemplate nor authorize a taking by the Department, therefore no Takings Impact Assessment is required.
- d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the rule as to its possible effects on local economies and has determined that for the first five years the rule will be in effect the new rule has no economic effect on local employment because this rule relates to homebuyer assistance to individual households, not limited to any given community or area within the state; therefore no local employment impact statement is required to be prepared for the rule.

Texas Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule..." Considering that the rule relates only to the continuation of the rules in place there are no "probable" effects of the new rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new sections are in effect, the public benefit anticipated as a result of the proposed new rule will be a rule with greater clarity and in which redundancy among several chapters is now removed. There will be no economic cost to any individuals required to comply with the proposed new rule because the activities described by the rule has already been in existence.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new sections are in effect, enforcing or administering the new sections does not have any foreseeable implications related to costs or revenues of the state or local governments as this rule relates only to a process that already exists and is not being significantly revised.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The public comment period will be held June 19, 2026, to July 20, 2026, to receive input on the proposed actions. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS

AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, July 20, 2026.

STATUTORY AUTHORITY. The new rule is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

CHAPTER 27 TEXAS FIRST TIME HOMEBUYER PROGRAM AND TAXABLE MORTGAGE PROGRAM RULES

§27.1 Purpose

(a) The purpose of the Texas First Time Homebuyer Program (FTHB) and Taxable Mortgage Program (TMP) is to facilitate the origination of single-family Mortgage Loans and/or to refinance existing Mortgage Loans for eligible ~~first time~~ Homebuyers, and to make available down payment and closing cost assistance to eligible Homebuyers. The FTHB Texas First Time Homebuyer Program is administered in accordance with Texas Government Code, Chapter 2306. Chapter 20 of this title (relating to the Single Family Programs Umbrella Rule) does not apply to the activities under this chapter, except if these activities are combined with activities subject to Chapter 20 of this title.

(b) Assistance under ~~these~~ is Programs is dependent, in part, on the availability of funds. The Department may cease offering all or a part of the assistance available under the programs at any time and in its sole discretion.

§27.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context or the Participation Packet indicates otherwise. Other definitions may be found in Texas Government Code, Chapter 2306; Chapter 1 of this title (relating to Administration); and Chapter 2 of this title (relating to Enforcement).

(1) Applicable Median Family Income--The Department's determination, as permitted by Texas Government Code, §2306.123, of the median income of an individual or family for an area using a source or methodology acceptable under federal law or rule. The Applicable Median Family Income, as updated from time to time, may be found on the Department's website in the "Combined Income and Purchase Price Limits Table."

(2) Applicant--A person or persons applying for financing of a Mortgage Loan under the FTHB Program or TMP Program.

(3) Areas of Chronic Economic Distress--Those areas in the state, whether one or more, designated from time to time as areas of chronic economic distress by the state and approved by the U.S. Secretaries of Treasury and Housing and Urban Development, respectively, pursuant to §143(j) of the Code.

(4) Average Area Purchase Price--With respect to a Residence financed under the FTHB Program, the average purchase price of single-family residences in the statistical area in which the Residence is located which were purchased during the most recent twelve (12) month period for which statistical information is available, as determined in accordance with §143(e) of the Code.

~~¶~~(5) Code--The Internal Revenue Code of 1986, as amended from time to time.

(6) Contract for Deed Exception--~~—In the administration of the FTHB Program, ¶~~the exception for certain Mortgage Loan eligibility requirements under the FTHB Program or TMP, as provided in the Master Mortgage Origination Agreement, available with respect to a principal residence owned under a contract for deed by a person whose family income is not more than 50% of the area's Applicable Median Family Income.

(7) Federal Housing Administration--A division of the U.S. Department of Housing and Urban Development, also known as FHA.

~~(8) First Time Homebuyer--A person who has not owned a home during the three (3) years preceding the date on which an application under this program is filed. A person will be considered to have owned a home if the person had a present ownership interest in a home during the three (3) years preceding the~~

~~date on which the application was filed. In the event there is more than one person applying with respect to a home, each Applicant must separately meet this three year requirement.~~

(8) First Time Homebuyer--In the administration of the FTHB Program, a person who has not owned a home during the three (3) years preceding the date on which an application under the program is filed. A person, as defined in §2306.1071 of the Tex. Gov't Code, will be considered to have owned a home if the person had a present ownership interest in a primary residence during the three (3) years preceding the date on which an application under this program is filed. In the event there is more than one person applying for financing of a Mortgage Loan under the FTHB Program, each Applicant must separately meet this three year requirement.

(9) Homebuyer--An Applicant that is approved by either of the Programs and purchases a Residence.

(10) Master Mortgage Origination Agreement--The contract between the Department and a Mortgage Lender, together with any amendments thereto, setting forth certain terms and conditions relating to the origination and sale of Mortgage Loans by the Mortgage Lender and the financing of such Mortgage Loans by the Department under the FTHB Program and TMP.

(11) Mortgage Lender--The entity, as defined in §2306.004 of the Tex. Gov't Code, that is participating in either of the Programs and signatory to the Master Mortgage Origination Agreement.

(12) Mortgage Loan--as defined in §2306.004 of the Tex. Gov't Code.

~~(12)~~ (13) Participation Packet--The application submitted to the Department by the proposed Mortgage Lender to participate in either or both of the Programs.

~~(14)~~ (13) Programs--The Texas First Time Homebuyer (FTHB) Program and the Taxable Mortgage Program (TMP).

~~(15)~~ (14) Purchase Price Limit--In the administration of the FTHB Program, the Purchase Price Limits published and updated from time to time in the "Combined Income and Purchase Price Limits Table" found on the Department's website equal to 90% of the Average Area Purchase Price, subject to certain exceptions for Targeted Area Loans.

~~(16)~~ (15) Qualified Veteran Exemption to First Time Homebuyer Requirement-- In the administration of the FTHB Program, A qualified veteran who has not previously received financing as a First Time Homebuyer through a single family mortgage revenue bond program is exempt from the requirement to be a First Time Homebuyer. The veteran must certify that he or she has not previously obtained a Mortgage Loan financed by single family mortgage revenue bonds, and is utilizing the veteran exception set forth in §143(d)(2)(D) of the IRS Code. Qualified veterans must also complete a worksheet evidencing qualification as a veteran and provide copies of discharge papers.

~~(17)~~ (16) Regulations--The applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

~~(18)~~ (17) Residence--A dwelling in Texas in which an Applicant intends to reside as the Applicant's principal living space. This is intended to have the same meaning as Home as defined in §2306.1071 of the Tex. Gov't Code.

~~(19)~~ (18) Rural Housing Service--A division of the United States Department of Agriculture, also known as RHS.

~~(20)~~ (19) Targeted Area--A qualified census tract, as determined in accordance with §6(a)103A-(2)(b)(4) of the Regulations or any successor regulations thereto, or an Area of Chronic Economic Distress or in the case of the TMP a Department Designated Area of Special Need. Applicants purchasing in Targeted Areas may have higher income and purchase price limits as set forth in the "Combined Income and Purchase Price Limits Table" found on the Department's website.

~~(21)~~ (20) Targeted Area Exemption to First time Homebuyer Requirement--In the administration of the FTHB Program, Applicants purchasing homes in targeted areas financed through the program are exempt from the requirement to be a First Time Homebuyer and income and purchase price limits may be higher as found in the "Combined Income and Purchase Price Limits Table" located on the Department's website.

~~(22)~~ (21) United States Department of Veterans Affairs--Also known as VA.

§27.3 Restrictions on Residences Financed and Applicant

(a) Type of Residence and Number of Units. To be eligible for assistance under the Programs ~~an Applicant must apply with respect to a Residence that is~~ must be either a new or existing single family residence, new or existing condominium or townhome, or manufactured housing that has been converted to real property in accordance with the Texas Occupations Code, Chapter 1201, or FHA and applicable agency guidelines, as required by the Department. A duplex may be financed under the Programs as long as one unit of the duplex is occupied by the Applicant as his or her Residence, and the duplex was first occupied for residential purposes at least five years prior to the closing of the Mortgage Loan.

(b) Homebuyer Education. Each Applicant must complete a Department approved pre-purchase homebuyer education course.

(c) Income Limits. An Applicant applying for a Mortgage Loan financed under the FTHB Program or TMP must meet Applicable Median Family Income requirements.

(d) Down Payment Assistance. An Applicant meeting the Applicable Median Family Income requirements in subsection (c) of this section may qualify for down payment and closing cost assistance in connection with the Mortgage Loan financed under the FTHB Program or TMP on a first come, first served basis, subject to availability of funds.

(e) Residential Property Standards. The Residence must meet all standards required by the State of Texas, local jurisdiction, and as required by agency guidelines and the Federal Mortgage Lender.

(f) Lien Position Requirements.

(1) A Mortgage Loan made by the Department shall be secured by a first lien on the real property if the Department's Mortgage Loan is the largest Mortgage Loan secured by the real property; or

(2) The Department may accept a subordinate lien position if the original principal amount of the leveraged Mortgage Loan is at least 55% of the combined repayable or amortized loans; however, liens related to other subsidized funds provided in the form of grants and non-amortizing Mortgage Loans, such as deferred payment or Forgivable Loans, must be subordinate to the Department's payable Mortgage Loan; and

(3) For real property encumbered by deed restrictions governed by a property owners' association or homeowners' association, the association shall subordinate its assessment liens in the deed restrictions to the Department's Mortgage Loan.

§27.4 Occupancy and Use Requirements

(a) Occupancy requirement. The Homebuyer must occupy the property within a reasonable time (not to exceed 60 days) after the date of closing as his or her Residence.

(b) Use for a business. Homebuyer may not use more than 15% of the Residence in a trade or business (including childcare services) on a regular basis for compensation. If the Residence is to be used, in part, for a trade or business, a schematic drawing from an appraiser must be provided.

(c) Homebuyer may not use the Residence, or any part thereof, as an investment property, rental property, vacation or second home, or recreational home, and shall continue to occupy the Residence as Homebuyer's principal living space/primary residence, unless waived by the Executive Director or their designee for good cause, ~~which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Homebuyer's control.~~

(d) In the event the Homebuyer is in violation of this section, the deferred principal balance is due in full pursuant to the Mortgage Loan.

§27.5 Application Procedure and Requirements for Commitments by Mortgage Lenders

(a) An Applicant seeking assistance under either of the Programs must first contact a participating Mortgage Lender. A list of participating Mortgage Lenders may be obtained on the Department's website or by contacting the Department.

(b) Applicant shall complete ~~an~~ Uniform Residential Loan Application (URLA) with a participating Mortgage Lender for the purpose of obtaining a Mortgage Loan.

(c) ~~Application Fees.~~ Fees that may be collected by the Mortgage Lender from the Applicant relating to a Mortgage Loan include:

(1) an appropriate, as determined by the Department, origination fee and/or buyer/seller points; and

~~(2) all usual and reasonable settlement or financing costs that are permitted to be so collected by FHA, RHS, VA, Freddie Mac or Fannie Mae, as applicable, and other applicable laws, but only to the extent such charges do not exceed the usual and reasonable amounts charged in the area in which the Residence is located. Such usual and reasonable settlement or financing costs shall include an application fee as determined by the Department, the total estimated costs of a credit report on the Applicants and an appraisal of the property to be financed with the Mortgage Loan, title insurance, survey fees, credit reference fees, legal fees, appraisal fees and expenses, credit report fees, FHA insurance premiums, private Mortgage guaranty insurance premiums, VA guaranty fees, VA funding fees, RHS guaranty fees, hazard or flood insurance premiums, abstract fees, tax service fees, recording or registration fees, escrow fees, and file preparation fees.~~

(2) all usual and reasonable settlement or financing costs permitted by FHA, RHS, VA, Freddie Mac, or Fannie Mae, as applicable, and otherwise permitted by applicable law, provided such charges do not exceed the usual and reasonable amounts charged in the area in which the Residence is located. Such settlement or financing costs may include Department-approved fees, application fees, credit report fees, credit reference fees, appraisal fees and expenses, property inspection fees, title insurance, survey fees, legal fees, escrow fees, recording or registration fees, tax service fees, abstract fees, file preparation fees, FHA insurance premiums, private mortgage guaranty insurance premiums, VA guaranty fees, VA funding fees, RHS guaranty fees, hazard or flood insurance premiums, and other customary settlement or financing charges associated with the origination of the Mortgage Loan.

(d) The Department will determine from time to time, a schedule of fees and charges necessary for expenses and reserves of the housing finance division ~~as set forth in a Board resolution.~~

(e) The Mortgage Lender must register the Mortgage Loan in accordance with the Department's published procedures.

§27.6 Criteria for Approving Participating Mortgage Lenders

(a) To be approved by the Department for participation in either or both of the Programs, a Mortgage Lender must meet the requirements in the Participation Packet to be a qualified Mortgage Lender as specified by:

(1) FHA;

(2) RHS;

(3) VA; or

(4) be a lender currently participating in the conventional home lending market for loans originated in accordance with Fannie Mae's and/or Freddie Mac's requirements.

(b) As a condition for participation in either or both of the Programs, a qualified Mortgage Lender must:

(1) agree to originate Mortgage Loans and assign those loans and related Mortgages and servicing to the Department's master servicer;

(2) originate, process, underwrite, close and fund originated loans; and

(3) be an approved Mortgage Lender with the Program's master servicer.

§27.7 Resale of the Residence

Mortgage Loans that are financed with the proceeds of tax-exempt bonds, or for which a Mortgage Credit Certificate has been or will be issued, will be subject to federal income tax recapture provisions. Assumption of a Mortgage Loan is allowed under the Programs if the new owner meets the Programs' requirements at the time of the sale of the Residence.

§27.8 Conflicts with Bond Indentures and Applicable Law

All assistance provided under the Programs is funded through or facilitated by the Department's mortgage revenue bond indentures and is subject to changes in the mortgage revenue bond indentures and applicable law. If there is a conflict between this chapter and any bond indenture or applicable law regarding the use of the funds from mortgage revenue bonds, the mortgage revenue bond indenture or applicable law shall control.

§27.9 Waiver

The Board, in its discretion and within the limits of federal and state law, may waive any one or more of the rules governing ~~these~~ Programs, except 10 TAC §27.8, if the Board finds that waiver is appropriate for good cause to fulfill the purposes or ~~policies~~ policies of Texas Government Code, Chapter 2306, as determined by the Board.



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1457

Agenda Date: 6/4/2026

Agenda #: 14.

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 28, Taxable Mortgage Program, and directing its publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, Chapter 27, provides the rules that govern the Texas First Time Homebuyer (FTHB) Program, and Chapter 28 provides the rules that govern the Taxable Mortgage Program (TMP);

WHEREAS, the Texas Regulatory Efficiency Office (TREG) coordinates with state agencies to review agency rules and recommends potential rule actions to improve efficiency, and TREG provided TDHCA with a Regulatory Efficiency Review Report that made suggestions on opportunities for improvement, and as requested by TREG such report was made available for stakeholder feedback in May 2026;

WHEREAS, it was suggested in the Report, at the initiation of the Department, that because of the nearly identical content of Chapters 27 and 28, these rules could be combined into one rule governing both programs to improve regulatory efficiency, and therefore under separate action Chapter 27 has been proposed to be revised and retitled to include the TMP Program, and in this action Chapter 28 is being proposed for repeal; and

WHEREAS, such proposed rulemaking will be published in the *Texas Register* for public comment to be received from June 19, 2026, to July 20, 2026, and returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed actions herein in the form presented to this meeting, to be published in the *Texas Register* for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

BACKGROUND

Chapter 27 lays out the parameters for administration of the Texas First Time Homebuyer Program. A very similar rule in

content is Chapter 28, which lays out the parameters for administration of the Taxable Mortgage Program.

The Texas Regulatory Efficiency Office (TREG) coordinates with state agencies to review agency rules and recommends potential amendments to, or repeals of, those rules. In April 2026, TREG released a draft Regulatory Efficiency Review (RER) report of possible regulatory changes that the Texas Department of Housing and Community Affairs (the Department) could make to improve efficiency in some of its rules. The recommendations in the report were not mandates or directives, but rather ideas and opportunities for improvement. TREG requested that the Department share these ideas with stakeholders for a 14-day period to garner feedback, which occurred from April 30, 2026 to May 14, 2026.

The report included a recommendation, initiated by the Department, that because of the nearly identical content of Chapters 27 and 28, these rules could be combined into one rule governing both programs to improve regulatory efficiency. No feedback on the suggestion was received during the 14-day input period. Therefore, under a separate action staff has recommended revisions to Chapter 27 that incorporate the TMP and retitle that chapter. Under this action Chapter 28 is being proposed for repeal. These actions together will streamline regulations, improve clarity and remove unnecessary language.

Upon Board approval, the proposed rule action will be published in the *Texas Register* and released for public comment from June 19, 2026, to July 20, 2026. Behind the preamble is a copy of the rule in blackline form reflecting the changes being proposed from the current version of the rule.

Attachment 1: Preamble, including required analysis, for the proposed repeal of 10 TAC Chapter 28, Taxable Mortgage Program

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 28, Taxable Mortgage Program. The purpose of the proposed repeal is to eliminate an unnecessary rule while ensuring the administration of the Taxable Mortgage Program is still addressed in rule, which will be in Chapter 27, as being proposed under separate action.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for repeal because there are no costs associated with the repeal.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

1. Robert Wilkinson, Executive Director, has determined that, for the first five years the repeal will be in effect, the repeal does not create or eliminate a government program, but relates to the repeal of a duplicative regulation that can be covered sufficiently by another chapter, Chapter 27, which is being proposed with revisions under a separate action.
2. The repeal does not require a change in work that will require the creation of new employee positions, nor will the repeal reduce workload to a degree that any existing employee positions are eliminated.
3. The repeal does not require additional future legislative appropriations.
4. The repeal does not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The repeal is not creating a new regulation.
6. The action will repeal an existing regulation, but the program covered by the rule is not being eliminated; it is merely now being addressed under another section of Texas Administrative Code.
7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.
8. The repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The repeal does not contemplate nor authorize a taking by the Department, therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal will be in effect there will be no economic effect on local employment; therefore no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section would be a more efficient rule that governs both the FTHB Program and TMP under Chapter 27 (taking place under separate action). There will be no economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The Department requests comments on the repeal. The public comment period will be held June 19, 2026, to July 20, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. **ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, July 20, 2026.**

STATUTORY AUTHORITY. The repeal is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC Chapter 28, Taxable Mortgage Program

§28.1. Purpose

§28.2. Definitions

§28.3. Restrictions on Residences Financed and Applicant

§28.4. Occupancy and Use Requirements

§28.5. Application Procedure and Requirements for Commitments by Mortgage Lenders

§28.6. Criteria for Approving Participating Mortgage Lenders

§28.7. Resale of the Residence

§28.8. Conflicts with Bond Indentures and Applicable Law

§28.9. Waiver

Attachment 2: Copy of the Current Chapter 28, Taxable Mortgage Program

§28.1. Purpose

(a) The purpose of the Taxable Mortgage Program is to facilitate the origination of single-family mortgage loans and to refinance existing Mortgage Loans for eligible Homebuyers and in both cases to make down payment and closing cost assistance available to eligible Homebuyers. Chapter 20 of this title (relating to the Single Family Programs Umbrella Rule) does not apply to the activities under this chapter, except if these activities are combined with activities subject to Chapter 20 of this title.

(b) Assistance under this program is dependent, in part, on the availability of funds. The Department may cease offering all or a part of the assistance available under the program at any time and in its sole discretion.

§28.2. Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context or the Participation Packet indicates otherwise. Other definitions may be found in Texas Government Code, Chapter 2306; Chapter 1 of this title (relating to Administration); and Chapter 2 of this title (relating to Enforcement).

(1) Applicable Median Family Income--The Department's determination, as permitted by Texas Government Code, §2306.123, of the median income of an individual or family for an area using a source or methodology acceptable under federal law or rule. The Applicable Median Family Income, as updated from time to time, may be found on the Department's website in the "Combined Income and Purchase Price Limits Table."

(2) Applicant--A person or persons applying for financing of a Mortgage Loan under the Program.

(3) Areas of Chronic Economic Distress--Those areas in the state, whether one or more, designated from time to time as areas of chronic economic distress by the state and approved by the U.S. Secretaries of Treasury and Housing and Urban Development, respectively, pursuant to §143(j) of the Code.

(4) Code--The Internal Revenue Code of 1986, as amended from time to time.

(5) Department Designated Areas of Special Need--Geographic areas designated by the Department from time to time as areas of special need.

(6) Federal Housing Administration--A division of the U.S. Department of Housing and Urban Development, also known as FHA.

(7) Homebuyer--An Applicant that is approved by the Program and purchases a Residence.

(8) Master Mortgage Origination Agreement--The contract between the Department and a Mortgage Lender, together with any amendments thereto, setting forth certain terms and conditions relating to the origination and sale of Mortgage Loans by the Mortgage Lender and the financing of such Mortgage Loans by the Department.

(9) Mortgage Lender--The entity, as defined in §2306.004 of the Texas Government Code, participating in the Program and signatory to the Master Mortgage Origination Agreement.

(10) Participation Packet--The application submitted to the Department by the proposed Mortgage Lender to participate in the Program.

(11) Program--The Taxable Mortgage Program.

(12) Regulations--The applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

(13) Residence--A dwelling in Texas in which an Applicant intends to reside as the Applicant's principal living space. Has the same meaning as Home in Chapter 2306 of the Texas Government Code.

(14) Rural Housing Service--A division of the United States Department of Agriculture, also known as RHS.

(15) Targeted Area--A qualified census tract, as determined in accordance with §6(a)103A-(2)(b)(4) of the Regulations or any successor regulations thereto, or an Area of Chronic Economic Distress, or a Department Designated Area of Special Need. Applicants purchasing in Targeted Areas may have higher income limits as set forth in the "Combined Income and Purchase Price Limits Table" found on the Department's website.

(16) United States Department of Veterans Affairs--Also known as VA.

§28.3. Restrictions on Residences Financed and Applicant

(a) Type of Residence and Number of Units. To be eligible for assistance under the Program an Applicant must apply with respect to a Residence that is either a new or existing single family residence, new or existing condominium or townhome, or manufactured housing that has been converted to real property in accordance with the Texas Occupations Code, Chapter 1201 or FHA guidelines, as required by the Department. A duplex may be financed under the Program as long as one unit of the duplex is occupied by the Applicant as his or her Residence, and the duplex was first occupied for residential purposes at least five years prior to the closing of the Mortgage Loan.

(b) Homebuyer Education. Each Applicant must complete a Department approved pre-purchase homebuyer education course.

(c) Income Limits. An Applicant applying for a Mortgage Loan must meet Applicable Median Family Income requirements.

(d) Down Payment Assistance. An Applicant meeting the Applicable Median Family Income requirements in subsection (c) of this section may qualify for down payment and closing cost assistance in connection with the Mortgage Loan on a first come, first served basis, subject to availability of funds.

(e) Residential Property Standards. The Residence must meet all standards required by the State of Texas, local jurisdiction, and as required by the Mortgage Lender.

(f) Lien Position Requirements.

(1) A Mortgage Loan made by the Department shall be secured by a first lien on the real property if the Department's Mortgage Loan is the largest Mortgage Loan secured by the real property; or

(2) The Department may accept a subordinate lien position if the original principal amount of the leveraged Mortgage Loan is at least 55% of the combined repayable or amortized loans; however, liens related to other subsidized funds provided in the form of grants and non-amortizing Mortgage Loans, such as deferred payment or Forgivable Loans, must be subordinate to the Department's payable Mortgage Loan; and

(3) For real property encumbered by deed restrictions governed by a property owners' association or homeowners' association, the association shall subordinate its assessment liens in the deed restrictions to the Department's Mortgage Loan.

§28.4. Occupancy and Use Requirements

(a) Occupancy requirement. The Homebuyer must occupy the property within a reasonable time (not to exceed 60 days) after the date of closing as his or her Residence.

(b) Use for a business. Homebuyer may not use more than 15% of the Residence in a trade or business (including childcare services) on a regular basis for compensation. If the Residence is to be used, in part, for a trade or business, a schematic drawing from an appraiser must be provided.

(c) Homebuyer may not use the Residence, or any part thereof, as an investment property, rental property, vacation or second home, or recreational home, and shall continue to occupy the Residence as Homebuyer's principal living space, unless waived by the Executive Director or their designee, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Homebuyer's control.

§28.5. Application Procedure and Requirements for Commitments by Mortgage Lenders

(a) An Applicant seeking assistance under the Program must first contact a participating Mortgage Lender. A list of participating Mortgage Lenders may be obtained on the Department's website or by contacting the Department.

(b) Applicant shall complete an application with a participating Mortgage Lender.

(c) Application Fees. Fees that may be collected by the Mortgage Lender from the Applicant relating to a Mortgage Loan include:

(1) an appropriate, as determined by the Department, origination fee and/or buyer/seller points; and

(2) all usual and reasonable settlement or financing costs that are permitted to be so collected by FHA, RHS, VA, Freddie Mac or Fannie Mae, as applicable, and other applicable laws, but only to the extent such charges do not exceed the

usual and reasonable amounts charged in the area in which the Residence is located. Such usual and reasonable settlement or financing costs shall include an application fee as determined by the Department, the total estimated costs of a credit report on the Applicants and an appraisal of the property to be financed with the Mortgage Loan, title insurance, survey fees, credit reference fees, legal fees, appraisal fees and expenses, credit report fees, FHA insurance premiums, private Mortgage guaranty insurance premiums, VA guaranty fees, VA funding fees, RHS guaranty fees, hazard or flood insurance premiums, abstract fees, tax service fees, recording or registration fees, escrow fees, and file preparation fees.

(d) The Department will determine from time to time a schedule of fees and charges necessary for expenses and reserves of the housing finance division as set forth in a Board resolution.

(e) The Mortgage Lender must register the Mortgage Loan in accordance with the Department's published procedures.

§28.6. Criteria for Approving Participating Mortgage Lenders

(a) To be approved by the Department for participation in the program, a Mortgage Lender must meet the requirements in the Participation Packet to be a qualified Mortgage Lender as specified by:

(1) FHA;

(2) RHS;

(3) VA; or

(4) be a lender currently participating in the conventional home lending market for loans originated in accordance with Fannie Mae's and/or Freddie Mac's requirements.

(b) As a condition for participation in the Program, a qualified Mortgage Lender must:

(1) agree to originate Mortgage Loans and assign those loans and related Mortgages and servicing to the Department's master servicer;

(2) originate, process, underwrite, close and fund originated loans; and

(3) be an approved Mortgage Lender with the Program's master servicer.

§28.7. Resale of the Residence

Mortgage Loans that are financed with the proceeds of tax-exempt bonds, or for which a Mortgage Credit Certificate has been or will be issued, will be subject to federal income tax recapture provisions. Assumption of a Mortgage Loan is allowed under the Program if the new owner meets the Program requirements at the time of the sale of the Residence.

§28.8. Conflicts with Bond Indentures and Applicable Law

All assistance provided under the Program is funded through or facilitated by the Department's mortgage revenue bond indentures and is subject to changes in the mortgage revenue bond indentures and applicable law. If there is a conflict between this chapter and any bond indenture or applicable law regarding the use of the funds from mortgage revenue bonds, the mortgage revenue bond indenture or applicable law shall control.

§28.9. Waiver

The Board, in its discretion and within the limits of federal and state law, may waive any one or more of the rules governing this Program, except 10 TAC §28.8 of this chapter, if the Board finds that waiver is appropriate to fulfill the purposes or policies of Texas Government Code, Chapter 2306, or for good cause, as determined by the Board.



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1458

Agenda Date: 6/4/2026

Agenda #: 15.

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule, and directing its publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, 10 TAC Chapter 29 has provided the rules for the Texas Single Family Neighborhood Stabilization Program (NSP), a program which is no longer actively in operation at the Department;

WHEREAS, the Texas Regulatory Efficiency Office (TREG) coordinates with state agencies to review agency rules and recommends potential rule actions to improve efficiency, and TREG provided TDHCA with a Regulatory Efficiency Review Report that made suggestions on opportunities for improvement, and as requested by TREG such report was made available for stakeholder feedback in May 2026;

WHEREAS, it was suggested in the Report, at the initiation of the Department, that Chapter 29 could be repealed because the program covered by the rule is no longer an active program at the Department, and therefore the rule is being recommended for repeal; and

WHEREAS, such proposed repeal will be published in the *Texas Register* for public comment and subsequently returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed action herein in the form presented to this meeting, to be published in the *Texas Register* for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

BACKGROUND

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by the Housing and Economic Recovery Act of 2008 (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program. Additional funds were provided through the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) as part of NSP3. The purpose of the Neighborhood Stabilization Program is to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight. NSP

provided funds to purchase foreclosed, vacant or abandoned homes and residential properties, in order to rehabilitate, resell, or redevelop them, stabilize neighborhoods and stem the decline of property values in communities impacted by the housing crisis. The Department was designated to oversee this program and successfully administered the funds. While program income continues to be returned to the Department from past NSP activities, all NSP funds are utilized for multifamily activities at this point. Single family activities are no longer administered with NSP.

The Texas Regulatory Efficiency Office (TREO) coordinates with state agencies to review agency rules and recommends potential amendments to, or repeals of, those rules. In April 2026, TREO released a draft Regulatory Efficiency Review (RER) report of possible regulatory changes that the Texas Department of Housing and Community Affairs (the Department) could make to improve efficiency in some of its rules. The recommendations in the report were not mandates or directives, but rather ideas and opportunities for improvement. TREO requested that the Department share these ideas with stakeholders for a 14-day period to garner feedback, which occurred from April 30, 2026 to May 14, 2026.

The report included a recommendation, initiated by the Department, that Chapter 29 could be repealed because NSP is no longer used for single family activities. No feedback on the suggestion was received during the 14-day input period. Therefore, staff is recommending the proposed repeal of Chapter 29.

Behind the preamble, the current rule that is being repealed is shown. This rule action will be released for public comment and returned to the Board for final adoption.

Attachment 1: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule. The purpose of the proposed repeal is to remove an obsolete rule that related to a program activity no longer performed by the Department.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the repeal would be in effect:

1. The repeal does not create or eliminate a government program, but removes a regulation for a program activity that is no longer in operation.
2. The repeal does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce workload to a

degree that eliminates any existing employee positions.

3. The repeal does not require additional future legislative appropriations.

4. The repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The repeal is not creating a new regulation.

6. The action will improve regulatory efficiency by repealing an obsolete regulation.

7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The repeal will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The repeal does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the changed section would be improved regulatory efficiency by removing an unnecessary rule. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 19, 2026 to July 20, 2026 to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, July 20, 2026.

STATUTORY AUTHORITY. The repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the repeal affects no other code, article, or statute.

Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule

Attachment 2: Current 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule

§29.1. Purpose

This chapter clarifies the administration of the Texas Single Family Neighborhood Stabilization Program ("Texas SFNSP"). Texas SFNSP funds are administered by the Department. The Texas SFNSP awards funding to Subgrantees to acquire foreclosed, abandoned, or vacant property in order to redevelop it and prevent it from becoming a source of blight which could contribute to declining property values.

§29.2. Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context or the Notice of Funding Availability ("NOFA") indicates otherwise. Lack of capitalization of a term or word in this chapter does not indicate that the term is undefined. Other definitions may be found in Tex. Gov't Code, Chapter 2306; Chapter 1 of this title (relating to Administration); and Chapter 20 of this title (relating to Single Family Programs Umbrella Rule).

- (1) Developer--A nonprofit entity that receives Texas SFNSP assistance for the purpose of:
 - (A) Acquiring homes and residential properties to rehabilitate for residential purposes; and
 - (B) Constructing new housing in connection with the redevelopment of demolished or vacant properties.
- (2) Expended--For the purposes of contract milestones and thresholds, "Expended" means that a complete draw request is submitted with adequate back-up documentation; it is not necessary for staff to have processed a draw to meet a benchmark. For all other purposes, "Expended" means that an eligible cost was incurred and staff has processed a draw to reimburse the expense with Texas SFNSP funds.
- (3) Land Bank--A governmental or nongovernmental nonprofit organization established, at least in part, to assemble, temporarily manage and dispose of vacant land for the purposes of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property.
- (4) Obligated--When Texas SFNSP funding has been encumbered through contracts for goods, services or acquisition of property, or other forms of similar transactions requiring payment that have been determined by the Department to meet Texas SFNSP requirements.
- (5) Subgrantee--A Subrecipient or a Developer.
- (6) Subrecipient--Units of General Local Government and nonprofit organizations with whom the Department contracts and provides funding in order to undertake activities eligible for such assistance.
- (7) Texas SFNSP--Texas Single Family Neighborhood Stabilization Program.

§29.3. General Provisions

- (a) All assisted properties must be located in eligible areas as defined by HUD and by the

applicable NOFA.

(b) The Contract term is based upon varying types of activities included in the Contract between the Department and the Department's Subgrantee. Exhibit C, Project Implementation Schedule, of the Contract, provides an outline of specific timelines, milestones and thresholds. Performance under the Contract will be evaluated according to the benchmarks described in each Contract.

(c) Administrative Threshold. Administrative draw requests are funded from the administration or developer fee line item in Exhibit B, Budget, of the Contract. Reimbursement of eligible administrative expenses is regulated as described in paragraphs (1) - (3) of this subsection:

(1) Threshold 1. Cumulative administrative draw requests may allow up to 10 percent of the administration or developer fee line item to be drawn prior to the start of any project activity included in the performance statement of the Contract (provided that all pre-draw requirements, as described in the Contract, for administration have been met). This draw may be limited by NOFA, underwriting report, or by Contract. Subsequent administrative expenditures will be reimbursed in the percentage amounts indicated, provided that all Contract benchmark requirements have been met, as identified in Exhibit C, Project Implementation Schedule, described in subsection (b) of this section;

(2) Threshold 2. Subsequent administrative draw requests are allowed in proportion to the direct project funds drawn on the Contract, up to 90 percent of the total administration or developer fee line item. The cumulative total percentage of administrative funds requested may not exceed the cumulative total percentage of project funds expended for hard and/or soft costs directly attributable to activities under the Contract;

(3) Threshold 3. The final 10 percent of the administration or developer fee line item is the administrative retainage. The final 10 percent may be drawn after the final loan closing or upon Contract close-out.

(d) Forbearances. Contract expenditure thresholds and milestones are included in Exhibit C, Project Implementation Schedule, of the Contract; violations of which will subject the Subgrantee to the requirements found in this chapter. At the Department's discretion, forbearances of thresholds and milestones may be granted upon request and documentation of extenuating circumstances.

(e) Waivers. Program administrative regulations set forth in any Texas SFNSP NOFA by the Department's Governing Board or terms in the Contract may be waived by the Department, acting by and through its Executive Director or his/her designee, up to the limits of Texas SFNSP regulations and guidance as previously established, periodically updated, or updated in the future by HUD. The Executive Director or his/her designee may waive the Texas SFNSP purchase discount to the limits of the purchase discount as allowed by the NSP Bridge Notice. The Texas NSP NOFA and the NSP *Federal Register* Notice (Docket No. FR-5255-N-01) published in the *Federal Register* (73 FR 58330), require a minimum discount of five percent for any individual property and 15 percent for a portfolio of properties to be acquired utilizing Texas SFNSP funds. (If only acquiring one property, the one property constitutes a portfolio.) The NSP Bridge Notice allows for up to a one percent discount for individual properties and portfolios.

§29.4. Reassignment of Funds

Deobligated funds may either be reassigned utilizing the amendment process described 10 TAC §20.14 of this title (relating to Single Family Programs Umbrella Rule), or be subject to redistribution through a methodology to be approved by the Board.



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1482

Agenda Date: 6/4/2026

Agenda #: 16.

Presentation, discussion, and possible action on the proposed repeal of 10 TAC §10.801, Affirmative Marketing Requirements; proposed new 10 TAC §10.801, Affirmative Marketing Requirements; and directing their publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, 10 TAC §10.801 provides the requirements associated with affirmative marketing required for all Developments in the Department's multifamily portfolio with five or more total units;

WHEREAS, the Texas Regulatory Efficiency Office (TREO) coordinates with state agencies to review agency rules and recommend potential rule actions to improve efficiency, and TREO provided TDHCA with a Regulatory Efficiency Review Report that made suggested opportunities for improvement; and, as requested by TREO, such report was made available for stakeholder feedback in May 2026;

WHEREAS, it was suggested in the Report, at the initiation of the Department, that §10.801 could be amended to simplify the regulation and improve efficiency of the rule, and therefore the rule is being recommended for action;

WHEREAS, staff proposes changes to provide clarification on when Affirmative Marketing Plans are required; to clarify what funding sources require Affirmative Marketing Plans; and to address language that is obsolete due to changes in Federal Rules and Regulations; and

WHEREAS, such proposed rulemaking will be published in the *Texas Register* to receive public comment from June 19, 2026, to July 20, 2026, and then be returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed repeal of 10 TAC §10.801, Affirmative Marketing Requirements, and the proposed new 10 TAC §10.801, Affirmative Marketing Requirements, are approved for publication in the

Texas Register for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles and any requested changes to the preambles.

BACKGROUND

10 TAC §10.801 provides the requirements associated with affirmative marketing required for all Developments in the Department's multifamily portfolio with five or more total units.

The Texas Regulatory Efficiency Office (TREO) coordinates with state agencies to review agency rules and recommends potential amendments to, or repeals of, those rules. In April 2026, TREO released a draft Regulatory Efficiency Review (RER) report of possible regulatory changes that the Texas Department of Housing and Community Affairs (the Department) could make to improve efficiency in some of its rules. The recommendations in the report were not mandates or directives, but rather ideas and opportunities for improvement. TREO requested that the Department share these ideas with stakeholders for a 14-day period to garner feedback, which occurred from April 30, 2026 to May 14, 2026.

The report included a recommendation, initiated by the Department that §10.801 be repealed and replaced with a new rule to improve efficiency, remove some non-federally required regulations on properties, and remove unnecessary language. No feedback on the suggestion was received. Therefore, staff is recommending that the rule be modified to reduce administrative burden on both the Department and developers required to comply with the rule.

In addition to seeking to make non-substantive revisions to improve the rule's efficiency, the Department is proposing to make the following changes to the rule in order to reduce regulatory burden:

- Clarify in §10.801(a), that the rule applies only to Developments that receive federal funding or for which affirmative marketing is required in a contract or LURA, but still requires all developments to affirmatively market to persons with disabilities.
- Remove references to HUD Form 935.2A and insert reference to TDHCA tool that is available to Developments to make the process more streamlined.
- Remove requirement that the Owner compares the demographic composition of the Development to the market area.

The rule will not apply to the Tax Exempt Bond Program or Low Income Housing Tax Credit Program other than the requirement to affirmatively market to persons with disabilities, except if the Development's LURA or Contract require it or if there is another source of federal funding that requires affirmative marketing. For Developments in these programs with no additional requirements the Department will ensure that the Developments have marketed to persons with disabilities and will provide guidance on where and how to market in the Department's

provided “TDHCA Affirmative Marketing Tool” found on the TDHCA website, once this rule takes effect, <https://www.tdhca.texas.gov/MF-Affirmative-Marketing-Tool>.

Upon Board approval, the proposed rule actions will be published in the *Texas Register* and released for public comment from June 19, 2026, to July 20, 2026. Behind the preamble is a copy of the rule in blackline form reflecting the changes being proposed from the current version of the rule.

Attachment A: Preamble, including required analysis, for the proposed repeal of 10 TAC Chapter 10, Subchapter G, §10.801 Affirmative Marketing Requirements

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 10, Subchapter G, Section 10.801 Affirmative Marketing Requirements. The purpose of the proposed repeal is to eliminate an outdated rule and replace it simultaneously with a new rule that clarifies when Affirmative Marketing Plans are required and reduces administrative burden on the Department and some development owners.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the repeal would be in effect:

1. The repeal does not create or eliminate a government program but relates to changes to an existing activity: the affirmative marketing requirements associated with developments in the Department's portfolio.
2. The repeal does not require a change in work that creates new employee positions, nor does it create savings that would allow for a reduction in employee positions.
3. The repeal does not require additional future legislative appropriations.
4. The repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.
6. The repeal is not considered to expand an existing regulation.
7. The repeal does not increase the number of individuals subject to the rule's applicability.
8. The repeal will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

- c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The repeal does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.
- d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).
The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.
- e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the changed sections would be an updated and more germane rule. There will not be economic costs to individuals required to comply with the repealed section.
- f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The Department requests comments on the repeal of the rule. The public comment period will be held June 19, 2026 to July 20, 2026, to receive input on the proposed action. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Housing Resource Center, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or email Jeremy.stremmer@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 P.M. Central Daylight Time July 20, 2026.

STATUTORY AUTHORITY. The repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the repeal affects no other code, article, or statute.

§10.801. Affirmative Marketing Requirements

Attachment B: Preamble, including required analysis, for the proposed new 10 TAC Chapter 10, Subchapter G, §10.801 Affirmative Marketing Requirements

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 10, Subchapter G, §10.801 Affirmative Marketing Requirements. The purpose of the proposed new section is to clarify when Affirmative Marketing Plans are required and to

reduce administrative burden on the Department and some development owners.

Tex. Gov't Code §2001.0045(b) does not apply to the rule because there are no additional costs associated with this action. No additional funds will be needed to implement this rule.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. **GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.**

Mr. Bobby Wilkinson has determined that, for the first five years the new sections would be in effect:

1. The rule does not create or eliminate a government program but relates to changes to an existing activity: the affirmative marketing requirements associated with Developments in the Department's portfolio.
2. The rule does not require a change in work that creates new employee positions, nor does it create savings that would allow for a reduction in employee positions.
3. The rule will not require additional future legislative appropriations.
4. The rule will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The rule is not creating a new regulation.
6. The rule does expand on an existing regulation.
7. The rule does not increase the number of individuals subject to the rule's applicability.
8. The rule will not negatively or positively affect the state's economy.

b. **ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.**

The Department has evaluated the new section and determined that it will not create an economic effect on small or micro-businesses or rural communities.

c. **TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043.** The new section does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. **LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).**

The Department has evaluated the new section as to its possible effects on local economies and has determined that for the first five years the new section would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

- e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section would be a rule compliant with the federal regulations for the HOME Program. There will not be economic costs to individuals required to comply with the new section.
- f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new section is in effect, enforcing or administering the sections will have no economic costs.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the rule and also requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. The public comment period will be held from June 19, 2026 to July 20, 2026. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Housing Resource Center, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, or by email to Jeremy.stremler@tdhca.texas.gov. ALL COMMENTS AND INFORMATION MUST BE RECEIVED BY 5:00 pm Central Daylight Time, July 20, 2026.

STATUTORY AUTHORITY. The rule action is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new section affects no other code, article, or statute.

10 TAC Chapter 10, Subchapter G, §10.801 Affirmative Marketing Requirements

§10.801 Affirmative Marketing Requirements

(a) Applicability. Compliance with this section is required for all federally or state- funded Developments with five or more total units to further the objectives of Title VIII of the Civil Rights Act of 1968, and Executive Order 13166. This section does not apply to the Tax Exempt Bond Program or Low Income Housing Tax Credit Program, with the following exceptions;

(1) To the extent required under the LURA;

(2) For affirmatively marketing to Persons with Disabilities; and

(3) To the extent that federal funds are in a Development's financing sources or provide operating assistance.

(b) General. A Development ~~Owner~~ with five or more total Units must affirmatively market the Units to promote equal housing choice for prospective tenants, regardless of race, color, religion, sex, national origin, familial status, or disability and must develop and carry out an Affirmative Fair Housing Marketing Plan (or Affirmative Marketing Plan) to provide for marketing strategies and documentation of outreach efforts to prospective applicants identified as "least likely to apply." To determine the "least likely to apply" populations, a Development Owner is encouraged to use ~~Worksheet 1 of HUD Form 935.2A~~ the TDHCA provided tool and simplified form, but at a minimum the Owner must ~~document that they have compared the demographic composition of the Development to the market area to determine the populations least likely to apply~~ document the method or methods used to determine which populations are least likely to apply. All Affirmative Marketing Plans must provide for affirmative marketing to Persons with Disabilities. Although not related to Affirmative Marketing requirements in this section, some Developments may be required by their LURAs to market units specifically to veterans or other populations as part of their regular marketing activities. If a Development has included veterans in the Development's Affirmative Marketing Plan it will not be cited as noncompliance the first time the Development's Affirmative Marketing Plan is reviewed, but the Development will be directed to revise the Affirmative Marketing Plan to not include this subpopulation in the plan.

(c) Plan format. A Development Owner must prepare, have in its onsite records, and submit to the Department upon request, a written Affirmative Marketing Plan. Owners are encouraged to use the simplified form provided by TDHCA on its website. any version of HUD Form 935.2A to meet Affirmative Marketing requirements. An Owner participating in a HUD funded program administered by the Department must use the version utilized by the program.

(d) Marketing and Outreach.

(1) The plan must ~~identify~~include the special outreach efforts to the "least likely to apply" populations through specific media, organizations, or community contacts that work with least likely to apply populations or work in areas where least likely to apply populations live. The outreach efforts identified in the Affirmative Marketing Plan must be performed by the Development at least once per calendar year.

(2) To the extent that advertisements and/or marketing materials are utilized for the Development, those materials must contain:

(A) The Fair Housing logo;

(B) The contact information for the individual who can assist if reasonable accommodations are needed in order to complete the application process; and

(C) Property contact information must be provided in both English and Spanish, ~~and may be required to be provided in other languages in accordance with Limited English Proficiency Requirements.~~

(e) Timeframes.

(1) An Owner must begin its affirmative marketing efforts for each of the identified populations least likely to apply at least six months prior to the anticipated date the first building is to be available for occupancy.

(2) Once every five years, Owners must determine if there have been any changes to the "least likely to apply" populations by ~~completing Worksheet 1 of HUD Form 935.2A~~ utilizing the TDHCA provided tool or a written process with equivalent information. In addition, owners must determine if current advertising sources still exist, and if the outreach that has been performed is still the most applicable. If the Owner determines that the plan does not need to be updated, the backup used to ~~complete Worksheet 1 or its equivalent~~ make this determination must be dated and maintained and may be reviewed by Department staff during reviews of the Affirmative Marketing Plan. If there have been changes to the least likely to apply populations or if the community contacts and advertising outlets no longer exist, the plan must be updated. ~~Developments funded by HUD or USDA must also update their plans in accordance with HUD or USDA requirements that apply.~~

(f) Recordkeeping. Owners must maintain records of each Affirmative Marketing Plan and specific outreach efforts completed for the greater of three years or the recordkeeping requirement identified in the LURA.

(g) Exception to Affirmative Marketing. If the Development has closed its waitlist, Affirmative Marketing is not required. Affirmative Marketing is required as long as the Owner is accepting applications, has an open waitlist, or is marketing prior to the building being ready for occupancy as required under subsection (e)(1) of this section.



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1459

Agenda Date: 6/4/2026

Agenda #: 17.

Presentation, discussion, and possible action on an order adopting an amendment to 10 Texas Administrative Code Chapter 10, Uniform Multifamily Rules, Subchapter J, Housing Finance Corporation Compliance Monitoring, §10.1204 Audit Requirements; and order directing its publication in the Texas Register

**TO BE POSTED
NOT LATER THAN
THE THIRD DAY
BEFORE THE
DATE OF THE
MEETING**



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 26-015

Agenda Date: 6/4/2026

Agenda #: 18.

Presentation, discussion, and possible action on Resolution No. 26-015 on the reassignment of the 2023 Traditional Carryforward Designation for Airport Commerce Multifamily Apartments (#23612) in the amount of \$29,000,000

RECOMMENDED ACTION

WHEREAS, the Board adopted an inducement resolution for Airport Commerce Multifamily at the Board meeting of June 15, 2023;

WHEREAS, the Department received an allocation of volume cap through a Traditional Carryforward Designation in the amount of \$29,000,000 on January 5, 2024, for Airport Commerce Multifamily Apartments, a proposed new construction development;

WHEREAS, the Department has received notice that the project will not be moving forward due to issues beyond the Developer's control; and

WHEREAS, the Department desires to reassign the Traditional Carryforward allocation in the amount of \$29,000,000 to one or more multifamily developments;

NOW, therefore, it is hereby

RESOLVED, that Board approval of the Department's intent to reassign the Traditional Carryforward as allowed under Chapter 1372.074 of the Texas Government Code is hereby granted.

BACKGROUND

General Information: The Department previously received an allocation of volume cap through a carryforward designation (Docket No. 23CF-016) in the amount of \$29,000,000 on January 5, 2024. This allocation was project-specific and tied to Airport Commerce Multifamily Apartments, a proposed new construction development to be located in Austin. Due to factors beyond the developer's control, the project will not be moving forward.

Section 1372.074 of the Texas Government Code, allows for the reassignment of all or part of the carryforward designation to a new project provided the issuer provides notice of the withdrawal, a written request signed by an authorized representative of the issuer, the issuing board resolution authorizing the carryforward designation reassignment with an original signature by an officer of the issuer, applicable fees, and an opinion of the legal counsel stating that the carryforward designation reassignment does not conflict with Section 146 Internal

Revenue Code of 1986.

The Department intends to attribute the \$29,000,000 towards a different project in the Department's pipeline prior to the volume cap expiration of December 31, 2026.

RESOLUTION NO. 26-015

RESOLUTION EVIDENCING THE DEPARTMENT'S INTENT TO REASSIGN ITS 2023 CARRYFORWARD DESIGNATION 23CF-016 (AIRPORT COMMERCE); AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended, (the "Act") for the purpose, among others, of providing a means of financing the costs of residential ownership, developments and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by persons and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds or notes for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds or notes; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds or notes; and

WHEREAS, Sections 103 and 142 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on fully registered, qualified bonds issued by or on behalf of the state or its political subdivisions to finance qualified residential rental developments is excludable from gross income of the bondholders for federal income tax purposes if the requirements of Sections 141-150 of the Code are met; and

WHEREAS, Section 146(a) of the Code requires that the aggregate face amount of certain "private activity bonds" (as defined in Section 141(a) of the Code), when added to the aggregate face amount of tax-exempt private activity bonds previously issued by the issuer, does not exceed the issuer's volume cap for the applicable calendar year in order for such bonds to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State Ceiling" (as defined in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Department previously received an allocation of volume cap through a carryforward designation (Docket No. 23CF-016) in the amount of \$29,000,000 on January 5, 2024 (the "Carryforward Designation"); and

WHEREAS, pursuant to Section 1372.074 of the Allocation Act, the Department desires to reassign all or a portion of the Carryforward Designation to one or more multifamily housing developments (the "Developments"); and

WHEREAS, the Board desires to take action declaring the Department's intent to reassign the Carryforward Designation to finance the Developments on the terms and conditions set out below.

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

ARTICLE 1

APPROVAL OF CERTAIN ACTIONS

Section 1.1 Reassignment of Carryforward. The Board hereby authorizes the reassignment of the Carryforward Designation to one or more Developments, and accordingly authorizes Bracewell LLP, as Bond Counsel to the Department, to file on its behalf with the Texas Bond Review Board evidence of such reassignment, together with any other documents and opinions required by the Texas Bond Review Board in connection therewith.

Section 1.2 Authorization of Certain Actions. The Authorized Representatives of the Department named in this Resolution are hereby authorized to take such actions on behalf of the Department as may be necessary to carry out the purposes of this Resolution.

Section 1.3 Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Deputy Executive Director – Housing Finance of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

GENERAL PROVISIONS

Section 2.1 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with Section 2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 2.2 Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 4th day of June, 2026.



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 26-016

Agenda Date: 6/4/2026

Agenda #: 19.

Presentation, discussion, and possible action on Inducement Resolution No. 26-016 for Multifamily Housing Revenue Bonds or Notes regarding authorization for filing an application for private activity bond authority for The Preserve at Dominion Park

RECOMMENDED ACTION

WHEREAS, the Board previously approved an inducement resolution at the meeting of May 9, 2024, for The Preserve at Dominion Park;

WHEREAS, an amended inducement resolution is necessary in order to comply with the Bond Review Board's requirement that an inducement resolution be adopted within 18 months of the date of an Application;

WHEREAS, Board approval of the inducement resolution is the first step in the application process for a multifamily bond issuance by the Department; and

WHEREAS, approval of the amended inducement will allow staff to submit an application to the Bond Review Board (BRB) for private activity bonds;

NOW, therefore, it is hereby

RESOLVED, that based on the foregoing, Inducement Resolution No. 26-016, to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority under the Private Activity Bond Program for The Preserve at Dominion Park, is hereby approved in the form presented to this meeting.

BACKGROUND

General Information: The BRB administers the annual private activity bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and is required to induce an application for bonds prior to the submission to the BRB. Approval of the inducement resolution does not constitute approval of the development but merely allows the Applicant the opportunity to move into the full application phase of the process. Once the application receives a Certificate of Reservation, the Applicant has 180 days to close on the private activity bonds.

During the 180-day process, the Department will review the complete application for compliance with the Department's Rules, including, but not limited to, site eligibility and threshold, as well as previous participation as it relates to developments previously funded through the Department. During the review of the full application, staff will also underwrite the transaction and determine financial feasibility in accordance with the Real Estate Analysis Rules. The Department will schedule and conduct a public hearing, and the complete application, including a transcript from the hearing, will then be presented to the Board for a decision on the issuance of bonds as well as a determination on the amount of housing tax credits anticipated to be allocated to the development.

26607 - The Preserve at Dominion Park

The new construction of 134 multifamily units to serve the elderly population is proposed to be located at 13100 Kuykendahl Road, in the extraterritorial jurisdiction of Houston, Harris County. The applicant will elect the Priority 3 designation, which does not have specific rent and income restrictions. All of the units are proposed be rent- and income-restricted at 60% of Area Median Family Income. The Department received letters of support for The Preserve at Dominion Park from State Representative Senfronia Thompson and Chosen Behavioral in 2025.

The 4% HTC application was submitted to the Department in 2025 and under review when the financing partners changed. There has been delays associated with securing new debt and equity partners and the time needed for them to work through due diligence associated with the development. The applicant has now secured new financing such that the application is back on track; however, given the passage of time a refreshed inducement resolution is necessary as part of the application for bond volume cap.

Bond Inducement Amount: \$20,000,000

RESOLUTION NO. 26-016

RESOLUTION AMENDING RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS OR NOTES WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENT; AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

WHEREAS, the Texas Department of Housing and Community Affairs (the “Department”) has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended, (the “Act”) for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the “State”) intended to be occupied by persons and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds or notes for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds or notes; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds or notes; and

WHEREAS, it is proposed that the Department issue its revenue bonds or notes in one or more series for the purpose of providing financing for the multifamily residential rental development (the “Development”) more fully described in Exhibit A attached hereto. The ownership of the Development as more fully described in Exhibit A will consist of the applicable ownership entity and its principal or a related person (the “Owner”) within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Owner has made not more than 60 days prior to the date hereof, payments with respect to the acquisition, construction, reconstruction or renovation of the Development and expect to make additional payments in the future and desire that it be reimbursed for such payments and other costs associated with the Development from the proceeds of tax-exempt and taxable, as applicable, obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, the Owner has indicated its willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that the requirements of the Act and the Department will be satisfied and that the Development will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse the Owner for some or all of the costs associated with the Development, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable, as applicable, obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of the Owner, the Department reasonably expects to incur debt in the form of tax-exempt and taxable, as applicable, obligations for purposes of paying the costs of the Development; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for the Development one or more Applications for Allocation of Private Activity Bonds or Applications for Carryforward for Private Activity Bonds (the "Application") with the Texas Bond Review Board (the "Bond Review Board") with respect to the tax-exempt Bonds to qualify for the Bond Review Board's Allocation Program in connection with the Bond Review Board's authority to administer the allocation of the authority of the State to issue private activity bonds; and

WHEREAS, the Governing Board of the Department (the "Board") approved Resolution No. 24-018 on May 9, 2024 (the "Original Resolution") declaring its intent to issue its multifamily revenue bonds or notes for the purpose of providing funds to the Owner to finance the Development described on the exhibit to the Original Resolution on the terms and conditions set forth therein, and the Board has determined to amend the Original Resolution only with respect to the Owner and Development in order to satisfy the requirement of the Bond Review Board that an inducement resolution with respect to the Bonds and the Development be adopted within 18 months of the date of an Application; NOW, THEREFORE,

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

ARTICLE 1

OFFICIAL INTENT; APPROVAL OF CERTAIN ACTIONS

Section 1.1. Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds or Notes (the "Bonds") in one or more series and in amounts estimated to be sufficient to (a) fund a loan or loans to the Owner to provide financing for the respective Development in an aggregate principal amount not to exceed those amounts, corresponding to the Development, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final

approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and State law requirements regarding tenancy in the respective Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the "Attorney General"); (v) satisfaction of the Board that the respective Development meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and State laws applicable to the issuance of such Bonds.

Section 1.2. Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds or notes in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 1.3. Reimbursement. The Department reasonably expects to reimburse the Owner for all or a portion of the costs that have been or will be paid subsequent to the date that is 60 days prior to the date of the Original Resolution in connection with the acquisition of real property and construction, reconstruction or renovation, as applicable, of its Development and listed on Exhibit A attached hereto ("Costs of the Development") from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation and equipping of its Development, including reimbursing the applicable Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date of the Original Resolution in connection with the acquisition and construction or rehabilitation of the Development; (b) to fund certain reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 1.4. Principal Amount. Based on representations of the Owner, the Department reasonably expects that the maximum aggregate principal amount of debt issued to reimburse the Owner for the Costs of the Development will not exceed the amount set forth in Exhibit A which corresponds to the applicable Development.

Section 1.5. Limited Obligations. The Owner may commence with the acquisition and construction or rehabilitation of the Development, which Development will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, the Owner will enter into a loan agreement, on terms agreed to by the parties, on an installment payment basis with the Department under which the Department will make a loan to the applicable Owner for the purpose of reimbursing the Owner for the Costs of the Development and the Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to the Owner to provide financing for its Development, and from such other revenues, receipts and

resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 1.6. The Development. Substantially all of the proceeds of the Bonds shall be used to finance the Development, which is to be occupied entirely by Eligible Tenants, as determined by the Department, and which is to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 1.7. Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse the Owner for costs of its Development.

Section 1.8. Costs of Development. The Costs of the Development may include any cost of acquiring, constructing, rehabilitating, or reconstructing, as applicable, improving, equipping, installing and expanding the Development. Without limiting the generality of the foregoing, the Costs of the Development shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Development, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Development, the placing of the Development in operation and that satisfy the Code and the Act. The Owner shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 1.9. No Commitment to Issue Bonds. Neither the Owner nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owner nor any one claiming by, through or under the Owner shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 1.10. Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by the Owner and the Department of contractual arrangements, on terms agreed to by the parties, providing assurance satisfactory to the Department that all requirements of the Act will be satisfied and that the Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds or notes); (b) the receipt of an opinion from

Bracewell LLP or other nationally recognized bond counsel acceptable to the Department (“Bond Counsel”), substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 1.11. Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of the Developments’ necessary review and legal documentation for the filing of one or more Applications and the issuance of the Bonds, subject to satisfaction of the conditions specified in this Resolution. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner.

Section 1.12. Related Persons. The Department acknowledges that financing of all or any part of the Development may be undertaken by any company or partnership that is a “related person” to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the Owner.

Section 1.13. Declaration of Official Intent. The Original Resolution and this Resolution constitute the Department’s official intent for expenditures on Costs of the Development which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Development may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 1.14. Execution and Delivery of Documents. The Authorized Representatives named in this Resolution are each hereby authorized to execute and deliver all Applications, certificates, documents, instruments, letters, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.15. Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department’s seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Deputy Executive Director – Housing Finance of the Department, the Director of Multifamily Bonds of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the “Authorized Representatives.” Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

CERTAIN FINDINGS AND DETERMINATIONS

Section 2.1. Certain Findings Regarding Development and Owner. The Board finds that:

(a) the Development is necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;

(b) the Owner will supply, in its Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;

(c) the Owner is financially responsible;

(d) the financing of the Development is a public purpose and will provide a public benefit; and

(e) the Development will be undertaken within the authority granted by the Act to the Department and the Owner.

Section 2.2. No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds. The Bonds will be a special limited obligation of the Department payable solely from amounts pledged for that purpose under the financing documents.

Section 2.3. Certain Findings with Respect to the Bonds. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Development will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

ARTICLE 3

GENERAL PROVISIONS

Section 3.1. Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 3.2. Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 3.3. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 4th day of June, 2026.

EXHIBIT "A"

Description of the Owner and the Development

Project Name	Owner	Principal	Amount Not to Exceed
The Preserve at Dominion Park	The Preserve at Dominion Park LP, a Texas limited partnership	General Partner: Dominion Park Community LLC, a Texas limited liability company	\$20,000,000
Costs – Acquisition/construction/equipping of an approximately 134 unit affordable, multifamily housing development to be known as The Preserve at Dominion Park, located at approximately 13100 Kuykendahl Road, Houston, Harris County, Texas 77090			



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1450

Agenda Date: 6/4/2026

Agenda #: 20.

Media Analysis and Outreach Report, April 2026

Report follows this page.



TDHCA Outreach and Media Analysis, April 2026

A compilation of TDHCA media analysis designed to enhance the awareness of TDHCA programs and services among key stakeholder groups and the general public, and outreach activities, such as trainings and webinars. The following is an analysis of print, online and broadcast news, and social media reporting for the time period of April 1-30, 2026 (news articles that specifically mentioned TDHCA generally or along with Department programs).

Total number of articles referencing TDHCA: 22

Breakdown by Medium:¹

- Print: 5 (Editorials/Columnists = 0)
- Broadcast: 8
- Trade, Government or Internet-Based Publications: 9

Figure 1 News Tone

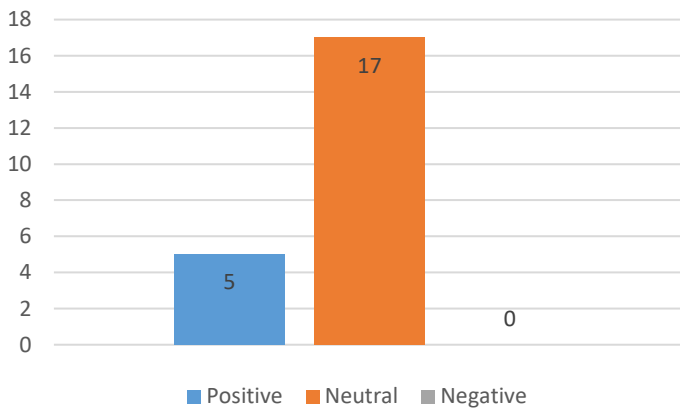
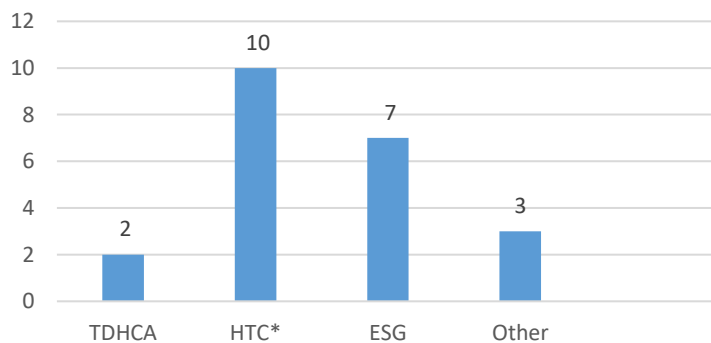
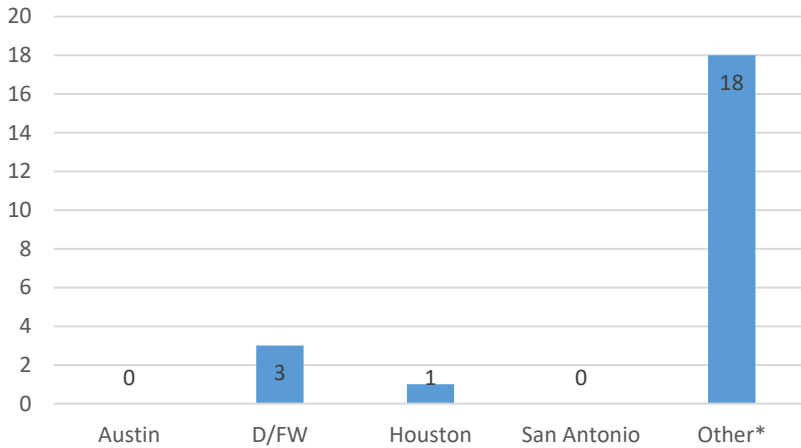


Figure 2 News Topic²



¹ Broadcast numbers may represent times in which TDHCA was referenced on a television or radio station's website, rather than in a broadcast segment. ² News Topics: Programs include Housing Tax Credit, Emergency Solutions Grant Program.

Figure 3 Media Market



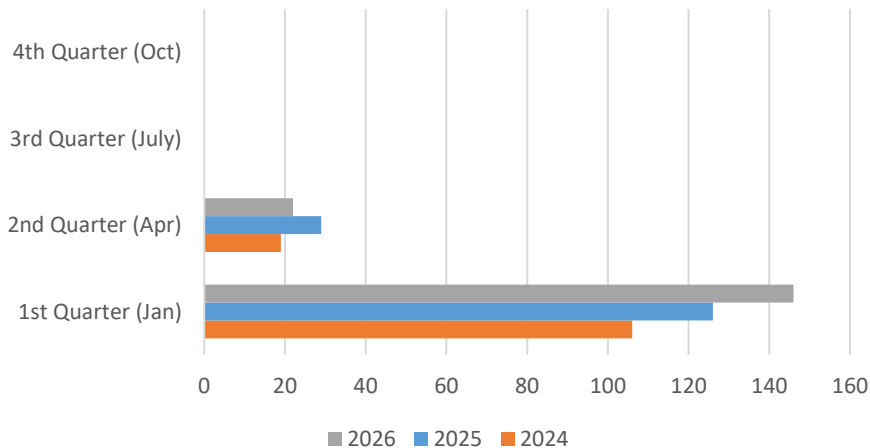
Summary:

Reporting on TDHCA activities by the news media totaled 22 references in April 2026. Housing Tax Credit properties, with ground breakings and grand openings, made up a majority of the news mentions.

News mentions during the month were slightly lower than April 2025 (29 total).


The following table illustrates the number of news mentions during each month or quarter of 2026 compared to 2025 and 2024. Through the first month of the second quarter of 2026 (January through April; 168 total), total news mentions tracked higher than 2025 (155 total) and 2024 (125 total).

TDHCA News Trends




Social media:


Through April 2026, TDHCA has 3,746 followers to its X account (slight uptick from March 2026), and 8,329 followers to its Facebook page (a slight uptick from March 2026). Top FB posts were related homeownership messaging. TDHCA (@txdhca) launched its Instagram page and has garnered 50 followers since its debut. TDHCA’s YouTube channel had 8,639 views in April. The following is a summary analysis of TDHCA’s efforts to inform stakeholders and the public on federal and state resources, initiatives, and programs.

					
Month/Yr	Posts	Clicks	Engagements	Shared posts	Reactions
January 2026	48	71	50 (includes Comments)	4	45
February 2026	52	141	62 (includes Comments)	6	34
March 2026	50	73	105 (includes Comments)	5	25
April 2026	66	131	58 (includes Comments)	10	43

* Clicks = number of times an individual clicked on a link provided in a post; however, FB only tracks clicks for posts that reach a minimum engagement level of 30. Engagements = any action a person takes on our post including shares, comments and reactions.

					
Month/Yr	Posts	Clicks	Engagements	Retweets	Liked posts
January 2026	50	27	6	2	4
February 2026	52	0	23 (includes Comments)	6	16
March 2026	46	0	8 (includes Comments)	0	7
April 2026	57	0	14 (includes Comments)	3	9

* Clicks = number of times an individual clicked on a link provided in a post. Engagements = any action a person takes on our post

					
Month/Yr	Posts	Clicks	Engagements	Comments	Liked posts
April 2026	6	0	0	0	26




























Month	Views	Watch time (hours)	Avg. view duration	Avg. % viewed	Unique viewers
January 2026	8,068	670.3	4:59	22.1%	6,011
February 2026	7,795	696.6	5:21	20%	5,686
March 2026	9,128	889.7	5:50	20.7%	6,616
April 2026	8,639	1,001.0	6:42	21.9%	6,412

Understanding the YouTube Analytics

- **Views:** number of times your videos were viewed
- **Watch Time:** total number of hours your videos were watched by viewers
- **Average View Duration:** total watch time of your video divided by the total number of video plays, including replays. This metric measures your video’s ability to engage viewers. The higher the view duration, the more engaging the videos.
- **Average Pct Viewed:** the percent of each video the average viewer watched. It measures your video’s ability to hold viewers’ attention for its entirety. YouTube generally rewards videos that can hold people’s attention with higher search and recommendation rankings.
- **Unique viewers:** the estimated number of individuals who watch your videos over a certain period of time. It helps determine the size of our audience.

Top 25 videos for April 2026

Content	Duration	Publish date	Views ↓	Watch time (hours)	Average view duration	Average percentage viewed	Unique viewers
<input type="checkbox"/> Total			8,639	1,001.0	6:42	21.9%	6,412
<input type="checkbox"/>  3:24 Help For Texans			3,706 42.9%	94.8 9.5%	1:32	45.1%	3,409 53.2%
<input type="checkbox"/>  4:09 Reasonable Accommodations in Texas			1,383 16.0%	74.4 7.4%	3:13	77.8%	1,296 20.2%
<input type="checkbox"/>  6:18 Assistance Animals in Texas			1,311 15.2%	99.8 10.0%	4:34	72.5%	1,226 19.1%
<input type="checkbox"/>  0:52 Texas Homebuyer Program introduction			282 3.3%	3.3 0.3%	0:42	82.2%	279 4.4%
<input type="checkbox"/>  1:53 First Time Homebuyers...Save Money on your Income T...			211 2.4%	5.2 0.5%	1:28	78.3%	195 3.0%
<input type="checkbox"/>  5:38:57 Income Determination Training			178 2.1%	137.0 13.7%	46:11	13.6%	96 1.5%
<input type="checkbox"/>  6:04:10 Housing Tax Credit Training			89 1.0%	69.9 7.0%	47:07	12.9%	47 0.7%
<input type="checkbox"/>  57:53 Assistance Animals and Fair Housing Refresher			84 1.0%	12.6 1.3%	9:00	15.6%	58 0.9%
<input type="checkbox"/>  1:30:39 Fair Housing Month 2026: Overview of Fair Housing			82 1.0%	9.9 1.0%	7:15	8.0%	66 1.0%

<input type="checkbox"/>	 32:51	April Coffee Chat	65	0.8%	13.0	1.3%	11:59	36.5%	58	0.9%
<input type="checkbox"/>	 1:42:33	Fair Housing 101: An Overview of Fair Housing in Texa...	60	0.7%	8.3	0.8%	8:16	8.1%	52	0.8%
<input type="checkbox"/>	 1:29:45	Office Hours - Housing Finance Corporation (HFC) upd...	54	0.6%	10.7	1.1%	11:51	13.2%	32	0.5%
<input type="checkbox"/>	 2:46:29	Tax Exempt Bond Program (BOND) Training	49	0.6%	37.4	3.7%	45:51	27.5%	9	0.1%
<input type="checkbox"/>	 54:38	Affirmative Marketing in TDHCA Multifamily Programs	47	0.5%	4.6	0.5%	5:54	10.8%	28	0.4%
<input type="checkbox"/>	 1:45:18	Fair Housing 101: The Basics of Fair Housing in Texas	42	0.5%	5.9	0.6%	8:22	8.0%	26	0.4%
<input type="checkbox"/>	 5:12:47	2025 Income Determination Training	35	0.4%	31.5	3.2%	53:59	17.3%	18	0.3%
<input type="checkbox"/>	 3:06	Fair Housing in Texas	34	0.4%	1.0	0.1%	1:44	56.4%	27	0.4%
<input type="checkbox"/>	 1:58:46	Multifamily Compliance: Online Reporting, USR and AO...	33	0.4%	9.8	1.0%	17:54	15.1%	22	0.3%
<input type="checkbox"/>	 1:00:52	2025 Reasonable Accommodations in TDHCA Multifa...	30	0.4%	3.5	0.4%	7:01	11.5%	28	0.4%
<input type="checkbox"/>	 1:27:47	Recordkeeping and Reporting Requirements	24	0.3%	4.0	0.4%	10:06	11.5%	19	0.3%
<input type="checkbox"/>	 7:07	Accessing Texas Department of Aging and Disability S...	23	0.3%	1.1	0.1%	2:47	39.2%	19	0.3%
<input type="checkbox"/>	 5:43:58	Income Determination Training Webinar - Jan. 4, 2024	23	0.3%	73.7	7.4%	3:12:12	55.9%	7	0.1%
<input type="checkbox"/>	 1:48:46	Fair Housing Month 2026: Reasonable Accommodatio...	22	0.3%	13.0	1.3%	35:27	32.6%	17	0.3%
<input type="checkbox"/>	 1:45:17	Utility Allowance Webinar/Office Hours	22	0.3%	2.5	0.3%	6:51	6.5%	6	0.1%
<input type="checkbox"/>	 50:22	Written Policies and Procedures in TDHCA Monitored ...	22	0.3%	2.0	0.2%	5:24	10.7%	18	0.3%

TDHCA Outreach April 2026

A compilation of outreach activities such as meetings, trainings and webinars.

Department	Meeting Date	Meeting Title	Attendees (includes organizer)
Compliance	April 10	Office Hours and Student Financial Aid Calculations	338
Housing Resource Center	April 13	Fair Housing Overview Webinar	192
TDHCA Staff	April 14	Disability Advisory Workgroup (DAW)	28
SF and Homeless Programs	April 15	Onsite TBRA Training/ Cornerstone CAA and Concho Valley CAA	13

Community Affairs/CSBG	April 20	Virtual Training Session/Multiple subs	20
Community Affairs/CEAP/WAP	April 21	Virtual Training Session/Dallas Co	11
Housing Resource Center	April 22	Reasonable Accommodations Webinar	213
Community Affairs/CEAP/CSBG/WAP	April 27-29	TACAA Conference	60



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1453

Agenda Date: 6/4/2026

Agenda #: 21.

TDHCA Quarterly Status Report on Temporary Allocations - June 2026

**TO BE POSTED
NOT LATER THAN
THE THIRD DAY
BEFORE THE
DATE OF THE
MEETING**



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1451

Agenda Date: 6/4/2026

Agenda #: 22.

Executive Director's Report

ORAL PRESENTATION



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1466

Agenda Date: 6/4/2026

Agenda #: 23.

Report on the Meeting of the Internal Audit and Finance Committee



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1478

Agenda Date: 6/4/2026

Agenda #: 24.

Presentation, discussion, and possible action on the SFY 2027 Operating Budget

RECOMMENDED ACTION

WHEREAS, the Governing Board of the Texas Department of Housing and Community Affairs (the Department or TDHCA) is required to approve a SFY 2027 Operating Budget; and

WHEREAS, the Department is required to submit the budget to the Office of the Governor (OOG) and the Legislative Budget Board (LBB);

NOW, therefore, it is hereby

RESOLVED, that the SFY 2027 Operating Budget, in the form presented to this meeting, is hereby approved;

FURTHER RESOLVED, that upon approval by the TDHCA Governing Board, the Department will submit the budget to the OOG and the LBB.

BACKGROUND

In accordance with Tex. Gov't Code §2306.112 *et seq.*, TDHCA is charged with preparing an operating budget for Board adoption on or before September 1 of each fiscal year. The budget includes operational expenses distributed among the Department's divisions. It does not include federal or state program funds that pass through to subrecipients except for administrative funds used by the Department associated with those federal or state funds that are retained and reflected in the budget. This budget anticipates maximizing all federal administrative resources. In addition, in accordance with internal auditing standards and the Board's internal audit charter, the budget includes the Internal Audit Division's annual operating budget.

This SFY 2027 Internal Operating Budget, which the Board is being asked to approve, corresponds to the second year of the biennial General Appropriations Act (GAA) passed by the 89th Texas Legislature which appropriated \$424,053,047. In total, this budget provides for administrative expenditures and associated revenues of \$46,263,272 or a \$2,231,634 (4.6%) decrease from the prior year's budget. Of the total net decrease, \$1,395,364 is associated with temporary federal funding and a \$2,491,066 decrease for Capital Budget projects, offset by a \$1,654,796 increase associated with the Department's core programs.

The budget reflects 393 Full Time Equivalent (FTEs) of which 64 FTEs are appropriated to the Manufactured Housing Division. The remaining 329 are TDHCA FTEs which are composed of 291 CAP FTEs, and 38 temporarily federally funded FTEs associated with COVID-19 stimulus federal funds.

Additionally, the Housing Finance Division budget, which is funded with fees generated from

the Department's Bond, Housing Tax Credit, and Asset Management, Compliance, and Migrant Labor activities, decreased by \$648,378 or 2.5%. This decrease is primarily attributed to a decrease in the Capital Budget.

For a complete explanation of the aforementioned budget categories and details, please see the accompanying Comparison Report.

TEXAS DEPT. OF HOUSING AND COMMUNITY AFFAIRS
SFY 2027 Operating Budget
Comparison Report
June 4, 2026

This Comparison Report provides an explanation of some of the changes to cost categories which have a variance greater than \$25,000 and 10%.

In total, this SFY 2027 Operating Budget is \$46,263,272 or a \$2,231,634 (4.6%) decrease over the prior year budget.

COVID-19 stimulus federal funding and other initiatives associated with the CARES Act, Emergency Rental Assistance (ERA), the American Rescue Plan Act (ARPA), and the Bipartisan Infrastructure Law (BIL) account for \$1,395,364 of the decrease, and Capital Budget accounts for \$2,491,066 of the decrease. The decrease is offset by a \$1,654,796 or 4.4% increase associated with the Department's core programs.

Please refer to the Comparison by Expense Object schedule on Page 4.

1. **Salaries/Wages and Payroll Related Costs.** These two line items represent 77.9% of the total operating budget.

The budget reflects 393 FTEs, a decrease of 4 FTEs over the previous year. Of the total FTEs, 291 CAP FTEs are associated with the Department, 64 CAP FTEs are associated with the Manufactured Housing portion of the agency, and 38 are associated with temporary federal funding.

The Salaries and Wages line item decreased by \$480,978 or 1.6%.

Salaries related to temporary programs decreased \$1,610,281 or 41.0% as a result of attrition of staff from Texas Rent Relief (TRR), Homeowners Assistance Fund (HAF), Community Development Block Grant (CDBG), and HOME ARPA.

Salaries related to the Department's core programs increased \$1,129,303 or 4.4%. The increase is primarily due to the addition of 9 FTEs to strategically realign resources and strengthen organizational capacity in support of compliance with federal requirements.

Payroll related costs related to the Department's core programs increased \$271,033. The increase in payroll related costs is proportional to the increase in salaries.

2. **Travel In-State.** Travel In-State increased by \$58,580 or 11.7%. The increase is reflective of current economic conditions and travel needs associated with Compliance, Community Affairs, and Section 8 Program activities.

3. ***Professional Fees.** Professional Fees decreased by \$2,372,167 or 36.0%. This is primarily related to reduced capital budget project costs in the second year of the biennium.
4. **Repairs and Maintenance.** Repairs and Maintenance increased by \$284,950 or 20.0%. The increase is primarily related to software customization costs in association with Community Affairs.
5. **Advertising.** Advertising decreased by \$50,250 or 47.3%. The decrease is primarily attributed to a reduction in the advertising budget for the BIL WAP Program due to a lower level of anticipated advertising activity.
6. **Temporary Help.** Temporary Help increased \$457,250 or 97.4%. The increase is primarily due to closeout activities associated with the Texas Rent Relief and Homeowner Assistance Fund programs, including the temporary engagement of former staff with program-specific experience.
7. ***Furniture and Equipment.** Included in this category is the Legislature's approval of the Department's Hardware and Software Replacements project for SFY26 and SFY27 as it relates to non-capital expenses such as update and replacement of end-user computers and operational software upgrades, including the replacement of desktop computers and laptops that will be six years old or older and software updates. The benefits of these planned purchases include increased security, better performance for end-user computers, and the ability to provide continued support for TDHCA's enterprise systems, such as the Central Database, CAPPs Financials, MITAS Accounting/Loan Servicing, and the Manufactured Housing System.

This line item increased \$96,696 or 27.1%, due to an anticipated decrease in capital expenditures for items such as computers and printers, the majority of which occur in the first year of the biennium.

8. **Communication and Utilities.** Communication and Utilities decreased \$98,875 or 15.9%. This category is also included in the Department's Hardware and Software Replacement project as it relates to direct capital expenses such as server hardware upgrades and network equipment enhancements, to ensure systems remain supported by vendors and security and reliability remain at high levels.

**The Department's Capital Projects are included in Professional Fees, Repairs/Maintenance, Furniture and Equipment and Capital Outlay. These projects include hardware and software replacements, database consolidation, ongoing Low Income Housing Tax Credit application, ongoing CAPPs financials license fees, Office 365, and the Disaster recovery services through the data center services performed by the Department of Information Resources.*

Methods of Finance

The SFY 2027 Budget includes the following sources:

General Revenue

State appropriated funds including Housing Trust Fund, Housing and Health Services Coordinating Council, and Homeless Housing and Services Program.

Earned Federal Funds - Federal funds appropriated for indirect costs associated with administering federal funds.

Federal Funds

Federal Funds-(Non-Housing and Economic Recovery Act (HERA)) - Core federal programs such as Community Services Block Grant (CSBG), Emergency Solutions Grant (ESG), HOME, U.S. Dept. of Energy (DOE), Section 8 Housing, Section 811 PRA Program, Low Income Home Energy Assistance Program (LIHEAP), and National Housing Trust Fund.

Neighborhood Stabilization Program - Federally appropriated funds specifically designated for HERA-NSP.

Federal Funds – (CARES Act, CRBRA, & ARPA) - Supplemental stimulus funding in response to the Coronavirus pandemic for core federal programs such as CSBG, ESG, Section 8, and LIHEAP. In addition, it reflects funding for the Community Development Block Grant (CDBG), ERA, HAF, and BIL WAP.

Appropriated Receipts - Housing Finance (HF):

Bond Admin Fees - Appropriated receipts associated with our Single Family and Multifamily bond programs such as application fees, issuance fees, and administration fees.

Low Income Housing Tax Credit Fees - Appropriated receipts associated with our housing tax credit program such as application fees and commitment fees.

Compliance Fees - Fees assessed to multifamily developers for the purpose of ensuring long-term compliance.

Asset Oversight Fees - Fees assessed to Tax Credit Assistance Program (TCAP) and Exchange property owners for the purpose of safeguarding the Department's financial interest in their properties.

Migrant Labor Housing Fees – Fees assessed for the purpose of inspections of migrant housing facilities.

Appropriated Receipts (MH) - Manufactured Housing Division fees generated through inspecting, licensing, and titling activities.

Interagency Contracts - Contract with the Texas Department of Agriculture for the Office of Colonia Initiatives (OCI) Self-Help Center's operation and administration; and a contract with the Texas Health and Human Services Commission (HHSC) for the Money Follows the Person program.

Comparison by Expense Object

	2026	2027	Variance	Percentage
	Budget	Budget		Change
	(a)	(b)	(b-a)	
Salaries and Wages	\$ 29,558,590	\$ 29,077,612	\$ (480,978)	-1.6%
Payroll Related Costs	7,094,062	6,978,627	(115,435)	-1.6%
Travel In-State	501,450	560,030	58,580	11.7%
Travel Out-of-State	206,280	202,600	(3,680)	-1.8%
*Professional Fees	6,589,016	4,216,849	(2,372,167)	-36.0%
Material and Supplies	292,461	293,635	1,174	0.4%
*Repairs/Maintenance	1,425,458	1,710,408	284,950	20.0%
Printing and Reproduction	22,361	22,311	(50)	-0.2%
Rentals and Leases	133,490	142,003	8,513	6.4%
Membership Fees	114,224	115,734	1,510	1.3%
Staff Development	215,250	205,150	(10,100)	-4.7%
Insurance/Employee Bonds	713,976	703,654	(10,322)	-1.4%
Employee Tuition	4,500	4,500	-	0.0%
Advertising	106,250	56,000	(50,250)	-47.3%
Freight/Delivery	33,825	35,375	1,550	4.6%
Temporary Help	469,381	926,631	457,250	97.4%
*Furniture and Equipment	357,244	453,940	96,696	27.1%
Communication and Utilities	622,256	523,381	(98,875)	-15.9%
*Capital Outlay	-	-	-	n/a
State Office of Risk Management	34,832	34,832	-	0.0%
Total Department	48,494,906	\$ 46,263,272	\$ (2,231,634)	-4.6%

* Budget categories that include Capital Budget items

FTE's	397	393	(4.00)	-1.0%
Method of Finance:				
GR-General Revenue	\$ 1,257,319	\$ 1,266,217	\$ 8,898	0.7%
GR-Earned Federal Funds	3,482,809	3,521,222	38,413	1.1%
Federal Funds	11,475,259	11,432,614	(42,645)	-0.4%
Federal Funds-Temporary	1,736,658	1,300,999	(435,659)	-25.1%
Federal Funds-ARPA	1,950,252	1,034,521	(915,731)	-47.0%
Federal Funds-DOE BIL	2,054,818	2,010,374	(44,444)	-2.2%
Appropriated Receipts - Housing Finance	25,609,240	24,960,862	(648,378)	-2.5%
Appropriated Receipts - Migrant Labor Housing	128,350	145,694	17,345	13.5%
Appropriated Receipts - Manufact. Housing	512,133	511,899	(234)	0.0%
Interagency Contracts	288,068	78,870	(209,198)	-72.6%
Total, Method of Finance	\$ 48,494,906	\$ 46,263,272	\$ (2,231,634)	-4.6%

Note: Appropriated Receipts - Housing Finance include Bond Administration Fees, Housing Tax Credit Fees, Asset Management Fees and Compliance Fees.

Note: Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and

Comparison by Expense Object																
	2026				2027				Base Variance		Percentage Change		Temp Variance		Percentage Change	
	2026 Budget	2026 Capital Budget	2026 Temporary Funds (a)	2026 Base Budget (b)	2027 Budget	2027 Capital Budget	2027 Temporary Funds (c)	2027 Base Budget (d)	(d)-(b)	Change	(c)-(a)	Change	(c)-(a)	Change		
Salaries and Wages	\$ 29,558,590		\$ 3,923,595	\$ 25,634,995	\$ 29,077,612		\$ 2,313,314	\$ 26,764,299	\$ 1,129,303	4.4%	\$ (1,610,281)	-41.0%				
Payroll Related Costs	7,094,062		941,663	6,152,399	6,978,627		555,195	6,423,432	271,033	4.4%	(386,467)	-41.0%				
Travel In-State	501,450		27,126	474,324	560,030		19,979	540,051	65,727	13.9%	(7,147)	-26.3%				
Travel Out-of-State	206,280		43,865	162,415	202,600		41,063	161,537	(878)	-0.5%	(2,802)	-6.4%				
*Professional Fees	6,589,016	4,149,014	435,819	2,004,183	4,216,849	1,260,728	647,977	2,308,144	303,961	15.2%	212,158	48.7%				
Material and Supplies	292,461		24,773	267,688	293,635		20,083	273,551	5,863	2.2%	(4,690)	-18.9%				
*Repairs/Maintenance	1,425,458	415,194	35,373	974,891	1,710,408	712,118	131,231	867,059	(107,832)	-11.1%	95,858	271.0%				
Printing and Reproduction	22,361		1,107	21,254	22,311		1,102	21,209	(45)	-0.2%	(5)	-0.4%				
Rentals and Leases	133,490		8,376	125,114	142,003		8,106	133,897	8,783	7.0%	(270)	-3.2%				
Membership Fees	114,224		20,223	94,001	115,734		20,649	95,085	1,084	1.2%	426	2.1%				
Staff Development	215,250		26,548	188,702	205,150		20,930	184,220	(4,481)	-2.4%	(5,619)	-21.2%				
Insurance/Employee Bonds	713,976		50,179	663,797	703,654		25,622	678,032	14,235	2.1%	(24,557)	-48.9%				
Employee Tuition	4,500		-	4,500	4,500		-	4,500	-	0.0%	-	n/a				
Advertising	106,250		100,000	6,250	56,000		50,000	6,000	(250)	-4.0%	(50,000)	-50.0%				
Freight/Delivery	33,825		1,070	32,755	35,375		631	34,744	1,988	6.1%	(438)	-41.0%				
Temporary Help	469,381		113,276	356,105	926,631		514,105	412,525	56,420	15.8%	400,829	353.9%				
*Furniture and Equipment	357,244	309,644	5,803	41,797	453,940	409,940	3,769	40,231	(1,566)	-3.7%	(2,034)	-35.0%				
Communication and Utilities	622,256		22,878	599,378	523,381		12,542	510,839	(88,539)	-14.8%	(10,336)	-45.2%				
*Capital Outlay	-		-	-	-		-	-	-	n/a	-	n/a				
State Office of Risk Management	34,832		85	34,747	34,832		94	34,738	(9)	0.0%	9	11.1%				
Total Department	\$ 48,494,906	\$ 4,873,852	\$ 5,781,758	\$ 37,839,296	\$ 46,263,272	\$ 2,382,786	\$ 4,386,394	\$ 39,494,092	\$ 1,654,796	4.4%	\$ (1,395,364)	-24.1%				

Method of Finance:																
General Revenue:	2026				2027				Base Variance		Percentage Change		Temp Variance		Percentage Change	
	2026 Budget	2026 Capital Budget	2026 Temporary Funding (a)	2026 Base Budget (b)	2027 Budget	2027 Capital Budget	2027 Temporary Funding (c)	2027 Base Budget (d)	(d)-(b)	change	(c)-(a)	Change	(c)-(a)	Change		
GR-General Revenue	\$ 1,257,319		\$ -	\$ 1,257,319	\$ 1,266,217		\$ 1,266,217	\$ 1,266,217	\$ 8,898	0.7%	\$ -	n/a				
GR-Earned Federal Funds	\$ 3,482,809		\$ 40,031	\$ 3,442,778	\$ 3,521,222		\$ 3,480,722	\$ 37,944	1.1%	\$ 469	1.2%					
Federal Funds	\$ 11,475,259	2,161,714	\$ -	\$ 9,313,545	\$ 11,432,614	908,176	\$ 10,524,438	\$ 1,210,893	13.0%	\$ -	n/a					
Federal Funds-Temporary	\$ 1,736,658		\$ 1,736,658	\$ -	\$ 1,300,999		\$ -	\$ -	-	n/a	\$ (435,659)	-25.1%				
Federal Funds-ARPA	\$ 1,950,252		\$ 1,950,252	\$ -	\$ 1,034,521		\$ -	\$ -	-	n/a	\$ (915,731)	-47.0%				
Federal Funds-DOE BIL	\$ 2,054,818		\$ 2,054,818	\$ -	\$ 2,010,374		\$ -	\$ -	-	n/a	\$ (44,444)	-2.2%				
Appropriated Receipts - Housing Finance	\$ 25,609,240	2,712,138	\$ -	\$ 22,897,102	\$ 24,960,862	1,474,610	\$ 23,486,252	\$ 589,150	2.6%	\$ -	n/a					
Appropriated Receipts - Migrant Labor Housing	\$ 128,350		\$ -	\$ 128,350	\$ 145,694		\$ 145,694	\$ 17,345	13.5%	\$ -	n/a					
Appropriated Receipts - Manufact. Housing	\$ 512,133		\$ -	\$ 512,133	\$ 511,899		\$ 511,899	\$ (234)	0.0%	\$ -	n/a					
Interagency Contracts	\$ 288,068		\$ -	\$ 288,068	\$ 78,870		\$ 78,870	\$ (209,198)	-72.6%	\$ -	n/a					
Total, Method of Finance	\$ 48,494,906	\$ 4,873,852	\$ 5,781,758	\$ 37,839,296	\$ 46,263,272	\$ 2,382,786	\$ 4,386,394	\$ 39,494,092	\$ 1,654,796	4.4%	\$ (1,395,364)	-24.1%				



FISCAL YEAR 2027
OPERATING BUDGET
(September 1, 2026 through August 31, 2027)

June 4, 2026

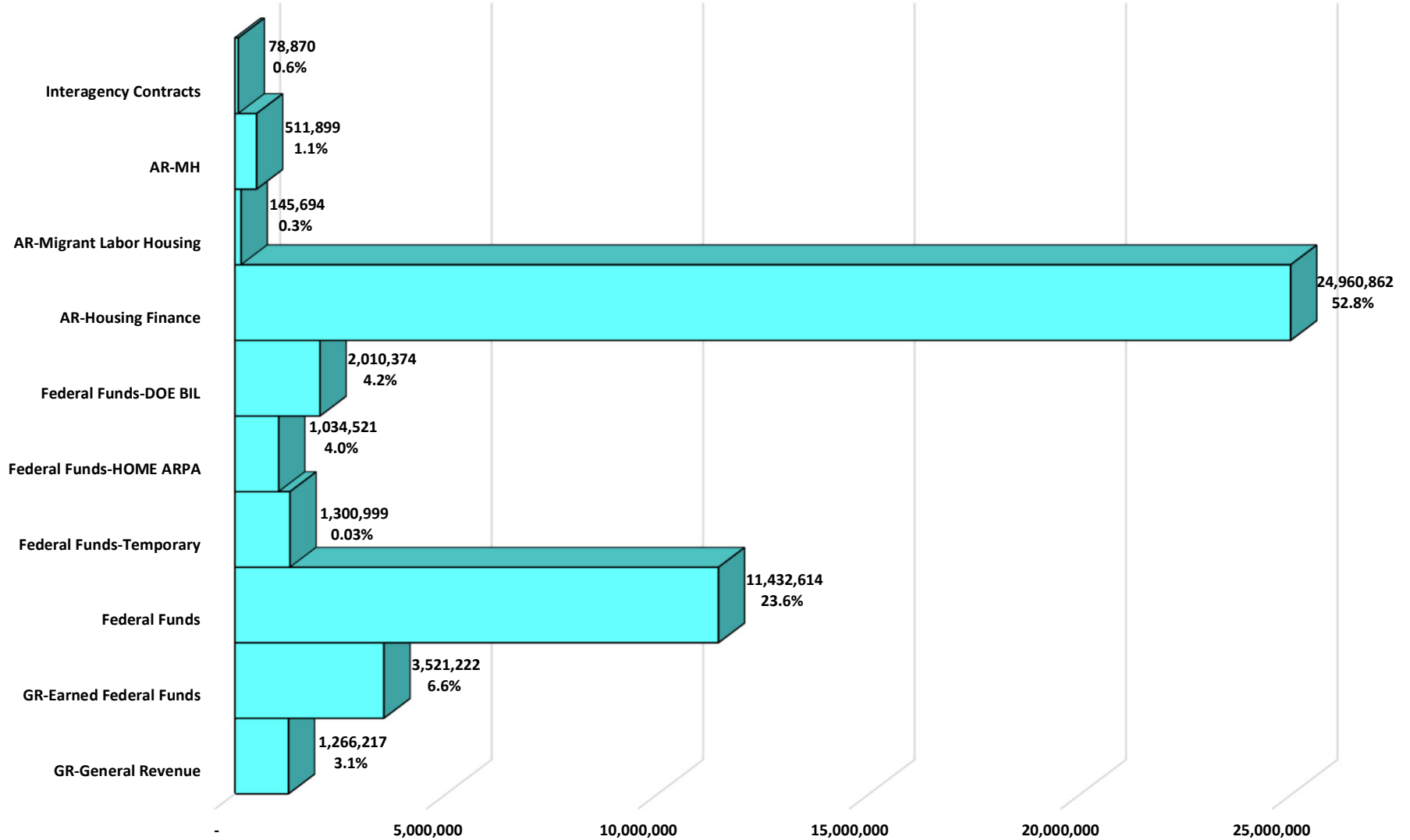
Prepared by the Financial Administration Division

**TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS SFY-2027 OPERATING BUDGET**

T A B L E O F C O N T E N T S

Method of Finance Chart..... 1
Agency Wide - By Method of Finance 2

Texas Department of Housing and Community Affairs SFY 2027 Method of Finance



Total Budget: 46,263,272

Agency Wide - By Method of Finance

September 1, 2026 thru August 31, 2027

Budget Categories	General	Federal Funds	Temporary	ARPA	BIL WAP	Appropriated	Interagency	MH	Total
	Revenue		Federal Funds			ARPA		Receipts	
Salaries	3,055,634	7,320,367	537,786	808,969	966,558	15,920,739	62,650	404,909	29,077,612
Payroll Related Costs	733,352	1,756,888	129,069	194,153	231,974	3,820,977	15,036	97,178	6,978,627
Travel In-State	37,725	179,382	551	3,134	16,294	322,944	-	-	560,030
Travel Out-of-State	4,717	60,582	689	6,667	33,707	96,238	-	-	202,600
Professional Fees	622,944	1,104,289	119,954	61	526,255	1,843,346	-	-	4,216,849
Materials/Supplies	52,824	36,307	920	1,175	4,588	197,821	-	-	293,635
Repairs/Maintenance	185,164	395,034	879	6,213	106,125	1,016,993	-	-	1,710,408
Printing and Reproduction	3,103	1,848	-	50	1,052	16,258	-	-	22,311
Rental/Lease	13,157	9,724	87	21	5,477	113,537	-	-	142,003
Membership Dues	1,880	32,840	331	80	20,238	60,364	-	-	115,734
Staff Development	15,743	52,453	965	5,734	13,231	117,024	-	-	205,150
Insurance/Employee Bonds	118,561	132,596	8,669	2,410	14,543	415,908	1,156	9,811	703,654
Employee Tuition	1,173	-	-	-	-	3,327	-	-	4,500
Advertising	-	2,000	-	-	50,000	4,000	-	-	56,000
Freight/Delivery	2,182	1,874	-	500	131	30,688	-	-	35,375
Temporary Help	24,222	106,663	499,832	50	10,365	285,499	-	-	926,631
Furniture/Equipment	2,359	151,724	165	1,540	2,064	296,088	-	-	453,940
Communications/Utilities	50,472	86,720	1,028	3,749	7,764	373,647	-	-	523,381
Capital Outlay	-	-	-	-	-	-	-	-	-
State Office of Risk Management	7,920	1,324	74	15	5	25,466	28	-	34,832
Total	4,933,132	11,432,613	1,300,999	1,034,523	2,010,374	24,960,862	78,870	511,899	46,263,272
Budget by Method of Finance, 2026	4,868,477	11,475,258	1,736,659	1,950,254	2,054,818	25,609,240	288,068	512,133	48,494,906
Variance from 2026	64,655	(42,645)	(435,660)	(915,731)	(44,444)	(648,378)	(209,198)	(236)	(2,231,634)



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1479

Agenda Date: 6/4/2026

Agenda #: 25.

Presentation, discussion, and possible action on the SFY 2027 Housing Finance Division Budget

RECOMMENDED ACTION

WHEREAS, the Governing Board of the Texas Department of Housing and Community Affairs (the Department or TDHCA) is required to approve a SFY 2027 Housing Finance Division Budget; and

WHEREAS, the Department is required to submit the budget to the Office of the Governor (OOG) and the Legislative Budget Board (LBB);

NOW, therefore, it is hereby

RESOLVED, that the SFY 2027 Housing Finance Division Budget, in the form presented to this meeting, is hereby approved; and

FURTHER RESOLVED, that upon approval by the TDHCA Governing Board, the Department will submit the budget to the OOG and the LBB.

BACKGROUND

In accordance with Tex. Gov't Code §2306.113, the Department shall create a separate annual budget for the Housing Finance Division to certify the housing program fee revenue that supports the Department. While at the time the statute was created such a division existed, the duties associated with the Housing Finance Division have been spread among multiple divisions in the agency as reorganizations to improve efficiency have occurred. This budget is a subset of the whole operating budget and shows the Housing Finance revenues also known as Appropriated Receipts that support the operating budget.

This SFY 2027 Housing Finance Division Budget, which the Board is being asked to approve, is \$24,960,862. The Housing Finance Budget complies with the provisions of the General Appropriations Act (GAA).

In addition, in accordance with Tex. Gov't Code §§2306.117 and 2306.118, the Department incurs operational and nonoperational expenses in carrying out the functions of the Housing Finance Division. These types of expenses may be paid only from revenues or funds provided under this Chapter. The revenue and funds of the Department received by or payable through the programs and functions of the Housing Finance Division, other than funds necessary for the operation of the Housing Finance Division and appropriated funds, shall be administered outside the treasury with the Texas Treasury Safekeeping Trust Company.

Housing Finance Budget Appropriated Receipts

September 1, 2026 thru August 31, 2027

Budget Categories	Executive Administration	Agency Administration	Bond Finance	Programs	Capital Budget	Payroll Related Costs	Total
Salaries	2,138,885	4,061,591	5,550,152	4,170,110			15,920,739
Payroll Related Costs	-	-	-	-		3,820,977	3,820,977
Travel In-State	88,411	9,019	23,500	202,013			322,944
Travel Out-of-State	30,600	4,752	41,500	19,386			96,238
Professional Fees	152,190	167,378	337,311	400,225	786,241		1,843,346
Materials/Supplies	23,933	62,723	60,283	50,882			197,821
Repairs/Maintenance	40,810	190,104	182,026	186,359	417,694		1,016,993
Printing and Reproduction	2,787	2,471	6,750	4,250			16,258
Rental/Lease	53,235	16,194	29,871	14,236			113,537
Membership Dues	50,377	2,342	1,000	6,644			60,364
Staff Development	22,799	35,458	32,000	26,767			117,024
Insurance/Employee Bonds	46,606	127,047	134,611	107,644			415,908
Employee Tuition	-	827	2,500	-			3,327
Advertising	1,500	2,500	-	-			4,000
Freight/Delivery	1,851	7,692	11,600	9,545			30,688
Temporary Help	168,012	18,346	65,640	33,501			285,499
Furniture/Equipment	3,750	7,128	7,800	6,735	270,675		296,088
Communications/Utilities	63,642	77,490	89,687	142,828			373,647
Capital Outlay	-	-	-	-	-		-
State Office of Risk Management	2,300	8,983	7,728	6,456			25,466
Total	2,891,687	4,802,047	6,583,959	5,387,582	1,474,610	3,820,977	24,960,862

Method of Finance:

Single Family Bond Administration Fees	3,126,180
Multifamily Bond Administration Fees	1,130,451
Compliance Fees	4,483,324
Housing Tax Credit Fees	4,365,210
Asset Management Fees	1,298,129
Subtotal:	14,403,294
Central Support Single Family Bond Administration Fees	751,129
Central Support Multifamily Bond Administration Fees	895,659
Central Support Compliance Fees	4,802,593
Central Support Housing Tax Credit Fees	3,449,578
Central Support Asset Management Fees	658,607
Subtotal:	10,557,566
Total, Method of Finance	24,960,862



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1495

Agenda Date: 6/4/2026

Agenda #: 26.

Presentation, discussion, and possible action regarding a Request for Proposal for audit services and selection thereof

RECOMMENDED ACTION

WHEREAS, the Department is required to undergo an annual audit of its books and accounts, an annual audit of the Housing Trust Fund, and to obtain audited financial statements for the Housing Finance Division and the Supplemental Bond Schedules;

WHEREAS, in accordance with Tex. Gov't Code §321.020 (a), the Department obtained approval for delegation of authority from the State Auditor's Office to engage a private auditor;

WHEREAS, in accordance with Tex. Gov't Code §2306.074 and the State of Texas Procurement and Contract Management Guide, the Department issued a Request for Proposal for audit services and has selected a firm; and

WHEREAS, in accordance with Tex. Gov't Code §2261.254, the Department is required to obtain Board approval for any purchase of goods or services that may exceed an aggregate contract value of \$1,000,000;

NOW, therefore, it is hereby

RESOLVED, that the selection of this firm is presented to this meeting, is hereby approved; and

FURTHER RESOLVED, that upon approval by the TDHCA Governing Board, the Department is authorized to execute an agreement for audit services with such firm.

BACKGROUND

In accordance with Tex. Gov't Code §2306.074, the Department is required to undergo an annual audit of the Department's books and accounts. In addition, Tex. Gov't Code §2306.204 requires an annual audit of the Housing Trust Fund to determine the amount of unencumbered fund balances that is greater than the amount required for the reserve fund.

At the conclusion of the Fiscal Year 2025 audit, the State Auditor's Office communicated their discontinuation of the financial audit for the Department. In February 2026, the Department received a delegation of authority to employ a private auditor to audit its basic financial statements, Revenue Bond Program financial statements, and the Housing Finance Division's unencumbered fund balance computation.

In March 2026, the Department issued a Request for Proposal for audit services and responses were due on April 7, 2026. A team of five staff evaluated the responses and selected CliftonLarsonAllen LLP. The cost for the first year of the audit will be \$404,000 with an option, at the Department's discretion and the delegation of authority granted by the State Auditor's Office, to renew the contract for three additional one-year periods with each renewal subject to

a 4% cost escalation.

Due to their extensive experience, knowledge and resources; staff expects they will continue to sustain the level of service performed by the State Auditor's Office and provide the best value to the Department.



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 26-007

Agenda Date 6/4/2026:

Agenda #: 27

Presentation, discussion, and possible action regarding the Issuance of a Multifamily Housing Governmental Note (Waters at Waterchase) Series 2026 Resolution No. 26-007, and a Determination Notice of Housing Tax Credits

**TO BE POSTED
NOT LATER THAN
THE THIRD DAY
BEFORE THE
DATE OF THE
MEETING**



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1489

Agenda Date: 6/4/2026

Agenda #: 28.

Presentation, discussion, and possible action on the approval of a loan for Crossroads Redevelopment

**TO BE POSTED
NOT LATER THAN
THE THIRD DAY
BEFORE THE
DATE OF THE
MEETING**



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1490

Agenda Date: 6/4/2026

Agenda #: 29.

Presentation, discussion, and possible action on the approval of a loan for McAdams Haven

**TO BE POSTED
NOT LATER THAN
THE THIRD DAY
BEFORE THE
DATE OF THE
MEETING**



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1469

Agenda Date:6/4/2026

Agenda #: 30.

Report relating to the conclusion of the 2025 Non-competitive 4% Housing Tax Credit Program and an update on the 2026 Non-competitive 4% Housing Tax Credit Program.

**TO BE POSTED
NOT LATER THAN
THE THIRD DAY
BEFORE THE
DATE OF THE
MEETING**



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1428

Agenda Date: 6/4/2026

Agenda #: 31.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for The Ashbourne (HTC #25073)

RECOMMENDED ACTION

WHEREAS, The Ashbourne (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2025 for the new construction of 72 multifamily units for the general population in Houston, Harris County;

WHEREAS, 9677 South Kirkwood Drive Propco, L.P. (the Applicant) proposed at pre-application and in the Application to provide a High-Quality Pre-Kindergarten program and educational space at the Development under §11.6(3)(C)(v) of the 2025 Qualified Allocation Plan, which made the Development eligible for a priority award;

WHEREAS, the Applicant is now requesting approval for a material amendment to the Application to replace the High-Quality Pre-Kindergarten program commitment with an alternative service model developed in collaboration with Alief Independent School District (Alief ISD);

WHEREAS, Board approval is required for a modification considered material by staff as directed in Tex. Gov't Code §2306.6712(d)(7) and 10 TAC §10.405(a)(4)(I), and the Applicant has complied with the amendment requirements therein; and

WHEREAS, the requested change to replace the High-Quality Pre-Kindergarten program will materially affect the Development;

NOW, therefore, it is hereby

RESOLVED, that the requested amendment to replace the High-Quality Pre-Kindergarten program commitment for The Ashbourne is denied as presented at this meeting.

BACKGROUND

The Ashbourne was approved for a 9% HTC award in 2025 for the construction of 72 units, all of which are designated as low-income units, of multifamily housing for the general population in Houston, Harris County. At the meeting of April 9, 2026, the Board approved a request to remove the requirement for a Historically Underutilized Business (HUB) in the Development. In a letter dated March 23, 2026, Kimberly Loesche, representative of the Applicant, has

requested approval for another material amendment to the Application.

Under §11.6(3)(C)(v) of the 2025 Qualified Allocation Plan, the highest scoring Development that elects to provide a High-Quality Pre-Kindergarten program and associated educational space at the Development site would be selected for an award. Also, if a High-Quality Pre-Kindergarten would be provided, the election must have been made at pre-application and could not change at full Application. This Development met such criteria, and therefore, was eligible for the priority award for having the High-Quality Pre-Kindergarten program.

The Applicant states that they made the commitment to provide a High-Quality Pre-Kindergarten program and educational space on the Development site in good faith, based on direct engagement with Alief ISD and the need for the change was not foreseeable at Application. The Applicant has now requested approval to replace the commitment to provide an on-site High-Quality Pre-Kindergarten program with an alternative service model that the Applicant developed in collaboration with Alief ISD. The alternative service model proposes that Pre-Kindergarten age residents, at the resident's discretion, enroll at Martinez Early Learning Center, an Alief AISD-serviced campus located approximately 1.5 miles from the Development. Additionally, the Applicant commits to construct the on-site stand-alone facility contemplated for the High-Quality Pre-Kindergarten. However, the facility would be utilized for Alief ISD to provide after-school services for elementary, middle school, and high school aged children. The Applicant would enter into an agreement with Alief ISD as an educational provider.

The Applicant indicated that this request is the result of an unforeseen circumstance in which the educational provider, Alief ISD, changed their position regarding the High-Quality Pre-Kindergarten program and does not wish to operate the program at the Development site. Alief ISD explained to the Applicant that its nearby Pre-K campus, Martinez Early Learning Center, is currently experiencing declining enrollment with current available capacity and budget constraints that make it unable and unwilling to provide a High-Quality Pre-Kindergarten program on-site. Instead the Applicant has stated that Alief ISD's preference, is to have Pre-K residents attend Martinez Early Learning Center rather than establish a new, duplicative and competitive program on-site. Alief ISD affirmed its willingness to provide after-school services at the Development.

The Applicant indicated that they performed an extensive search for an alternative educational provider, which includes charter and private schools, but despite these efforts, no viable replacement educational provider was identified. The Applicant also identified the Houston ISD and ISDs in Harris County as potential outreach targets; however, because the Development is located within Alief ISD's attendance boundaries, partnering with another public school district for on-site Pre-K services is not operationally or jurisdictionally feasible unless the attendance zones are modified or a charter agreement is entered into with the currently operating independent school district.

Based on the final list of 9% HTC awards for 2025, the proposed change would not have affected the selection of the Application in the competitive round, but a series of circumstances

and events in the subject subregion occurred in the cycle, which include: fewer full applications than usual, two Applications that would have received an award chose to withdraw, and a prior year development in the region returned its credits, which resulted in this Development and all other remaining eligible applications in the subregion receiving an award even without the High-Quality Pre-Kindergarten program. Therefore, it is unclear what impact this Development had in the round for reflecting the High-Quality Pre-Kindergarten since pre-application. However, it is plausible that some applicants may have chosen not to submit a full application based on the Applicant reflecting a High-Quality Pre-Kindergarten in its application and thus being eligible for a priority award.

Staff recommends denial of the amendment to the Application to replace the High-Quality Pre-Kindergarten election with an alternative service model.

BakerHostetler

March 23, 2026

VIA EMAIL DELIVERY

Rosalio Banuelos
Director of Multifamily Asset Management
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410
rosalio.banuelos@tdhca.texas.gov

Re: Request for Amendment to Tax Credit Application
Development: The Ashbourne
TDHCA Application: #25073
Applicant: 9677 South Kirkwood Drive Propco, L.P.

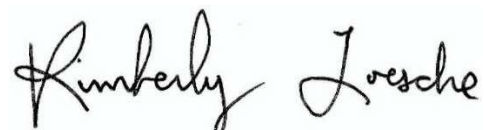
Mr. Banuelos:

On behalf of the Applicant, we respectfully request approval of an amendment to the above-referenced tax credit application. This request is submitted in connection with the enclosed narrative, which describes the proposed amendment in detail and is intended for Board consideration.

The Applicant respectfully requests that TDHCA review the proposed amendment and, upon approval by the Board, incorporate the requested changes as set forth in the attached narrative and any accompanying supporting documentation into the application record for the Development.

Enclosed with this request will be the required \$3,000 amendment fee. The check is currently in transit to my office and will be forwarded to TDHCA under separate cover upon receipt; courier and tracking information will be provided at that time. If TDHCA requires any additional information, documentation, or clarification in connection with this request, please do not hesitate to contact me at kloesche@bakerlaw.com or (512) 215-3215.

Very truly yours,



Material Amendment Request — Narrative Statement

TDHCA Application #25073 — The Ashbourne
March 2026

I. Summary of Request

9677 South Kirkwood Drive Propco, L.P. (the "Applicant") respectfully requests a material amendment to TDHCA Application #25073 for The Ashbourne, a 9% Low-Income Housing Tax Credit development located in the Alief area of Houston, Texas. This amendment seeks to modify the on-site early childhood education commitment from an on-site High-Quality Pre-Kindergarten ("HQ Pre-K") program operated by an Educational Provider to an alternative service model developed in direct collaboration with Alief Independent School District ("Alief ISD"), the independent school district that serves the proposed Development and its students.

Specifically, the Applicant proposes to replace the on-site HQ Pre-K commitment with the following, which reflect Alief ISD's stated preferences and operational capabilities:

- **Pre-K Enrollment:** Pre-Kindergarten-age residents (ages 3 and 4) will, at the resident's discretion, enroll at Martinez Early Learning Center ("Martinez ELC"), an Alief ISD-serviced campus located approximately 1.5 miles from The Ashbourne.
- **On-Site After-School Programming:** The Applicant commits to construct the on-site stand-alone facility contemplated for the HQ Pre-K in § 11.101(b)(5)(C)(i)(I)(-a-) of the 2025 Qualified Allocation Plan¹. However, the facility will be utilized for Alief ISD to provide after-school services for elementary, middle, and high school-aged children, supporting residents of all ages and grade levels with enrichment and care. The Applicant expects to enter into an agreement with Alief ISD, as an Educational Provider, in accordance with the requirements of § 11.101(b)(5)(C)(i)(I)(-b-) of the QAP, also abiding by § 11.101(b)(5)(C)(i)(I)(-c-) of the QAP, if Alief ISD fails to serve as the Educational Provider at any time.

II. Background and Good-Faith Basis for the Original Commitment

The original HQ Pre-K commitment in Application #25073 was made in good faith, based on direct engagement prior to the Application submission between Alief ISD and the then-CEO of Impact Residential Development, L.L.C., the manager of the Applicant's General Partner. Conversations with Alief ISD began prior to filing the Pre-Application, as part of the community engagement process. On February 21, 2025, the prior CEO met with representatives of Alief ISD, including Maria Martinez, Kathleen Jahn, and Superintendent Dr. Anthony Mays to discuss a collaborative partnership for early childhood education services at The Ashbourne. Alief ISD

¹ Capitalized terms used but not defined in this request shall utilize the definitions given them in the 2025 Qualified Allocation Plan.

accepted the meeting invitation and participated constructively. See [Exhibit A](#). Based on these discussions, the Applicant included the HQ Pre-K commitment in its 9% LIHTC Application, which was subsequently awarded.

When the prior CEO departed the company in November 2025, the new leadership team re-engaged Alief ISD to advance the partnership and formalize the HQ Pre-K arrangement. This re-engagement led to a series of in-person and virtual meetings and communications that revealed a significant change in Alief ISD's position regarding on-site HQ Pre-K delivery at The Ashbourne.

III. Discovery That On-Site Pre-K Is Not Feasible

On February 4, 2026, the Applicant convened a collaborative call with Alief ISD and Rosemann & Associates (the architect of record) to discuss the design and delivery of on-site HQ Pre-K services. During this call, Alief ISD communicated clearly that it had no desire to operate a HQ Pre-K program at The Ashbourne. The district explained that its nearby Pre-K campus (~1.5 mile drive from the Development Site), Martinez Early Learning Center (“Martinez ELC”), is currently experiencing declining enrollment with current available capacity and budget constraints that make it unable and unwilling to provide a HQ Pre-K program on site at The Ashbourne. Instead, the district's preference and what it believes to be best for the local community and the future residents at the Development, is to have 3 and 4 year old residents of The Ashbourne attend Martinez ELC rather than establish a new, duplicative and competitive program on site at The Ashbourne. Alief ISD did, however, affirm its willingness to cooperate with the provision of after-school services at The Ashbourne.

On February 19, 2026, the Applicant held a follow-up meeting with Alief ISD, at which the district presented its position in a written document titled "Impact Residential & Alief ISD Potential Partnership" (the “ISD Proposal”). See [Exhibit B](#). The ISD Proposal suggested a multi-tier partnership framework, with a possible program for infancy to age 3, along with the Pre-K Enrollment and On-Site After-School Program described above. Ultimately, Alief ISD was unable to confirm the availability of services for children in infancy to age 3, so that option was eliminated between the parties.

The Applicant cannot compel a public independent school district to operate a program it does not wish to operate. Alief ISD's position is driven by legitimate institutional concerns — namely, declining enrollment and budget concerns at an existing nearby facility — and the Applicant respects the district's operational judgment. Notably, another public school district cannot be substituted, as The Ashbourne is located within Alief ISD's attendance boundaries.

IV. Exhaustive Search for Alternative Pre-K Providers

Immediately following the February 4, 2026 call with Alief ISD, the Applicant undertook an extensive and well-documented search for an alternative Educational Provider at The Ashbourne. See [Exhibit C](#). By definition, an Educational Provider can include an open-enrollment charter school or Education Service Center. A private school or private childcare provider can qualify as

an Educational Provider if it has entered into a partnership with a school district or open-enrollment charter school to provide a HQ Pre-K program elsewhere. The Applicant's search spanned multiple weeks and included phone, email, and website outreach to open-enrollment charter school networks, private Pre-K providers, national early childhood organizations, childcare industry brokers, and fellow LIHTC developers with Pre-K experience. Despite these efforts, no viable replacement provider was identified.

A. Direct Outreach to Pre-K Operators

Beginning on February 6, 2026, the Applicant conducted outreach via email, phone, and website inquiry forms to the following organizations:

- **KLA Schools:** Outreach sent February 6, 2026. No response received.
- **YesPrep Public Schools:** Outreach sent February 6, 2026. No response received.
- **The Varnett Public Schools:** Outreach sent February 6, 2026. No response received.
- **KIPP Texas:** Outreach sent February 6, 2026. No response received.
- **Le Petite Academy:** Outreach sent February 6, 2026. No response received.
- **Avance:** Introductory call completed and program overview emailed on February 9, 2026. Avance was initially engaged but subsequently ceased communication and did not proceed.
- **Bezos Academy:** Responded via LinkedIn on February 9, 2026, confirming that the organization has paused all physical expansion activities and is not pursuing new expansion initiatives at this time. See [Exhibit D](#).
- **Spanish Schoolhouse:** Responded confirming that as a 100% private-pay model without accreditation participation, they are not a fit for this type of subsidized-revenue partnership. See [Exhibit E](#).
- **Primrose Schools:** Outreach sent February 6, 2026. Declined. See [Exhibit F](#).
- **STEP Charter/Creative Connections:** Janna Shafer, Principal at STEP Charter, shared contact information of Silvia at Creative Connections, a nearby Pre-K. Phone outreach made; no response received.
- **Etoile Academy Charter School:** Outreach over email. Email responded to claiming further discussions would be had with the team. No further response received.
- **Southwest Schools:** Outreach over email. No response received.
- **Harmony Public Schools:** Outreach over website inquiry form. No response received.
- **Houston Classical Charter School:** Outreach over email. Response received over email requesting meeting to further discuss the opportunity. Meeting held March, 19, 2026. No commitment at this time.
- **Alief Montessori Community School:** Outreach over email. No response received.
- **Amigos Por Vida Public Charter School:** Outreach over email. No response received.
- **Houston Gateway Academy:** Outreach over website inquiry form. Response received requesting call to further discuss the opportunity. Called with no voicemail to leave message. No further response.

- **School of Science and Technology:** Outreach over website inquiry form. Response received claiming the message was routed to the superintendent's office. No further response.
- **Academy of Accelerated Learning:** Outreach over email. No response received.
- **Arrow Academy:** Outreach over email and website inquiry form. No response received.

C. Outreach to Fellow Developers and Industry Contacts

The Applicant also reached out to other LIHTC developers who have successfully implemented HQ Pre-K programs in their projects, both past and current, seeking introductions to operators or guidance on sourcing providers. While all of the industry peers endeavored to be helpful, some did not have Educational Providers with connections to the Houston area. The Houston providers identified from these conversations included the Bezos Academy, which declined to participate; other organizations identified by local developers that currently provide HQ Pre-K in the Houston area declined, as well.

D. Houston / Harris County ISDs

The Applicant also identified the Houston ISD and other ISDs in Harris County as potential outreach targets. However, because The Ashbourne is located within Alief ISD's attendance boundaries, partnering with another public school district for on-site Pre-K services is not operationally or jurisdictionally feasible unless the attendance zones are modified or a charter agreement is entered into with the currently operating independent school district.

V. Why the Amended Commitment Better Serves Residents

The proposed amendment does not diminish the early childhood education commitment — it strengthens it by aligning the service model with the preferences and capabilities of the local public school district that will actually serve The Ashbourne's residents. The amended model offers several advantages over the original on-site Pre-K concept:

- **Integration with the public school system:** Enrolling children at Martinez ELC connects Ashbourne families directly to Alief ISD's full continuum of educational services, including curriculum, special education resources, meal programs, and transition to elementary school. This institutional connection is more durable and comprehensive than a stand-alone on-site program.
- **Support for a public school with declining enrollment:** Directing enrollment to Martinez ELC supports a neighborhood school that is experiencing declining enrollment, reinforcing the community benefit of the LIHTC investment rather than creating a competing program.
- **Proximity and accessibility:** Martinez ELC is approximately 1.5 miles from The Ashbourne, about a 5 minute drive from the development site.
- **Expanded age coverage:** The after-school programming for all school-age residents provides broader support for working families than the original on-site Pre-K commitment.

VI. Conclusion

The Applicant made its original Pre-K commitment in good faith, based on direct engagement with Alief ISD prior to Application submission. Upon re-engaging the district, the Applicant discovered that Alief ISD's institutional needs had evolved and that the district does not wish to operate an on-site HQ Pre-K at The Ashbourne. The Applicant then conducted an exhaustive, multi-week search for alternative Educational Providers — contacting charter networks, private operators, national organizations, childcare brokers, and fellow LIHTC developers and capital partners — and was unable to identify any willing replacement partner.

The proposed amendment reflects the reality on the ground: the local school district has clearly articulated its preferred service model, and no third-party operator is available or willing to fill the gap. Rather than commit to an arrangement that cannot be fulfilled, the Applicant proposes an alternative that is achievable, sustainable, and —by adding after school support— arguably more beneficial to residents and the local community than the original commitment.

Lastly, but important to note, The Ashbourne 9% LIHTC Application would have remained competitive and ultimately received an award even in the absence of the points for HQ Pre-K. The inclusion of a HQ Pre-K is not a “point” item in the competitive process. Rather, it simply assures an award to the highest scoring Application in the urban region that makes this commitment. The Application demonstrated sufficient strength across key scoring categories—including location characteristics, development readiness, and local support—to achieve a score above the applicable funding cutoff within Urban Region 6. Simply, all of the Applications in Urban Region 6 were funded, regardless of score. No other Applicant is disadvantaged by this request. Nonetheless, the Applicant remains committed to the original scoring choice, although now a variation of it, and supporting resident enrichment and educational outcomes. The Applicant is willing to coordinate and partner with Alief ISD and others as appropriate to facilitate and administer this program as described ensuring that the Development continues to provide a meaningful educational services component for resident families and their children and the local community writ large. The modification to the HQ Pre-K program will not affect The Ashbourne project's development or operating budget. The project remains fully feasible as planned, and any partnership with the Alief ISD to provide educational services can be implemented without additional costs or impact to long-term financial sustainability.

The Applicant respectfully requests that TDHCA approve this material amendment to Application #25073.

Exhibits (Referenced)

- **Exhibit A:** Alief ISD meeting acceptance — Maria Martinez and Kathleen Jahn calendar response (February 5, 2025, for February 21, 2025 meeting)
- **Exhibit B:** Impact Residential & Alief ISD Potential Partnership document (presented at February 19, 2026 meeting)
- **Exhibit C:** Pre-K provider outreach tracker — status as of February 9, 2026
- **Exhibit D:** Bezos Academy LinkedIn response — Emmanuel Imah (February 9, 2026)
- **Exhibit E:** Spanish Schoolhouse LinkedIn response — Evan Meehan (February 6, 2026)
- **Exhibit F:** Primrose Response

Exhibit A: Alief ISD meeting acceptance — Maria Martinez and Kathleen Jahn calendar response (February 5, 2025, for February 21, 2025 meeting with Impact’s CEO)

Fri 2/21/2025 9:05 AM

○ Martinez, Maria D <Maria.Martinez@aliefisd.net>

Accepted: Impact Residential Development/Alief ISD Connect

When Friday, February 21, 2025 2:15 PM-3:00 PM (UTC-06:00) Central Time (US & Canada).

Location <https://us06web.zoom.us/j/7799892598>

 We couldn't find this meeting in the calendar. It may have been moved or deleted.
Martinez, Maria D has accepted this meeting.

EXTERNAL


Fri 2/21/2025 3:04 PM

○ Jahn, Kathleen <Kathleen.Jahn@aliefisd.net>

Accepted: Impact Residential Development/Alief ISD Connect

When Friday, February 21, 2025 2:00 PM-3:00 PM (UTC-06:00) Central Time (US & Canada).

Location <https://us06web.zoom.us/j/7799892598>

 We couldn't find this meeting in the calendar. It may have been moved or deleted.
Jahn, Kathleen has accepted this meeting.

EXTERNAL

Exhibit B: Impact Residential & Alief ISD Potential Partnership document (presented at February 19, 2026 meeting)

Impact Residential & Alief ISD Potential Partnership

Beginning in December 2025, discussion has taken place with members of the Impact Residential Project and leaders of the Alief Independent School District. The elements to be discussed include:

Impact Residential

- Designing a facility to house residents through the site plan ([Ashbourne - Prelim Site Plan.pdf](#)) located in the Alief area.
- Grant funding mandates that the facility offers opportunity through collaboration for Early Childhood Academic Services.
 - [Texas Education Code Chapter 29, Subchapter E-1.pdf](#)
 - [25-QAP.pdf](#)
- Collaboration with Alief ISD is desired for partnership with the project

Alief Independent School District

- Services offered for Pre-Kindergarten (4-yr olds currently and 3 yr olds beginning in 2026-2027) at Martinez Early Learning Center in proximity of the residential project
- Collaboration creates opportunity for increased enrollment at the early childhood area with students attending Alief campuses

Collaborative Partnership Proposal

- ❖ Ultimately, the goal is a 3-layer partnership:
 - Layer 1 - Pre-K age students (ages 3 & 4) enroll and attend Martinez ELC
 - Layer 2 - Pre-Early Childhood students (Infant - Toddler 2) could possibly receive services through a neighborhood partnership service of Early Years Program by Baker Ripley HeadStart, which is a collaboration with Alief ISD
 - Layer 3 - After-School service provided for students of all ages at the Ashbourne site

Next Steps

- ✓ Subcommittee groups with liaison for each layer to schedule planning meetings
 - Layer 1 – Alief Early Childhood Coordinator and Impact Residential member
 - Layer 2 - Alief Early Childhood Team, Baker Ripley, and Impact Residential member
 - Layer 3 – Impact Residential Design Team and Alief ISD Team (Assistant Superintendent of Support Services, After School Coordinator)

Exhibit C: Pre-K provider outreach tracker — status as of February 9, 2026

On Mon, Feb 9, 2026 at 12:11 PM Will Sternlicht <wsternlicht@starwood.com> wrote:

Hi all, sharing the most recent update on our hunt for a Pre-K provider. Hoping maybe the list will spark some other ideas, although the eligible school requirements make the list pretty short from what I'm seeing.

Please LMK if you have any other ideas or mutual LinkedIn connections (i.e. Head of Partnerships for Bezos responded to my linkedin request before I heard back from their inbound email).

Thanks!

As of Morning of 2/9/2026

In Conversation:

- Avance | Emailed overview 2/9/26 post intro call
- Alief ISD | conversation 2/4/26

No Response Yet

- Primrose Schools | 2/6/26 cold outreach
- KLA Schools | 2/6/26 cold outreach
- YesPrep Public Schools | 2/6/26 cold outreach
- The Varnett Public Schools | 2/6/26 cold outreach
- KIPP Texas | 2/6/26 cold outreach
- Le Petite Academy | 2/6/26 cold outreach

Not Yet Contacted:

- Houston / Harris County ISD
- BakerRipley

Not interested/eligible:

- Bezos Academy: (They're not expanding / have over expanded)
- Spanish Schoolhouse (100% private Pay / no accreditation)

Update, as at 3/9/26:

Avance has gone silent indicating lack of interest;

Still no response from Primrose, KLA, YesPrep, Varnett, Kipp or Le Petite Academy;

Baker Ripley has declined;

Other public school districts ruled out.

Exhibit D: Bezos Academy LinkedIn response (February 9, 2026)

Hi Will – Apologies for my delayed response and thank you for your interest in exploring a potential partnership with Bezos Academy. We are always glad to connect with leaders and organizations whose mission and focus align closely with ours.

After careful internal review, we made the decision to pause activities related to expanding our physical footprint. Following a period of rapid growth, we took time to reflect on what is best for the organization and identified two core priorities that will guide our work for the foreseeable future: ensuring our students are fully prepared for kindergarten after two years in our schools, and doing so in a way that is both affordable and replicable by other organizations.

While we will continue opening the remaining schools already in progress between now and the end of the year, we are not pursuing new expansion initiatives at this time.

That said, we are currently reimagining potential models for future partnerships. We expect this ideation period to take several months. If you are interested in serving as a thought partner during this time, I would be happy to explore connecting you with my colleague who leads our partnership efforts in Texas for an initial conversation. Please let me know if that would be of interest.

Regards!

Exhibit E: Spanish Schoolhouse LinkedIn response (February 6, 2026)

Thanks, Will.

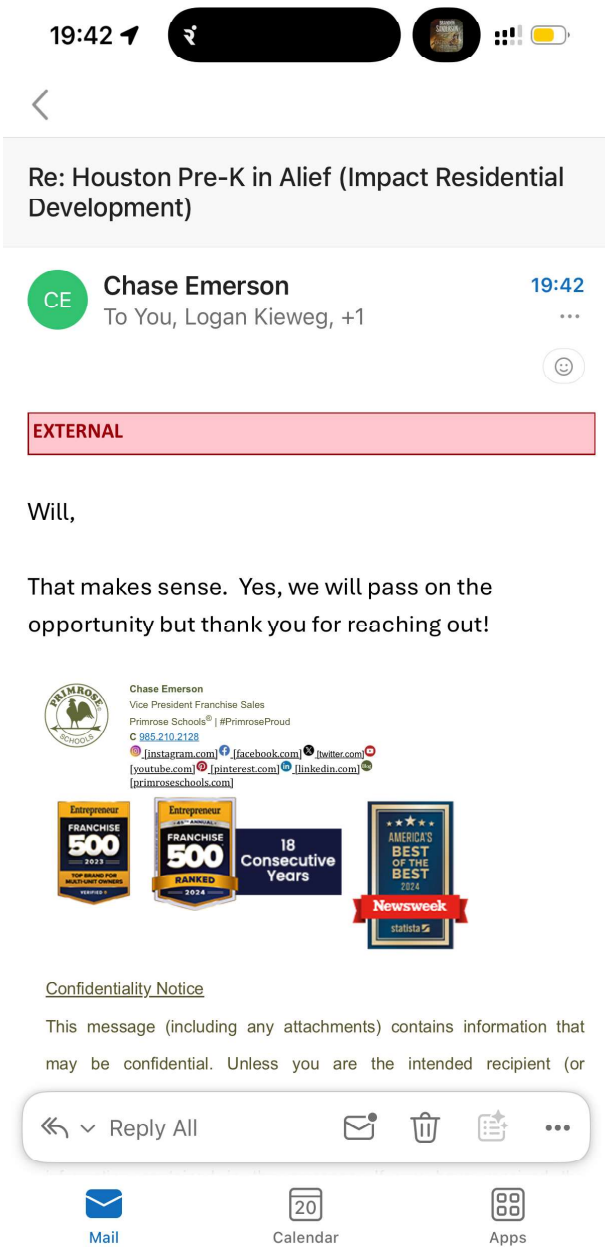
We don't fit the first requirement because we don't participate in those accreditation programs. We're currently 100% private pay, and those are usually geared towards providers who are seeking subsidized revenue.

I want to be helpful. It sounds like a worthy project. Here's a couple ideas:

- The Texas Rising Star program maintains a list of operators, so you can reach out to people who already qualify in TX.
- HINGE (Kathy Ligon is the founder) is a national childcare business brokerage. They know everyone in the industry, and could probably link you to the right operator.

Please don't hesitate to reach out again if I can ever help.

Exhibit F: Primrose Response





Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1474

Agenda Date: 6/4/2026

Agenda #: 32.

Presentation, discussion, and possible action on the 2027 Low Income Home Energy Assistance Program State Plan and Awards.

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (the Department) develops and submits a State Plan to the U.S. Department of Health and Human Services (USHHS) each year to administer the Low Income Home Energy Assistance Program (LIHEAP);

WHEREAS, the Board approved a draft 2027 LIHEAP State Plan (the Plan) on April 9, 2026, which was then made available for public comment and that public comment is addressed in Attachment A; and

WHEREAS, the final 2027 LIHEAP State Plan includes the awards to subrecipients of 2027 LIHEAP funds as recommended through the Previous Participation Review and Approval Process (PPRAP) in Attachment B;

NOW, therefore, it is hereby

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

BACKGROUND

The Department develops and submits a LIHEAP State Plan each year on or before September 1 to USHHS to receive its annual allotment of LIHEAP funds. For 2027, the Department expects to receive a total of approximately \$180,000,000 in LIHEAP funding. LIHEAP funds, as reflected in the Plan, are utilized in the following three ways:

- The Department allocates at least 75% of the LIHEAP funds to the Comprehensive Energy Assistance Program (CEAP), which provides utility assistance to eligible households, including crisis assistance and services to reduce home energy needs.
- The Department allocates up to 15% of the LIHEAP funds to the Weatherization Assistance Program.

There is generally greater flexibility with LIHEAP weatherization funds than U.S. Department of Energy (DOE) weatherization funds, so continuing to allocate some portion of these funds for this activity allows households to receive more comprehensive assistance than if they were to be served solely by DOE WAP funds.

- The Department allocates 10% of LIHEAP funds for Department and subrecipient planning and administrative costs.

The draft version of the 2027 LIHEAP State Plan was approved to be released for public comment by the Board on April 9, 2026. The public comment period was open from April 24, 2026, to May 15, 2026, and four public hearings were held at four locations throughout the state May 12-14, 2026. Public comment was received and a summary of this comment with a Department response is provided in Attachment A.

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

The Previous Participation Rule (10 TAC, Chapter 1, Subchapter C, §1.302) requires a review of LIHEAP awards prior to recommendation to the Board. These LIHEAP awards are subject to this review and are listed in Attachment B. The review has been performed and all awards in Attachment B are recommended for award with no conditions except for South Texas Development Council and Tri-County Community Action which are recommended for award with the following conditions:

Agency	Condition
South Texas Development Council (STDC)	This award is conditioned on the results of the SOAH hearing anticipated to convene on August 11, 2026 . SOAH will issue a proposal for decision to the TDHCA Governing Board recommending whether there is cause to terminate funding to STDC. The TDHCA Governing Board will be provided the proposal for decision, and it will be considered as part of any final order by the Board in the matter. If the TDHCA Governing Board determines there is cause to terminate funding, STDC's status as a LIHEAP subrecipient will be terminated.

Tri-County Community Action	Tri-County Community Action is required to provide all documentation relating to the FYE 2025 Single Audit on or before January 1, 2027 . The compliant Single Audit must also be uploaded and accepted by the Federal Audit Clearinghouse, with confirmation provided to the Department. Depending on the results of that Single Audit, the Department may impose additional conditions upon the Contract in accordance with 2 CFR §200.207.
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ATTACHMENT A: SUMMARY OF PUBLIC COMMENT AND STAFF RESPONSE

The Department accepted public comment from April 24, 2026, through May 15, 2026, and conducted four public hearings May 12-14, 2026, in Houston, Fort Worth, Odessa and Austin. Comment was received from three individuals representing three organizations. Comments and responses are presented in the following table. Note that public comment numbers are assigned and used to identify commenters.

#	Commenter	Organization
1	Glynniece Herron, CEAP Program Director	BakerRipley
2	Daniel Araiza, WAP Program Manager	Dallas County Health & Human Services
3	Michelle Doonkeen, Assistant Director CEAP/CSBG	City of Fort Worth

Commenter	Comment Summary	Staff Response	Proposed Changes to the Plan
#1	<p><u>CEAP Benefit Levels in Sections 2.6 Heating, 3.6 Cooling, 4.7 Crisis, and Attachment 3 Benefits Matrix.</u></p> <p>Commenter expresses concern over the benefit levels and asks that they be increased from their current level at \$1200/\$1500/\$1800 to \$1600/\$1900/\$2200.</p>	<p>The Department appreciates the comment. At this time, the Department does not intend to increase the CEAP benefit levels. Because the amount of LIHEAP funding for Texas cannot meet the demand or need, the Department must balance the two (i.e., funding amount and need). Increasing benefit levels will serve less households, while decreasing benefit levels will serve more households. The Department recognizes that energy costs in Texas have increased over the last several years, which also increases the number of those in need and those applying for utility assistance. The Department decreased the benefit levels in January 2025 due to a decrease in additional federal funding for LIHEAP after the COVID pandemic.</p>	No change.

<p>#2</p>	<p><u>Section 5 Weatherization Assistance.</u> Commenter requests that the Department consider an increase to the Health and Safety budget in the LIHEAP Plan due to a rise in the cost of construction materials and labor which increases the average cost of health and safety repairs per unit. These rising costs have forced the Dallas County Weatherization Assistance Program to scale back on the installation and repair of essential health and safety measures (e.g., emergency heating and cooling replacements, gas line, hording remediation, ventilation, and electrical safety repairs) that are necessary to protect the occupants of the unit.</p>	<p>The Department appreciates the comment. Health and safety costs are not addressed in the LIHEAP Plan but are addressed in the DOE Plan which has already been out for public comment; however, the Department did provide data in the DOE WAP Plan which can justify an increase to the total average health and safety cost per unit. The Department believes it has data to support an increase and will work with DOE in the coming months to increase the allowable total average health and safety cost per unit. If DOE approves the increase, then this increase will be reflected in the DOE WAP Plan.</p>	<p>No change.</p>
<p>#3</p>	<p><u>CEAP Benefit Levels in Sections 2.6 Heating, 3.6 Cooling, 4.7 Crisis, and Attachment 3 Benefits Matrix.</u> Commenter asked whether any economic analysis goes into the Department’s determination of the CEAP maximum benefit levels and whether current market conditions are considered.</p>	<p>The Department appreciates the question. In its consideration of benefit levels, the Department uses information and data provided by the U.S. Energy Information Administration (EIA) which shows the annual statewide residential average retail price of electricity; however, this is not the sole factor in determining CEAP benefit levels. Other important factors in determining benefit levels include, but is not limited to, the amount of funding available for the program, the amount of need, and how benefit levels may affect CEAP subrecipients’ ability to expend funds in a timely manner.</p>	<p>No change.</p>

ATTACHMENT B: LIST OF SUBRECIPIENTS AND ALLOCATIONS

2027 LIHEAP CEAP ALLOCATIONS

Contract Period: January 1, 2027 - December 31, 2027

	SUBRECIPIENT	ALLOCATION
1	Aspermont Small Business Development Council	674,184
2	BakerRipley	24,908,011
3	Bexar County Community and Development Services	10,091,801
4	Brazos Valley Community Action Programs	4,618,390
5	City of Fort Worth	7,620,520
6	City of Lubbock	1,666,838
7	Combined Community Action Agency	2,851,049
8	Community Action Corporation of South Texas	5,425,675
9	Community Action Inc. of Central Texas	1,151,094
10	Community Council of South-Central Texas	6,204,604
11	Community Services of Northeast Texas	2,500,151
12	Concho Valley Community Action Agency	1,846,972
13	Cornerstone Community Action Agency	971,877
14	Crossroads Community Action	1,569,040
15	Dallas County Department of Health and Human Services	12,278,078
16	Economic Action Committee of the Gulf Coast	582,701
17	Economic Opportunities Advancement Corporation of PR XI	3,101,856
18	El Paso Community Action Program-Project Bravo	5,904,927
19	Greater East Texas Community Action Program	8,926,418
20	Hidalgo County Community Services Agency	7,749,543
21	Hill Country Community Action Association	2,586,751
22	Kleberg County Human Services	2,701,582
23	Nueces County Community Action Agency	2,069,664
24	Opportunities for Williamson & Burnet Counties	1,281,070
25	Panhandle Community Services	3,637,923
26	Pecos County Community Action Agency	1,031,046
27	Rolling Plains Management Corporation	2,765,412
28	South Plains Community Action Association	1,846,659
29	South Texas Development Council*	1,233,084
30	Texas Neighborhood Services	1,867,355
31	Texoma Council of Governments	5,490,942
32	Travis County Health and Human Services	4,335,972
33	Tri-County Community Action Inc.*	2,122,056
34	Webb County Community Action Agency	2,143,165
35	West Texas Opportunities	2,929,597
	Total	\$148,686,007

Note: All figures are estimates and based on 2026 allocations. Staff will proportionally revise the award amounts according to formula upon Congressional approval and receipt of grant notifications from the U.S. Department of Health and Human Services.

*The Board has placed a condition on these awards that must be met before a contract is executed.

2027 LIHEAP WAP ALLOCATIONS

Contract Period: January 1, 2027 - December 31, 2027

	SUBRECIPIENT	ALLOCATION
1	Alamo Area Council of Governments	1,505,936
2	BakerRipley	2,743,879
3	Brazos Valley Community Action Programs	559,715
4	City of Fort Worth	922,447
5	Combined Community Action Agency	484,955
6	Community Action Corporation of South Texas	2,301,433
7	Community Council of South-Central Texas	549,684
8	Concho Valley Community Action Agency	265,133
9	Crossroads Community Action	433,352
10	Dallas County Department of Health and Human Services	1,485,196
11	Economic Opportunities Advancement Corporation of Planning Region XI	445,641
12	El Paso Community Action Program-Project Bravo	715,160
13	Greater East Texas Community Action Program	1,498,051
14	Hill Country Community Action Association	501,661
15	Nueces County Community Action Agency	251,765
16	Panhandle Community Services	441,250
17	Rolling Plains Management Corporation	617,058
18	South Plains Community Action Association	425,914
19	Texoma Council of Governments	966,919
20	Travis County Health and Human Services	525,591
21	West Texas Opportunities	355,666
	Total	\$17,996,406

Note: All figures are estimates and based on 2027 allocations. Staff will proportionally revise the award amounts according to formula upon Congressional approval and receipt of grant notifications from the U.S. Department of Health and Human Services.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

PUBLIC LAW 97-35, AS AMENDED

FEDERAL FISCAL YEAR 2026

GRANTEE: Texas Department of Housing and Community Affairs

EIN: 17426105429

ADDRESS: P.O. Box 13941

Austin, Texas 78711-3941

LIHEAP COORDINATOR: Michael DeYoung

EMAIL: michael.deyoung@tdhca.state.tx.us

TELEPHONE: (512) 475-2125 FAX: (512) 475-3935

CHECK ONE: TRIBE / TRIBAL ORGANIZATION _____ STATE X _____ INSULAR AREA _____

**Department of Health and Human Services
Administration for Children and Families
Office of Community Services
Washington, DC 20447**

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Approval No. 0970-0075

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)

Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Assurances

The Texas Department of Housing and Community Affairs agrees to:

(1) use the funds available under this title to--

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs, and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving--

(i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed an amount equal to 150 percent of the poverty level for such State; or

(i) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a Federal fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-

income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that--

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the Federal fiscal year preceding the Federal fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to--

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that--

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a Federal fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) beginning in Federal fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Certification to the Assurances: As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended. By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.

Signature: _____

Title: Executive Director, Texas Department of Housing and Community Affairs

Date: August 2026 *(The exact date to be notated in USHHS OLDC system at time of submission.)*

The Governor of Texas has delegated the responsibility of signing this document to the Executive Director of the Texas Department of Housing and Community Affairs. A copy of the letter is attached.

The Unique Entity ID (SAM) of the Texas Department of Housing & Community Affairs, which receives the grant funds, appears on the cover of this application.

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

Section 1

NOTE: Capitalized terms are defined in Title 10, Chapters 1, 2, or 6 (as applicable) of the Texas Administrative Code or by federal law.

Program Components, 2605(a), 2605(b)(1) – Assurance 1, 2605(c)(1)(C)

1.1 Check which components you will operate under the LIHEAP program. (Note: You must provide information for each component designated here as requested elsewhere in this plan.)

Dates of Operation

NOTE: Identification of these periods does not limit the payment of assistance on any “seasonal” basis.

- Heating assistance Start date: 10/01/2026 End date: 09/30/2028
- Cooling assistance Start date: 10/01/2026 End date: 09/30/2028
- Crisis assistance Start date: 10/01/2026 End date: 09/30/2028
- Weatherization assistance Start date: 10/01/2026 End date: 09/30/2028

Estimated Funding Allocation, 2604(c), 2605(k)(1), 2605(b)(9), 2605(b)(16) – Assurances 9 and 16

1.2 Estimate what amount of available LIHEAP funds will be used for each component that you will operate: **The total of all percentages must add up to 100%**

15% heating assistance

50% cooling assistance

10% crisis assistance

Up to 15% weatherization assistance NOTE: If 15% is not used for weatherization assistance, the balance will be added to heating, cooling, or crisis assistance as needed.

0% carryover to the following Federal fiscal year

10% administrative and planning costs

0% services to reduce home energy needs including needs assessment (Assurance 16)

0% used to develop and implement leveraging activities

100% **TOTAL**

Alternate Use of Crisis Assistance Funds, 2605(c)(1)(C)

1.3 The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:

- Heating assistance
- Weatherization assistance
- Cooling assistance
- Other (specify): funds are utilized for all eligible components.

Categorical Eligibility, 2605(b)(2)(A) – Assurance 2, 2605(c)(1)(A), 2605(b)(8A) – Assurance 8

1.4 Do you consider households categorically eligible if at least one household member receives at least one of the following categories of benefits in the left column below? Yes No

Program	Cooling	Heating	Crisis	Weatherization
Temporary Assistance for Needy Families	Yes	Yes	Yes	Yes
Supplemental Security Income	Yes	Yes	Yes	Yes
Supplemental Nutrition Assistance Program	Yes	Yes	Yes	Yes
Means-tested Veterans Programs	Yes	Yes	Yes	Yes

1.4a. - Provide your definition of categorical eligibility.

Categorical Eligibility for CEAP benefits exists when at least one person in the Household receives assistance from:

- (1) SSI payments from the Social Security Administration;
- (2) Means Tested Veterans Program payments. See paragraph (37) of §6.2 of this chapter (relating to Definitions);
- (3) Supplemental Nutrition Assistance Program (SNAP); or
- (4) Temporary Assistance for Needy Families (TANF).

1.5 Do you automatically enroll households without a direct annual application?
 Yes No

1.6 How do you ensure there is no difference in the treatment of categorically eligible households from those not receiving other public assistance when determining eligibility and benefit amounts?
Texas provides Categorical Eligibility for SNAP, TANF, SSI, and Means-Tested Veterans Programs. State rules have a provision that there is to be no difference in the treatment of Categorically Eligible Households. The Department has a system for persons to submit complaints, and the monitoring reviews would also note any differences in treatment of persons that are or are not Categorically Eligible.

SNAP Nominal Payments

1.7 Do you allocate LIHEAP funds toward a nominal payment for SNAP households? If you answered “yes” to question 1.7a you must provide a response to 1.7b, 1.7c, 1.7d.

- a. Yes No
- b. Amount of Nominal Assistance: \$ ___ NA _____
- c. Frequency of Assistance:
 - Once per year
 - Once every five years
 - Other (describe): _____ NA _____
- d. How do you confirm that the household receiving a nominal payment has an energy cost or need?

Determination of Eligibility – Countable Income

1.8 In determining a household’s income eligibility for LIHEAP, do you use gross income or net income?

- Gross Income (except for self-employment or farm income or gambling/lottery winnings)
- NOTE: Exceptions on use of gross income are provided for in 10 TAC §6.4.
- Net Income

Other – Describe:

1.9. Select all of the applicable forms of countable income used to determine a household’s income eligibility for LIHEAP.

- Wages (except as prohibited by the Workforce Investment Act of 1998)
- Self-employment income
- Contract income
- Payments from mortgage or sales contracts
- Unemployment Insurance
- Strike pay
- Social Security Administration (SSA) benefits
 - Including MediCare deduction
 - Excluding MediCare deduction
- Supplemental Security Income (SSI)
- Retirement / pension benefits
- General Assistance benefits (except as excluded by federal law or 10 TAC §6.4)
- Temporary Assistance for Needy Families (TANF) benefits (except for one-time payments)
- Supplemental Nutrition Assistance Program (SNAP) benefits
- Women, Infants, and Children Supplemental Nutrition Program (WIC) benefits
- Loans that need to be repaid
- Cash gifts
- Savings account balance
- One-time lump-sum payments, such as rebates/credits, refund deposits, etc.
- Jury duty compensation
- Rental income
- Income from employment through Workforce Investment Act (WIA)
- Income from work study programs
- Alimony
- Child support
- Interest, dividends, or royalties

- Commissions
- Legal settlements
- Insurance payments made directly to the insured
- Insurance payments made specifically for the repayment of a bill, debt, or estimate
- Veterans Administration (VA) benefits (except for 38 USC 1315, 1521, 1541, 1542)
- Earned income of a child under the age of 18
- Balance of retirement, pension, or annuity accounts where funds cannot be withdrawn without a penalty.
- Income tax refunds
- Stipends from senior companion programs, such as VISTA
- Funds received by household for the care of a foster child
- AmeriCorps Program payments for living allowances, earnings, and in-kind aid (except if the CEO of the CNCS has made a determination that it be included income).
- Reimbursements (for mileage, gas, lodging, meals, etc.)
- Other Any item not excluded in 10 TAC §6.4 or by other federal law.

1.10 Do you have an online application process

- Yes No

1.10 a. If yes, describe the types of online application (Select all that apply)

- A PDF version of the application available online and can be downloaded, filled out and mailed in for processing.
- A state-wide online application that allows a customer to complete data entry and submit an application electronically for processing.
- One or more locally available online applications that allows a customer to complete data entry and submit an application electronically for processing.
- Online application that is also mobile friendly
- Other, please describe

NOTE: Some subrecipients have an online application that is form fillable or downloadable off their website, and can be submitted either electronically or by mail.

1.10b Can all program components be applied for online?

- Yes No

If no, explain which components can and cannot be applied for online.

Some of the State's subrecipients/contractors have an application to download from their website. A few subrecipients have an on-line application system.

1.11 Do you have a process for conducting and completing applications by phone

- Yes No

1.12 Do you or any of your subrecipients require in person appointments in order to apply

- Yes No

If yes, please provide more information regarding why in-person appointments are required and in what circumstances they are required.

1.13 How can applicants submit documentation for verification? Select all that apply:

- In person
- Mail
- Email

- Portal application
- Other, please describe: The responses relate to the State’s subrecipients/contractors.

Section 2 - HEATING ASSISTANCE

Eligibility, 2605(b)(2) – Assurance 2

2.1 Designate the income eligibility threshold used for the heating component:

<i>Household Size</i>	<i>Eligibility Guidelines</i>	<i>Eligibility Threshold</i>
All Household Sizes	USHHS Poverty Guidelines	150%

2.2 Do you have additional eligibility requirements for **HEATING ASSISTANCE**?

(NOTE: 10 TAC §6.307(f) states: “A Dwelling Unit cannot be served if the meter is utilized by another Household that is not part of the application for assistance. In instances where separate structures share a meter and the applicant is otherwise eligible for assistance, Subrecipient must provide services if: (1) the members of the separate structures that share a meter meet the definition of a Household per §6.2 of this Chapter (relating to Definitions); (2) the members of the separate structures that share a meter submit one application as one Household; and (3) all persons and applicable income from each structure are counted when determining eligibility.”)

- Yes No

2.3 Check the appropriate boxes below and describe the policies for each.

- | | Yes | No |
|--|--------------------------|-------------------------------------|
| ● Do you require an assets test? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Do you have additional/differing eligibility policies for: | | |
| ● Renters? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Renters living in subsidized housing? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Renters with utilities included in the rent? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

(NOTE: Per 10 TAC §6.309(i)(7), Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating household of the amount of assistance paid on its behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of customer is deducted from customer's rent.)

- | | | |
|---|-------------------------------------|--------------------------|
| ● Do you give priority in eligibility to: | | |
| ● Older Adults (60 years or older)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Individuals with a disability? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Young children? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Households with high energy burdens? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Other? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Households with high energy consumption | | |

Explanations of policies for each “yes” checked above for Older Adults and for individuals with a disability, young children, high energy burden, and high energy consumption:

10 TAC §6.307(e) states “Subrecipients must establish a written procedure to serve Households that have a Vulnerable Population Household member, Households with High Energy Burden, and Households with High Energy Consumption. High Energy Burden shall be the highest rated item in sliding scale priority

determinations. The Subrecipient must maintain documentation of the use of the criteria.” The state will provide a written procedure to a statewide or regional contractor.

Determination of Benefits, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

2.4 Describe how you prioritize the provision of heating assistance to vulnerable households, e.g., benefit amounts, application period, etc.

Subrecipients and statewide or regional contractors use a rating system which determines priority based on persons in Households who are particularly vulnerable such as the Elderly, Persons with Disabilities, Households with Young Children, Households with High Energy Burden, and Households with High Energy Consumption. Benefit amounts are determined on a sliding scale based on the Household’s income. Households with the presence of a vulnerable member such as the Elderly, Persons with Disabilities, and Households with Young Children do not have a limit on the number of benefit payments, but adhere to the same benefit amounts. The maximum benefit amount is determined per program year based on the Household’s heating and cooling need and is not required to be applied equally to heating and cooling costs.

2.5 Check the variables you use to determine your benefit levels. (Check all that apply):

- Income
- Family (household) size
- Home energy cost or need:
 - Fuel type
 - Climate/region
 - Individual bill
 - Dwelling type
 - Energy burden (% of income spent on home energy)
 - Energy need
 - Other (Describe:)

Other: Subrecipient must make utility payments on behalf of Households based on the previous 12 month's home energy consumption history, including allowances for cost inflation. If a 12 month's home energy consumption history is unavailable, Subrecipient must base payments on a Department approved alternative billing method. If neither a 12 month’s home energy consumption history nor an approved alternative billing method exists, then Subrecipient may base payments on current bill. Subrecipient will note such exceptions in customer files. Benefit amounts exceeding the actual bill shall be treated as a credit for the customer with the utility company. The Department recommends an ABM where the Subrecipient determines the average consumption amount (kWh, therms, MCF, gallons, etc.) per month, for each household size and type based on a minimum sample size of 30 files that contain complete billing histories; however, if it is not possible for subrecipients to obtain the recommended 30 file per household sample size to create an average consumption amount, Subrecipients should use all the applicable files to determine the average consumption and document the lack of files for that household size. Subrecipients can propose other types of ABMs. The state will provide statewide or regional contractors other types of ABMs, if required. The ABM proposed by the Subrecipient must be approved by the Department prior to utilization.

Benefit Levels, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

2.6 Describe estimated benefit levels for FY 2024:

\$1 Minimum benefit \$12,600 Maximum benefit

Note: The State of Texas does not have a minimum benefit amount. The amount of benefit/assistance indicates \$1.00 because the OLDC system requires that a figure be inserted in the minimum amount.

The maximum benefit amount per household is \$12,600 per program year and could be reached if a household received up to \$1,800 in Crisis Assistance, \$1,800 in Utility Assistance, and a \$9,000 purchase, repair or replacement of a heating or cooling unit or crisis-related purchase of portable cooling and/or hearing units/window units/evaporative coolers/mini splits. The initial assistance payment that would include arrears does not count towards the annual benefit cap for a household.

The amount of benefit/assistance that an applicant is eligible for is based on their level of household income. Per 10 TAC §6.309(e), Households with incomes 0-50% of Federal Poverty Income Guidelines (FPIG) have a maximum of \$1,800 for the Utility Assistance Component and the Crisis Assistance Component; Households with incomes more than 50% but at or below 75% FPIG have a maximum of \$1,500 per Component; Households with incomes more than 75% but at or below 150% FPIG have a maximum of \$1,200 per Component; and there is a maximum of up to \$9,000 for the purchase, service or repair of heating and cooling units, replacement of irreparable existing heating and cooling unit components, or the purchase of portable cooling and/or hearing units/window units/evaporative coolers/mini splits depending on the classification of the household as vulnerable or non-vulnerable and whether a crisis exists. Subrecipients should attempt to repair individual components of a system; if a component(s) of the heating or cooling system cannot be repaired using parts, the Subrecipient can replace the component(s) in order to repair the heating or cooling system. The Department allows payment of 100% of a customer's annual usage in one lump sum payment. See 10 TAC §6.309, §6.310, and §6.311 for details.

2.7 Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

Yes No -- If yes, describe.

Under 10 TAC §6.310(c) Crisis Assistance Component, low income households may also be eligible for the following:

- 1) Emergency deliveries of fuel up to 250 gallons per crisis per Household including coverage for tank pressure testing;
- 2) Utility reconnection costs;
- 3) Blankets;
- 4) For Non-Vulnerable Populations, service and repair of existing heating and cooling units is allowed when the Household has an inoperable heating or cooling system or the system is not functioning according to its intended purpose;
- 5) For Households meeting the definition of Life-Threatening Crisis, purchase of portable cooling and/or heating units, window units, evaporative coolers, and mini splits is allowable;
- 6) Fans; and
- 7) Generators.

When Disasters result in energy supply shortages or other energy-related emergencies, eligible households may also receive assistance to cover the cost of temporary shelter or transportation. For a complete description and more detail concerning these benefits and their eligibility requirements, refer to 10 TAC §6.310.

Per §6.310(d), eligible households may receive temporary shelter not to exceed the annual household expenditure limit for the duration of the contract period in the limited instances when Disasters result in energy supply shortages or other energy-related emergencies. Additionally, eligible households that have lost service or are in immediate danger of losing service and fall under an Extreme Weather Condition, a Disaster, or a Life Threatening Crisis as defined under §6.310(a), may receive other types of assistance such as emergency deliveries of fuel up to 250 gallons per crisis per Household, blankets, fans, and generators, if necessary.

Section 3: COOLING ASSISTANCE

Eligibility, 2605(c)(1)(A), 2605(b)(2) – Assurance 2

3.1 Designate the income eligibility threshold used for the cooling component:

#	Household Size	Eligibility Guidelines	Eligibility Threshold
1	All Household Sizes	USHHS Poverty Guidelines	150%

3.2 Do you have additional eligibility requirements for **COOLING ASSISTANCE**

Yes No

NOTE: 10 TAC §6.307(f) states: “A Dwelling Unit cannot be served if the meter is utilized by another Household that is not part of the application for assistance. In instances where separate structures share a meter and the applicant is otherwise eligible for assistance, Subrecipient must provide services if: (1) the members of the separate structures that share a meter meet the definition of a Household per §6.2 of this Chapter (relating to Definitions); (2) the members of the separate structures that share a meter submit one application as one Household; and (3) all persons and applicable income from each structure are counted when determining eligibility.”

3.3 Check the appropriate boxes below and describe the policies for each.

	<u>Yes</u>	<u>No</u>
● Do you require an assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Do you have additional/differing eligibility policies for:		
● Renters?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Renters living in subsidized housing?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Renters with utilities included in the rent?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

NOTE: Per 10 TAC §6.309(i)(7), Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating household of the amount of assistance paid on its behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of customer is deducted from customer’s rent.

● Do you give priority in eligibility to:

- Older Adults (60 years or older)?
- Individuals with a disability?

- Young children?
- Households with high energy burdens?
- Other?
Households with high energy consumption

Explanations of policies for each “yes” checked above for Older Adults, individuals with a disability, young children, high energy burden, and high energy consumption:

10 TAC §6.307(e) states “Subrecipients must establish a written procedure to serve Households that have a Vulnerable Population Household member, Households with High Energy Burden, and Households with High Energy Consumption. High Energy Burden shall be the highest rated item in sliding scale priority determinations. The Subrecipient must maintain documentation of the use of the criteria.” The state will provide a written procedure to a statewide or regional contractor.

3.4 Describe how you prioritize the provision of cooling assistance to vulnerable households, e.g., benefit amounts, application periods, etc.

Subrecipients and statewide or regional contractors use a rating system which determines priority based on persons in Households who are particularly vulnerable such as the Elderly, Persons with Disabilities, Families with Young Children, Households with High Energy Burden, and Households with High Energy Consumption. Benefit amounts are determined on a sliding scale based on the Household’s income. Households with the presence of a vulnerable member such as the Elderly, Persons with Disabilities, and Households with Young Children do not have a limit on the number of benefit payments, but adhere to the same benefit amounts. The maximum benefit amount is determined per-program year based on Household’s heating and cooling needs and is not required to be applied equally to heating and cooling costs.

Determination of Benefits, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

3.5 Check the variables you use to determine your benefit levels. (Check all that apply):

- Income
- Family (household) size
- Home energy cost or need
 - Fuel type
 - Climate/region
 - Individual bill
 - Dwelling type
 - Energy burden (% of income spent on home energy)
 - Energy need
 - Other (describe)

Other: Subrecipient must make utility payments on behalf of Households based on the previous 12 month's home energy consumption history, including allowances for cost inflation. If a 12 month's home energy consumption history is unavailable, Subrecipient must base payments on a Department approved alternative billing method. If neither a 12 month’s home energy consumption history nor an approved alternative billing method exists, then Subrecipient may base payments on current bill. Subrecipient will note such exceptions in customer files. Benefit amounts exceeding the actual bill shall be treated as a credit for the customer with the utility

company. The Department recommends an ABM where the Subrecipient determines the average consumption amount (kWh, therms, MCF, gallons, etc.) per month, for each household size and type based on a minimum sample size of 30 files that contain complete billing histories; however, if it is not possible for subrecipients to obtain the recommended 30 file per household sample size to create an average consumption amount, Subrecipients should use all the applicable files to determine the average consumption and document the lack of files for that household size. Subrecipients can propose other types of ABMs. The ABM proposed by the Subrecipient must be approved by the Department prior to utilization.

Benefit Levels, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

3.6 Describe benefit levels:

\$1 Minimum benefit \$12,600 Maximum benefit

Note: The State of Texas does not have a minimum benefit amount. The amount of benefit/assistance indicates \$1.00 because the OLDC system requires that a figure be inserted in the minimum amount.

The maximum benefit amount per household is \$12,600 per program year and could be reached if a household received up to \$1,800 in Crisis Assistance, \$1,800 in Utility Assistance, and a \$9,000 purchase, repair or replacement of a heating or cooling unit or crisis-related purchase of portable cooling and/or hearing units/window units/evaporative coolers/mini splits. The initial assistance payment that would include arrears does not count towards the annual benefit cap for a household.

The amount of benefit/assistance that an applicant is eligible for is based on their level of household income. Per 10 TAC §6.309(e), Households with incomes 0-50% of Federal Poverty Income Guidelines (FPIG) have a maximum of \$1,800 for the Utility Assistance Component and the Crisis Assistance Component; Households with incomes more than 50% but at or below 75% FPIG have a maximum of \$1,500 per Component; Households with incomes more than 75% but at or below 150% FPIG have a maximum of \$1,200 per Component; and there is a maximum of up to \$9,000 for the purchase, service or repair of heating and cooling units, replacement of irreparable existing heating and cooling unit components, or the purchase of portable cooling and/or hearing units/window units/evaporative coolers/mini splits depending on the classification of the household as vulnerable or non-vulnerable and whether a crisis exists. Subrecipients should attempt to repair individual components of a system; if a component(s) of the heating or cooling system cannot be repaired using parts, the Subrecipient can replace the component(s) in order to repair the heating or cooling system. The Department allows payment of 100% of a customer's annual usage in one lump sum payment. See 10 TAC §6.309, §6.310, and §6.311 for details.

3.7 Do you provide in-kind (e.g., fans, air conditioners) and/or other forms of benefits?

Yes No -- If yes, describe.

Under 10 TAC §6.310(c) Crisis Assistance Component, low income households may also be eligible for the following:

- 1) Emergency deliveries of fuel up to 250 gallons per crisis per Household including coverage for tank pressure testing;
- 2) Utility reconnection costs;

- 3) Blankets;
- 4) For Non-Vulnerable Populations, service and repair of existing heating and cooling units is allowed when the Household has an inoperable heating or cooling system or the system is not functioning according to its intended purpose;
- 5) For Households meeting the definition of Life-Threatening Crisis, purchase of portable cooling and/or heating units, window units, evaporative coolers, and mini splits is allowable;
- 6) Fans; and
- 7) Generators.

When Disasters result in energy supply shortages or other energy-related emergencies, eligible households may also receive assistance to cover the cost of temporary shelter or transportation. For a complete description and more detail concerning these benefits and their eligibility requirements, refer to 10 TAC §6.310.

Per 10 TAC §6.310(d), eligible households may receive temporary shelter not to exceed the annual household expenditure limit for the duration of the contract period in the limited instances when Disasters result in energy supply shortages or other energy-related emergencies. Additionally, eligible households that have lost service or are in immediate danger of losing service and fall under an Extreme Weather Condition, a Disaster, or a Life Threatening Crisis as defined under 10 TAC §6.310(a), may receive other types of assistance such as emergency deliveries of fuel up to 250 gallons per crisis per Household, blankets, fans, and generators, if necessary.

Section 4: CRISIS ASSISTANCE

Eligibility - 2604(c), 2605(c)(1)(A)

4.1 Designate the income eligibility threshold used for the crisis component:

#	Household Size	Eligibility Guidelines	Eligibility Threshold	
1	All Household Sizes	USHHS Poverty Guidelines	150%	

4.2 Provide your LIHEAP program’s definition for determining a crisis.

Crisis Assistance can be provided to persons who have already lost service or are in immediate danger of losing service only under one of the following conditions, as defined in 10 TAC §6.301 (relating to Background and Definitions):

- (1) Extreme Weather Conditions, with assistance provided within 48 hours;
- (2) Disaster, with assistance provided within 48 hours; or
- (3) Life Threatening Crisis, with assistance provided within 18 hours.

4.3 What constitutes a life-threatening crisis?

A Life Threatening Crisis exists when the life of at least one person in the applicant Household who is a U.S. Citizen, U.S. National, or a Qualified Alien would likely, in the opinion of a reasonable person, be endangered if utility assistance or heating and cooling assistance is not provided. Examples of life endangerment include, but are not limited to, a Household member who needs electricity for life-sustaining equipment (e.g., kidney dialysis machines, oxygen concentrators, medicinal refrigeration and cardiac monitors); a Household member whose medical professional has prescribed that the ambient air temperature be maintained at a certain temperature; a Household member whose life is endangered if

absence of heating or cooling were to continue; or the presence of noxious gases as a result of heating or cooling the Dwelling Unit. In cases concerning an applicant's medical condition or need for life-sustaining equipment, documentation must not be requested about the medical condition of the applicant but the applicant must affirm that such a device is required in the Dwelling Unit because of a life threatening illness or risk of death.

Crisis Requirements, 2604(c)

4.4 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households? 48 Hours

4.5 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households in life-threatening situations? 18 Hours

NOTE: Pursuant to §2604(c)(2) of the LIHEAP Statute, the Department provides “some form of assistance that will resolve the energy crisis” not later than 18 hours after a household applies for crisis benefits if such household is eligible to receive such benefits and is in a life-threatening situation.

Crisis Eligibility, 2605(c)(1)(A)?

4.6 Do you have additional eligibility requirements for **CRISIS ASSISTANCE**?

Yes No

4.7 Check the appropriate boxes below and describe the policies for each.

- | | <u>Yes</u> | <u>No</u> |
|---|-------------------------------------|-------------------------------------|
| ● Do you require an assets test? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Do you give priority in eligibility to: | | |
| ● Older Adults (60 years and older)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Individuals with a disability? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Young children? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Households with high energy burdens? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Other? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Households with high energy consumption | | |
| ● In order to receive crisis assistance: NOTE: The program has different requirements depending on whether the household contains a member of a priority group. | | |
| ● Must the household have received a shut-off notice or have a near empty tank? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Must the household have been shut off or have an empty tank? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Must the household have exhausted their regular heating benefit? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Must renters with heating costs included in their rent have received an eviction notice? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Must heating/cooling be medically necessary? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

- Must the household have non-working heating or cooling equipment?
- Other?

Explanation for Other: Crisis Assistance can be provided to persons who have already lost service or are in immediate danger of losing service only under one of the following conditions, as defined in 10 TAC §6.301 (relating to Background and Definitions):

- (1) Extreme Weather Conditions, with assistance provided within 48 hours;
- (2) Disaster, with assistance provided within 48 hours; or
- (3) Life Threatening Crisis, with assistance provided within 18 hours.

● Do you have additional/differing eligibility policies for:

- Renters?
- Renters living in subsidized housing?
- Renters with utilities included in the rent?

NOTE: Per 10 TAC §6.309(i)(7), Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating household of the amount of assistance paid on its behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of customer is deducted from client's rent.

Explanation for “yes” responses: The maximum benefit amount per household is \$12,600 per program year and could be reached if a household received up to \$1,800 in Crisis Assistance, \$1,800 in Utility Assistance, and a \$9,000 purchase, repair or replacement of a heating or cooling unit or crisis-related purchase of portable cooling and/or hearing units/window units/evaporative coolers/mini splits. The initial assistance payment that would include arrears does not count towards the annual benefit cap for a household.

The amount of benefit/assistance that an applicant is eligible for is based on their level of household income. Per 10 TAC §6.309(e), Households with incomes 0-50% of Federal Poverty Income Guidelines (FPIG) have a maximum of \$1,800 for the Utility Assistance Component and the Crisis Assistance Component; Households with incomes more than 50% but at or below 75% FPIG have a maximum of \$1,500 per Component; Households with incomes more than 75% but at or below 150% FPIG have a maximum of \$1,200 per Component; and there is a maximum of up to \$9,000 for the purchase, service or repair of heating and cooling units, replacement of irreparable existing heating and cooling unit components, or the purchase of portable cooling and/or hearing units/window units/evaporative coolers/mini splits depending on the classification of the household as vulnerable or non-vulnerable and whether a crisis exists. Subrecipients should attempt to repair individual components of a system; if a component(s) of the heating or cooling system cannot be repaired using parts, the Subrecipient can replace the component(s) in order to repair the heating or cooling system. The Department allows payment of 100% of a customer’s annual usage in one lump sum payment. See 10 TAC §6.309, §6.310, and §6.311 for details.

Determination of Benefits

4.8 How do you handle crisis situations?

Separate component

Fast Track

Other

4.9 If you have a separate component, how do you determine crisis assistance benefits?

Amount to resolve crisis, up to a maximum of \$1,800

Other
Heating and cooling equipment repair or replace up to \$9,000

Crisis Requirements, 2604(c)

4.10 Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served?

Yes No

Explain: In addition to what is already stated in Section 2604(c)(3) of the LIHEAP Statute regarding the requirement that each Subrecipient accept applications at sites that are geographically accessible to all Households in the area to be served, 10 TAC §6.313(c) states “Subrecipient shall handle Reasonable Accommodation requests, in accordance with §1.204 of this title (relating to Reasonable Accommodations).” 10 TAC §1.204 (b) General Considerations in Handling of Reasonable Accommodations. An applicant, participant, or occupant who has a disability may request an accommodation and, depending on the program funding the property or activity and whether the accommodation requested is a reasonable accommodation, their request must be timely addressed.”

4.11 Do you provide individuals who have physical disabilities the means to:

■ Submit applications for crisis benefits without leaving their homes?

Yes No If no, explain.

Applications can be mailed in. In some cases, applications may be completed online or the organization will go to the applicant’s home to take the application.

In addition to what is already stated in Section 2604(c)(3) of the LIHEAP Statute regarding the requirement that each Subrecipient accept applications at sites that are geographically accessible to all Households in the area to be served, 10 TAC §6.313(c) states “Subrecipient shall handle Reasonable Accommodation requests, in accordance with §1.204 of this title (relating to Reasonable Accommodations).” 10 TAC §1.204 (b) General Considerations in Handling of Reasonable Accommodations. An applicant, participant, or occupant who has a disability may request an accommodation and, depending on the program funding the property or activity and whether the accommodation requested is a reasonable accommodation, their request must be timely addressed.”

■ Travel to the sites at which applications for crisis assistance are accepted?

Yes No If yes, explain.

If you answered “No” to both questions 4.11, please explain alternative means of intake to those who are homebound or physically disabled.

Benefit Levels, 2605(c)(1)(B)

4.12 Indicate the maximum benefit for each type of crisis assistance offered.

Winter Crisis \$ 0 maximum benefit

Summer Crisis \$ 0 maximum benefit

Year-round Crisis \$1,800 maximum benefit

4.13 Do you provide in-kind (e.g., blankets, space heaters, fans) and/or other forms of benefits?

Yes No If yes, describe.

If a component(s) of the heating or cooling system cannot be repaired using parts, the Subrecipient and statewide or regional contractors can replace the component(s) in order to repair the heating or cooling system under the Utility Assistance Component for Vulnerable Households or Crisis Assistance Component for Non-Vulnerable Households. Where replacement is required, use of Energy Star heating and/or cooling units must be prioritized. Manual J procedures will be used to confirm that the units are appropriately sized.

LIHEAP will allow home energy related expenditures as described in 10 TAC §6.310(c).

All Households experiencing a Life-Threatening Crisis may be eligible to receive portable cooling and/or heating units/window units/evaporative coolers/mini splits (portable electric heaters are allowable only as a last resort).

Under 10 TAC §6.310(c) Crisis Assistance Component, low income households may also be eligible for the following:

- 1) Emergency deliveries of fuel up to 250 gallons per crisis per Household including coverage for tank pressure testing;
- 2) Utility reconnection costs;
- 3) Blankets;
- 4) For Non-Vulnerable Populations, service and repair of existing heating and cooling units is allowed when the Household has an inoperable heating or cooling system or the system is not functioning according to its intended purpose;
- 5) For Households meeting the definition of Life-Threatening Crisis, purchase of portable cooling and/or heating units, window units, evaporative coolers, and mini splits is allowable;
- 6) Fans; and
- 7) Generators.

Per §6.310(d), eligible households may receive temporary shelter not to exceed the annual household expenditure limit for the duration of the contract period in the limited instances when Disasters result in energy supply shortages or other energy-related emergencies. Additionally, eligible households that have lost service or are in immediate danger of losing service and fall under an Extreme Weather Condition, a

Disaster, or a Life Threatening Crisis as defined under §6.310(a), may receive other types of assistance such as emergency deliveries of fuel up to 250 gallons per crisis per Household, blankets, fans, and generators, if necessary.

When Disasters result in energy supply shortages or other energy-related emergencies, eligible households may also receive assistance to cover the cost of temporary shelter or transportation. For a complete description and more detail concerning these benefits and their eligibility requirements, refer to 10 TAC §6.310.

4.14 Do you provide for equipment repair or replacement using crisis funds?

Yes No

4.15 Check appropriate boxes below to indicate type(s) of assistance provided:

Type of Assistance	Winter Crisis	Summer Crisis	Year-round Crisis
Heating system repair			X
Heating system replacement (only components of a central HVAC system)			X
Cooling system repair			X
Cooling system replacement (only components of a central HVAC system)			X
Wood stove purchase			
Pellet stove purchase			
Solar panel(s)			
Utility poles / Gas line hook-ups			
Other (Specify: Households which include a member of a Vulnerable Population with an inoperable heating or cooling unit may be eligible for service and repair of their existing heating or cooling unit. Purchase of a heating and/or cooling unit up to \$9,000 is allowable if a heating or cooling system is nonexistent. For Households who do not have a member of a Vulnerable Population, such assistance is limited to times when a Crisis exists as defined in 10 TAC §6.310(a). In a Life Threatening Crisis, all Households may be eligible to receive portable cooling and/or heating units/window units/evaporative coolers/mini splits (portable electric heaters are allowable only as a last resort).			X

4.16 Do any of the utility vendors you work with enforce a winter moratorium on shut offs? If you respond "Yes" to question 4.16, you must respond to question 4.17. Yes No

4.17 Describe the terms of the moratorium and any special dispensation received by LIHEAP clients during or after the moratorium period.

Specific to energy assistance clients, §25.483(i) of the Texas Public Utilities Commission rules provides that a Retail Electric Provider (REP) shall not authorize a disconnection for nonpayment of electric service to a delinquent residential customer for a billing period in which the REP receives a pledge, letter of intent, purchase order, or other notification that the energy assistance provider is forwarding sufficient payment

to continue service provided that such pledge, letter of intent, purchase order, or other notification is received by the due date stated on the disconnection notice, and the customer, by the due date on the disconnection notice, either pays or makes payment arrangements to pay any outstanding debt not covered by the energy assistance provider. Additionally, the rule provides that if an energy assistance provider has requested monthly usage data pursuant to §25.472(b)(4) (relating to Privacy of Customer Information), the REP shall extend the final due date on the disconnection notice, day for day, from the date the usage data was requested until it is provided; and that a REP shall allow at least 45 days for an energy assistance provider to honor a pledge, letter of intent, purchase order, or other notification before submitting the disconnection request to the TDU.

There are protections for several other categories of clients and situations applicable to LIHEAP clients served:

§25.483(g) provides that a REP shall not authorize a disconnection for nonpayment of electric service at a permanent, individually metered dwelling unit of a delinquent Critical Care Residential Customer when that customer establishes that disconnection of service will cause some person at that residence to become seriously ill or more seriously ill.

§25.483(h) provides that a REP shall not authorize a disconnection for nonpayment of electric service at a permanent, individually metered dwelling unit of a delinquent customer when that customer has been designated as a Chronic Condition Residential Customer pursuant to 25.497 with noted rule exceptions.

§25.483(j) provides that a REP shall not authorize a disconnection for nonpayment of electric service for any customer in a county in which an extreme weather emergency occurs. A REP shall offer residential customers a deferred payment plan upon request by the customer that complies with the requirements of 25.480 (relating to Bill Payment and Adjustments) for bills that become due during the weather emergency. The term “extreme weather emergency” shall mean a day when:

(A) the previous day’s highest temperature did not exceed 32 degrees Fahrenheit, and the temperature is predicted to remain at or below that level for the next 24 hours anywhere in the county, according to the nearest National Weather Service (NWS) reports; or

(B) the NWS issues a heat advisory for a county, or when such advisory has been issued on any one of the preceding two calendar days in a county.

4.18 If you experience a natural disaster, do you intend to utilize LIHEAP crisis funds to address disaster related crisis situations?

Yes No

Subrecipients are able to utilize LIHEAP for assistance during a Disaster in compliance with 10 TAC §6.310:

(d) When Disasters result in energy supply shortages or other energy-related emergencies or have lost service or are in immediate danger of losing service, CEAP will allow home energy related expenditures for:

(1) Temporary Shelter in the limited instances that supply of power to the Dwelling Unit is disrupted or in immediate danger of losing services causing a temporary evacuation.

(2) Cost to temporary Shelter or house individuals in hotel, apartments or other living situations in which homes have been destroyed or damaged when health and safety is endangered by loss of access to heating and cooling.

(3) Costs for transportation (e.g., cars, shuttles, buses) to move the individuals away from the crisis area to Shelters when health and safety is endangered by loss of access to heating and cooling.

Section 5: WEATHERIZATION ASSISTANCE

Eligibility, 2605(c)(1)(A), 2605(b)(2) – Assurance 2

5.1 Designate the income eligibility threshold used for the weatherization component:

#	Household Size	Eligibility Guidelines	Eligibility Threshold
1	All Household Sizes	USHHS Poverty Guidelines	150%
2		State	

5.2 Do you enter into an interagency agreement to have another government agency administer a **WEATHERIZATION component?** Yes No

5.3 If yes, name the agency. N/A

5.4 Is there a separate monitoring protocol for weatherization? Yes No

WEATHERIZATION - Types of Rules

5.5 Under what rules do you administer LIHEAP weatherization? (Check only one.)

Entirely under LIHEAP (not DOE) rules

Entirely under DOE WAP (not LIHEAP) rules

Mostly under LIHEAP rules with the following DOE WAP rule(s) where LIHEAP and WAP rules differ: (Check all that apply.)

Income Threshold

Weatherization of entire multi-family housing structure is permitted if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days.

Weatherization of shelters temporarily housing primarily low-income persons (excluding nursing homes, prisons, and similar institutional care facilities).

Other (describe):

- When leveraging with DOE funding, subrecipients may weatherize units up to 200% FPIG.
- If Subrecipient leverages LIHEAP with any DOE weatherization funds, all federal and state rules and current Weatherization Program Notice (WPN) requirements will apply, including but not limited to income calculation requirements as outlined in applicable DOE WPNs or updated Income Determination Notices in accordance with State Rules. An exception applies when addressing optional measures under the

LIHEAP priority list in cases where no compliant equipment is manufactured.

- Adhere to language from the Consolidated Appropriations Act of 2021 that Paragraph (2) of Section 415(c) of the Energy Conservation and Production Act (42 USC 6865(c)) is amended to allow re-weatherization for a dwelling unit not previously weatherized using federal funds until the date that is 15 years after the date such previous weatherization has passed.
- 10 TAC Part 1, Chapter 6, Subchapter D, Weatherization Assistance Program, is one area where the LIHEAP funded weatherization program adheres to DOE regulations.
- TDHCA uses a priority list for LIHEAP households at 150% or below USHHS poverty income level. A Department approved LIHEAP Priority list or a DOE approved Priority List, updated when applicable, provides the prescribed method to be used by Subrecipients when addressing weatherization measures.
- Energy-related home repair: TDHCA will allow the use of LIHEAP weatherization funds for incidental repairs only if required to enable effective weatherization.
- If LIHEAP funds are included in a DOE unit, the energy audit, or applicable priority list(s), must be used to justify all measures.
- TDHCA will allow, with written permission, LIHEAP WAP funds to be used in the weatherization of DOE Identified HUD and USDA properties using DOE income calculation requirements and Income Determination (i.e., 200% Federal Poverty Income Guidelines).

Mostly under DOE WAP rules, with the following LIHEAP rule(s) where LIHEAP and WAP rules differ: (Check all that apply.)

- Income Threshold.
- Weatherization not subject to DOE WAP maximum statewide average cost per dwelling unit.
- Weatherization measures are not subject to DOE Savings to Investment Ratio (SIR) standards.
- Other (describe)

Eligibility, 2605(b)(5) – Assurance 5

	<u>Yes</u>	<u>No</u>
5.6 Do you require an assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

5.7 Do you have additional/differing eligibility policies for:

- | | | |
|--|--------------------------|-------------------------------------|
| • Renters? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Renters living in subsidized housing? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Renters with utilities included in the rent? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

5.8 Do you give priority in eligibility to:

- Older Adults?
- Individuals with a disability?
- Young children?
- Households with high energy burdens?
- Other?

Explanation: Households with high energy consumption

Explanation for Yes responses:

10 TAC §6.406(c) states “Subrecipients must establish a written procedure to serve Households that have a Vulnerable Population Household member, Households with High Energy Burden, and Households with High Energy Consumption. High Energy Burden shall be the highest rated item in sliding scale priority determinations. The Subrecipient must maintain documentation of the use of the criteria.” The state will provide a written procedure to a statewide or regional contractor.

Subrecipients and statewide or regional contractors use a rating system which determines priority based on persons in Households who are particularly vulnerable such as the Elderly, Persons with Disabilities, Families with Young Children, Households with High Energy Burden, and Households with High Energy Consumption.

Benefit Levels

5.9 Do you have a maximum LIHEAP weatherization benefit/expenditure per household?

Yes **No**

5.9a. If yes, what is the maximum? \$12,000

5.10 Do you use an Average Cost per Unit (ACPU)?

Yes **No**

5.10a. If yes, what is ACPU amount? NA

NOTE: unless additional expenditure is authorized in writing by the Department.

Types of Assistance, 2605(c)(1), (B) & (D)

5.11 What LIHEAP weatherization measures do you provide? (Check all categories that apply.)

Weatherization needs/assessments/audits

- Caulking and insulation
- Storm windows
- Furnace/heating system modifications/repairs
- Furnace replacement
- Cooling system modifications/repairs
- Water conservation measures
- Compact fluorescent light bulbs
- Energy related roof repair
- Major appliance repairs
- Major appliance replacement
- Windows/sliding glass doors
- Doors
- Water Heater
- Cooling system replacement
- Roof top solar
- Community solar projects

Other (describe)

Solar screens or window film. Smart thermostats, incidental repairs up to \$500 only if required to enable effective weatherization; Window screens to help prevent exposure to the Zika virus for Households with pregnant women.

If an appropriate measurable savings in energy expenditures by Low-Income Households can be achieved, LIHEAP weatherization funds may be used for the installation of solar panels for eligible Households.

If any of the questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 6: Outreach, 2605(b)(3) – Assurance 3, 2605(c)(3)(A)

6.1 Select all outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:

Place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.

Publish articles in local newspapers or broadcast media announcements.

Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.

Mass mailing(s) to prior-year LIHEAP recipients.

Inform low-income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.

Execute interagency agreements with other low-income program offices to perform outreach to target groups.

Web posting

Email

Texting

Events

Social Media

Other (specify): LIHEAP Subrecipients are to conduct outreach related to the utility assistance program and other assistance provided with the LIHEAP grant. The Department encourages Subrecipients to conduct outreach through various methods to inform people without internet services about the LIHEAP utility assistance program. Entities to be informed include, but is not limited to, units of government, local non-profits, charitable organizations, and churches. Other ways that persons are to be informed is through utility vendors who include information in client bills about the LIHEAP utility assistance program and the State's phone number to contact if they need utility assistance. Some utility vendors may inform customers and persons who are pending disconnection or who have had their services disconnected about the LIHEAP provider serving their area or provide them with the State phone number to contact. LIHEAP Subrecipients also are to use social media and periodically run radio announcements and newspaper ads.

7.1 Describe how you will ensure that the LIHEAP program is coordinated with other programs available to low-income households (TANF, SSI, WAP, etc.)

- Joint application for multiple programs. Explanation: LIHEAP subrecipients have a single intake for their programs.
- Intake referrals to/from other programs. Explanation: Community Services Block Grant (CSBG) refers programs and other programs administered.
- One-stop intake centers
- Other – describe:

Section 8: Agency Designation, 2605(b)(6) – Assurance 6

8.1 How would you categorize the primary responsibility of your State agency?

- Administration Agency
- Commerce Agency
- Community Services Agency
- Energy/Environment Agency
- Housing Agency
- Welfare Agency
- Other – describe:

Alternate Outreach and Intake, 2605(b)(15) – Assurance 15

8.2 How do you provide alternate outreach and intake for **HEATING ASSISTANCE?**

Report of available services at various workgroup meetings with community stakeholders (disability, health services, homeless, etc), and presentation at area events.

8.3 How do you provide alternate outreach and intake for **COOLING ASSISTANCE?**

Report of available services at various workgroup meetings with community stakeholders (disability, health services, homeless, etc), and presentation at area events.

8.4 How do you provide alternate outreach and intake for **CRISIS ASSISTANCE**?

In instances of Disasters, subrecipients and statewide or regional contractors coordinate with other assistance organizations (shelters, Red Cross, etc.). Report of available services at various workgroup meetings with community stakeholders (disability, health services, homeless, etc), and presentation at area events.

Question 8.5	<u>Heating</u>	<u>Cooling</u>	<u>Crisis</u>	<u>Weatherization</u>
8.5a. Who determines client eligibility?	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments , CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments, CAAs and Other Non-profits, Statewide or Regional Contractors
8.5b. Who processes benefit payments to gas and electric vendors?	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments , CAAs and Other Nonprofits, Statewide or Regional Contractors	N/A

Question 8.5	<u>Heating</u>	<u>Cooling</u>	<u>Crisis</u>	<u>Weatherization</u>
8.5c. Who processes benefit payments to bulk fuel vendors?	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments , CAAs and Other Nonprofits, Statewide or Regional Contractors	N/A
8.5d. Who performs installation of weatherization measures?	N/A	N/A	N/A	Local governments, CAAs and Other Nonprofits-most subcontract with local contractors, Statewide or Regional Contractors

Note for 8.5: In the USHHS-OLDC system where the State Plan is entered, it only allows states to select one type of entity. The Department will select Nonprofits; although we will also contract with Units of government and CAAs.

8.6 What is your process for selecting local administering agencies?

The Department ensures that to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of Title 42 U.S.C. §§8621, et seq. special consideration is given to any local public or private nonprofit agency which was receiving CSBG or LIHEAP funds.

(1) The Department before giving such special consideration, determines that the agency involved meets program and fiscal requirements established by law and by the Department; and

(2) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the Department gives special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made.

Currently, the Department administers all aspects of program delivery through subrecipients and statewide/regional contractors that have demonstrated they are operating the program in accordance with the Economic Opportunity Act of 1964, the Low-Income Home Energy Assistance Act of 1981, as amended (42 U.S.C. §§8621, et seq.), and Department rules. If subrecipients and statewide/regional contractors are successfully administering the program, the Department may offer to renew the contract. However, in order to achieve full expenditure of funding, the Department may reallocate funds that have been voluntarily relinquished or deobligated in compliance with TAC rule §6.304. Additionally, if the State receives a large supplemental appropriation for LIHEAP, the Department may allocate some or all of the funds to a statewide or regional contractor.

If the Department determines that an organization is not administering the program satisfactorily, corrective actions are taken to remedy the problem. Thereafter, if a Subrecipient fails to administer the program correctly, the Department may proceed with the process provided for in Department rules of removing funds and reassign the service area or a portion to another existing Subrecipient or conduct solicitation or selection of a new Subrecipient in accordance with the Low-Income Home Energy Assistance Act of 1981. The affected Subrecipient may request a hearing in accordance with §2105.204 of the Texas Government Code.

However, the Department retains the right to go through a procurement process for some or all aspects of the LIHEAP program.

8.7 How many local administering agencies do you use? 35

8.8 Have you changed any local administering agencies from last year? Yes No

8.9 If so, why?

- Agency was in noncompliance with grantee requirements for LIHEAP
- Agency is under criminal investigation
- Added agency
- Agency closed

Other – describe – voluntary relinquishment

Explanation: N|A

8.10 If a subrecipient is no longer providing LIHEAP, are you aware of prior-year LIHEAP funds being mismanaged or misspent? Yes No

8.10a If yes, please explain.

8.10b If you are aware, were other federal programs impacted such as CSBG, SSBG, Head Start, TANF, and Department of Energy Weatherization funding, etc.

8.10c If yes, please explain.

Section 9: Energy Suppliers, 2605(b)(7) – Assurance 7

9.1 Do you make payments directly to home energy suppliers?

Heating Yes No

Cooling Yes No

Crisis Yes No

Are there exceptions? Yes No

If yes, describe: Per 10 TAC §6.309(i)(7), Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating household of the amount of assistance paid on its behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of customer is deducted from client's rent.

9.2 How do you notify the client of the amount of assistance paid?

The administering Subrecipient/contractor informs them once the determination is made.

9.3 How do you assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment?

Vendor agreements are used in all components. The Department provides Subrecipients and statewide or regional contractors with a Department approved Vendor Agreement to utilize. The document can be found at the Department's website at <https://www.tdhca.texas.gov/comprehensive-energy-assistance-program-ceap-program-guidance>

9.4 How do you assure that no household receiving assistance under this title will be treated adversely because of their receipt of LIHEAP assistance?

Vendor Agreements are used in all components. The Department provides Subrecipients and statewide or regional contractors with a Department approved Vendor Agreement to utilize. The document can be found at the Department's website at <https://www.tdhca.texas.gov/comprehensive-energy-assistance-program-ceap-program-guidance>

9.5 Do you make payments contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households? Yes No. If so, describe

the measures unregulated vendors may take. Attach a copy of the template statewide vendor agreement or a policy that indicates local agreements must adhere to statewide policies and assurances.

For Section 9, if any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here. N/A

Section 10: Program, Fiscal Monitoring, and Audit, 2605(b)(10) – Assurance 10

10.1. How do you ensure good fiscal accounting and tracking of LIHEAP funds?

1. Review annual audits
2. Monitor fiscal records
3. Review current and prior year monthly expenditure and performance reports

10.1a. Provide your definitions of the following:

Obligation: Funds become obligated upon approval of an award to Subrecipient by the Department's Governing Board, unless the Department does not receive sufficient funding from the cognizant federal entity.

Expenditures: Funds that have been accrued or remitted for purposes of the award.

Expenditure timeframe: The contract time period.

Administrative costs: Staff salaries and fringe benefits and overhead costs (such as office space, supplies, equipment, communication costs, travel, etc.) related to staff performing general program and planning duties and not related to direct program service delivery. General program administration and program planning activities include, but are not limited to:

- outreach/targeting activities; program activities, processes, implementation, etc.; budgeting; establishing staff goals and objectives;
- Program personnel management
- Updating/maintaining vendor agreements
- Financial and Performance reporting; accounting processes
- General program work, work related to preparing monitoring responses

Audit Process

10.2. Is your LIHEAP program audited annually under the Single Audit Act and OMB Circular A-133? Yes No

10.2a. if yes, describe your auditor selection process.

The State Auditor's Office (SAO) is responsible for carrying out the duties of the Single Audit and OMB A-133. The SAO currently outsources this portion of the statewide audit to the audit firm of Clifton Larson Allen (CLA).

10.3 Describe any audit findings rising to the level of material weakness or reportable condition cited in the A-133 audits, Grantee monitoring assessments, inspector general reviews, or other government agency reviews of the LIHEAP agency from the most recently audited federal fiscal

year. (Document referenced: Statewide Single Audit Report for the Year Ended August 31, 2025 (Issued Feb 2026 – Report No. 26-318))

Finding	Type	Brief Summary	Resolved?	Action Taken
2025-017	Cash Management Improvement Act	<p>TDHCA did not prepare a Period 1 clearance pattern calculation for LIHEAP based on at least three consecutive months of disbursement data as required. Although the Treasury-State Agreement specifies a three-day average clearance pattern for the program, TDHCA did not maintain or provide documentation supporting how this clearance pattern was developed.</p> <p>As a result, the clearance pattern was not auditable, and we were unable to determine whether TDHCA’s practices for drawing federal funds aligned with the CMIA requirements.</p>	<p>Report issued Feb 2026. Resolution due August 2026.</p>	<p>Corrective Action in progress. The Department will enhance current procedures for the compilation and review of the Period 1 clearance pattern calculation in accordance with the Cash Management Improvement Act (CMIA) and as required in the Texas-State Agreement. The Manager of Accounting will use the State Auditor Office’s template spreadsheet provided to agencies to calculate their annual Period 1 calculation and retain the worksheet as supporting documentation. The Director of Financial Administration will review the spreadsheet and calculation prior to CMIA certification. Implementation date: August 2026.</p>
2025-018	Quarterly Performance and Management Reporting	<p>Auditors identified a discrepancy in the quarter 1 report (October 1 – December 31). The report stated that \$159,463,428 in LIHEAP funds had been obligated by funding source in Section 3 – Estimated Use of Funds; however, supporting documentation reflected obligated funds totaling</p>	<p>Report issued Feb 2026. Resolution due August 2026.</p>	<p>Corrective Action in progress. Program staff will ensure that a formal review by the Team Lead and the Manager of Fiscal and Reporting is completed prior to submission. The Team Lead will initiate the process by obtaining the obligation amount from the LIHEAP Contract Specialist and entering the amount into the quarterly report. The Manager of Fiscal and Reporting will review and confirm the amount to be submitted.</p>

		\$174,447,109, resulting in a variance of \$(14,983,681).		Implementation date: August 2026.
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10.4 Audits of Local Administering Agencies

What types of annual audit requirements do you have in place for local administering agencies/district offices?

Local agencies/district offices are required to have an annual audit in compliance with Single Audit and OMB Circular A-133, 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).NOTE: Subrecipients will follow the audit requirements in 45 CFR 75 Subpart F, as applicable, and the requirements in the Texas Single Audit Act.

Local agencies/district offices are required to have an annual audit (other than A-133, 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)).

10.4 (continued)

Local agencies/district offices A-133, 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) or other independent audits are reviewed by Grantee as part of compliance process.

Grant recipient conducts fiscal and program monitoring of local agencies/district offices.

Local agencies and district offices are required to have an annual audit in compliance with Single Audit Act and OMB Circular A-133

Compliance Monitoring

10.5 Describe the Grantee’s strategies for monitoring compliance with the Grantee’s and Federal LIHEAP policies and procedures by:

Subgrantees have a policy in place for appropriate separation of duties and internal controls:

Internal program review

Departmental oversight

Secondary review of invoices and payments

Other program review mechanisms are in place. Describe: Cross Division peer review of documents

Local Administering Agencies/District Offices:

On-site evaluation

Annual program review

Monitoring through Central Database

Desk reviews

Client File Testing/Sampling

Other program review mechanisms are in place. Describe: Desk review of 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); A review of the Subrecipient’s resolution of prior monitoring or Single Audit reports is performed prior to awarding new contracts.

10.6 Explain, or attach a copy of your local agency monitoring schedule and protocol. Response: See attached monitoring schedule. The monitoring schedule is aggregate in nature and determined on a quarterly basis during the Department's fiscal year. The schedule is created on an at-risk assessed basis. A tentative schedule is attached as requested, but is subject to change based on quarterly risk-based assignments.

10.7 Describe how you select local agencies for monitoring reviews?

On-site monitoring visits and desk reviews are mechanisms used for in-depth investigation and overall assessment, respectively. The Department will conduct on-site monitoring reviews and desk reviews of contracts based on an assessment of risk of non-compliance with program requirements. Monitors review necessary program documents and financial records through desk reviews and on-site reviews. LIHEAP Subrecipients and statewide or regional contractors are monitored (for prior year funding) at least once every three years. This is a component of the risk assessment score. If a Subrecipient also has Community Service Block Grant funds, the LIHEAP monitoring may be done at the same time. Subrecipients and statewide or regional contractors that leverage LIHEAP funds with DOE funds for weatherization are subject to a programmatic, fiscal, and unit inspection review according to the DOE monitoring schedule (once a year). Contracts may also be selected for monitoring based on other factors, such as prior monitoring findings, issues noted in the Single Audit, complaints, and/or special requests.

10.8 How often is each local agency monitored? At least once every three years.

10.9 How many local agencies are currently on corrective action plans? (Number only) 1

*South Texas Development Council is pending possible termination as a LIHEAP subrecipient.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 11: Timely and Meaningful Public Participation, 2605(b)(12) – Assurance 12, 2605(c)(2)

11.1 How did you obtain input from the public in the development of your LIHEAP plan?

Check all that apply:

- Tribal Council meeting(s)
- Public Hearing(s)
- Draft Plan posted to website and available for comment
- Hard copy of plan is available for public view and comment
- Comments from applicants are recorded
- Request for comments on draft Plan is advertised
- Stakeholder consultation meeting(s)
- Comments are solicited during outreach activities
- Other, describe:

Public Hearings, 2605(a)(2)

11.2 List the date(s) and location(s) that you held public hearing(s) on the proposed use and distribution of your LIHEAP funds?

Date	Event Description
Thursday, May 14, 2026, 5:30 PM-6:00 PM	Texas Department of Housing and Community Affairs 221 East 11 th Street, 1 st Floor Austin, TX 78701
Tuesday, May 12, 2026, 1:00 PM-1:30 PM p.m.	BakerRipley First Floor Education Center 3838 Aberdeen Way Houston, TX 77025
Thursday, May 14, 2026, 1:00 PM-1:30 PM	Northside Community Center 1100 NW 18 th Str, Room R44133 Fort Worth, TX 76164
Wednesday, May 13, 2026, 5:30 PM – 6:00 PM	West Texas Opportunities 1415 East 2 nd Street Odessa, TX 79761

11.3 How many parties commented on your plan at the hearing(s)? 3

11.4 Summarize the comments you received at the hearing(s).

3 Comments:

- 1) Commenter requests that the maximum CEAP benefit levels be increased from \$1200/\$1500/\$1800 to \$1600/\$1900/\$2200.
- 2) Commenter requests that the average health and safety cost per unit percentage be increased due to rising construction and labor costs.
- 3) Commenter asks if current market conditions and the state of the economy are considered in the determination of the maximum CEAP benefit levels.

11.5 What changes did you make to your LIHEAP plan as a result of the comments received at the public hearing(s)? There were no changes made to the Plan as a result of the comments.

Section 12: Fair Hearings, 2605(b)(13) – Assurance 13

12.1 How many fair hearings did the grantee have in the prior Federal fiscal year?
None

12.2 How many of those fair hearings resulted in the initial decision being reversed? N/A

12.3 Describe any policy and/or procedural changes made in the last Federal fiscal year as a result of fair hearings? None

12.4 Describe your fair hearing procedures for households whose applications are denied and or not acted upon in a timely manner.

An Applicant requests a hearing with the Subrecipient and statewide or regional contractors initially. If not satisfied with the results of the Subrecipient's and statewide or regional contractor's hearing, the Applicant then appeals to the Texas Department of Housing and Community Affairs to conduct a review of the subrecipient's decision. If still not satisfied, the applicant can then request a contested hearing

under Tex. Gov't Code, Chapter 2001 which is conducted by the State Office of Administrative Hearings on behalf of the Department.

Subrecipient contracts include the following section:

APPEALS PROCESS

In compliance with the LIHEAP Act, Subrecipient must provide an opportunity for a fair administrative hearing to individuals whose application for assistance is denied, terminated or not acted upon in a timely manner. Subrecipient must establish a denial of service complaint procedure in accordance with 10 TAC §6.8 of the State Rules. The rule states:

(b) Subrecipient shall establish a denial of service complaint procedure to address written complaints from program applicants/customers. At a minimum, the procedures described in paragraphs (b)(1) - (8) of this subsection shall be included:

(1) Subrecipients shall provide a written denial of assistance notice to applicant within ten (10) calendar days of the determination. Such a determination is defined as a denial of assistance, but does not include a level of assistance lower than the possible program limits or a reduction in assistance, as long as such process is in accordance with the Subrecipient's written policy. This notification shall include written notice of the right of a hearing and specific reasons for the denial by program. The applicant wishing to appeal a decision must provide written notice to Subrecipient within twenty (20) days of receipt of the denial notice.

(2) A Subrecipient must establish an appeals committee composed of at least three persons. Subrecipient shall maintain documentation of appeals in their customer files.

(3) Subrecipients shall hold a private appeal hearing (unless otherwise required by law) by phone or in person in an accessible location within ten (10) business days after the Subrecipient received the appeal request from the applicant and must provide the applicant notice in writing of the time/location of the hearing at least seven (7) calendar days before the appeal hearing.

(4) Subrecipient shall record the hearing.

(5) The hearing shall allow time for a statement by Subrecipient staff with knowledge of the case.

(6) The hearing shall allow the applicant at least equal time, if requested, to present relevant information contesting the decision.

(7) Subrecipient shall notify applicant of the decision in writing. The Subrecipient shall mail the notification by close of business on the third calendar day following the decision (three day turn-around).

(8) If the denial is solely based on income eligibility, the provisions described in paragraphs (2) - (7) of this subsection do not apply and the applicant may request a recertification of income eligibility based on initial documentation provided at the time of the original application. The recertification will be an analysis of the initial calculation based on the documentation received with the initial application for services and will be performed by an individual other than the person who performed the initial determination. If the recertification upholds the denial based on income eligibility documents provided at the initial application, the applicant is notified in writing.

(c) If the applicant is not satisfied, the applicant may further appeal the decision in writing to the Department within ten (10) days of notification of an adverse decision.

(d) Applicants/customers who allege that the Subrecipient has denied all or part of a service or benefit in a manner that is unjust, violates discrimination laws, or without reasonable basis in law or fact, may request a contested hearing under Tex. Gov't Code, Chapter 2001.

(e) The hearing under subsection (d) shall be conducted by the State Office of Administrative Hearings on behalf of the Department in the locality served by the Subrecipient, for which the procedures are further described in §1.13, relating to Contested Case Hearing Procedures, of this title.

(f) If the applicant/customer appeals to the Department, the funds should remain encumbered until the Department completes its decision.

These requirements will also be incorporated into statewide or regional contractor Contracts.

12.5 When and how are applicants informed of these rights?

Applicants are informed of their rights either by 1) informing them on the application itself, 2) handing them a document with such information at the time of application, 3) displaying posters at intake offices, or 4) providing them the information in the denial of LIHEAP assistance letter that is mailed to the applicant.

Section 13: Reduction of home energy needs, 2605(b)(16) – Assurance 16

13.1 Describe how you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance?

N/A-The State does not use funds under Assurance 16.

13.2 How do you ensure that you don't use more than 5% of your LIHEAP funds for these activities?

NA-The State does not use funds under Assurance 16.

13.3 Describe the impact of such activities on the number of households served in the previous Federal fiscal year.

NA-The State does not use funds under Assurance 16.

13.4 Describe the level of direct benefits provided to those households in the previous Federal fiscal year.

NA-The State does not use funds under Assurance 16.

13.5 How many households received these services?

NA-The State does not use funds under Assurance 16.

Section 14: Leveraging Incentive Program, 2607A

14.1 Do you plan to submit an application for the leveraging incentive program?

Yes No

14.2 Describe instructions to any third parties and/or local agencies for submitting LIHEAP leveraging resource information and retaining records. NA

14.3 For each type of resource and/or benefit to be leveraged in the upcoming year that will meet the requirements of 45 C.F.R. § 96.87(d)(2)(iii), describe the following:

Resource	What is the type of resource or benefit?	What is the source(s) of the resource?	How will the resource be integrated and coordinated with LIHEAP?
NA	NA	NA	NA

Section 15: Training

15.1 Describe the training you provide for each of the following groups:

a. Grantee recipient Staff:

Formal training on grantee policies and procedures

How often?

Annually

Biannually

As needed

Other – Describe:

Employees are provided with policy manual

Other – Describe:

Employees are provided with all the information necessary to administer the LIHEAP program(s). The Department training team provides new staff with programmatic orientation training and are invited to observe and participate in Subrecipient trainings as well.

b. Local Agencies:

Formal training conference

How often?

Annually

Biannually

As needed

Other – Describe: Training for Subrecipients occurs at an annual conference sponsored by the Texas Association of Community Action Agencies each year. Additionally, the Department continually collaborates with the Texas Association of Community Action Agencies to coordinate training for Subrecipients. The Department hosts meetings and training events on an as needed basis with Subrecipients and statewide or regional contractors to conduct necessary training and/or make announcements. The Department offers a manager training for newly hired managers or Executive Directors, as needed, which is then followed up with individualized technical assistance. From a program implementation standpoint, the Department provides a template for developing the Annual Service Delivery Plan and a guide for developing it. The Department also develops data tools and trains agencies as needed on how to analyze their data to improve efficiency and productivity. Emails, Go-To-Webinars, MS Teams for virtual TTA, and phone calls are common communication means with which the Department trains, assists, and communicates with LIHEAP Subrecipients and statewide or regional contractors.

On-site training

How often?

Annually

Biannually

As needed

Other –

The Department identifies key areas for training needs based upon monitoring reports, new regulations, and Subrecipient and statewide or regional contractors requests. The Department has effective virtual training courses to address Subrecipient TTA needs. The Department provides training as needed to individual agencies and network wide trainings on a variety of topics such as: process mapping, production, data analysis, intake, client file documentation, weatherization assessments, audits, final inspections, working with contractors, reporting, and technical assistance for service delivery. Onsite training is provided as warranted. The Department also supplies Subrecipients with online resources, training centers, and conference information to obtain skills and certifications.

Employees are provided with policy manual

Other – Describe: The Department hosts quarterly calls with the Subrecipient network to address necessary training topic(s), production evaluation, and/or make announcements. The Department uses an online portal (i.e., Wufoo) that agencies use daily for quick responses to questions or for requesting training. Emails, Wufoo, Go-To-Webinar, MS Teams for virtual TTA, and phone calls are the common methods used by the Department to train, assist, and communicate with LIHEAP Subrecipients and statewide or regional contractors. The Department creates tools, guides, cheat sheets, and FAQs that are posted on program webpages. As needed, the Department schedules meetings to provide information, training, and technical assistance to the local agencies.

c. Vendors

Formal training conference

How often?

Annually

Biannually

As needed

Other – Describe:

Policies communicated through vendor agreements

Policies are outlined in a vendor manual

Other – Describe:

15.2 Does your training program address fraud reporting and prevention?

Yes

No

Section 16: Performance Goals and Measures, 2605(b)

16.1 Describe your progress toward meeting the data collection and reporting requirements of the four required LIHEAP performance measures. Include timeframes and plans for meeting these requirements and what you believe will be accomplished in the coming federal fiscal year.

The Department was able to meet the four LIHEAP performance measures.

The Department currently requires Subrecipients and statewide or regional contractors to upload data related to the four performance measures into our State reporting system. The Department has made this reporting a contractual requirement for all LIHEAP Subrecipients and statewide or regional contractors. The Department periodically reviews uploaded summary reports and offers technical assistance to Subrecipients and statewide or regional contractors who may not understand what to report or may not upload the data in a timely fashion.

The Department will review the outcomes of the performance data reports to determine any training needs or changes to programs design that are needed.

Section 17: Program Integrity, 2605(b)(10)

17.1 Fraud Reporting Mechanisms

- a. Describe all mechanisms available to the public for reporting cases of suspected waste, fraud, and abuse. Select all that apply.

- Online Fraud Reporting
- Dedicated Fraud Reporting Hotline
- Report directly to local agency/district office or Grantee office
- Report to State Inspector General or Attorney General
- Forms and procedures in place for local agencies/district offices and vendors to report fraud, waste, and abuse.
- Other – describe:

Note: TDHCA’s website has a webpage named “Report Fraud, Waste, and Abuse by TDHCA Management and Staff” directing persons who suspect fraud, waste, and abuse by TDHCA management and staff to report to the State Auditor’s Office at <https://sao.fraud.texas.gov/ReportFraud/>. Subrecipients are required to establish fraud, waste, and abuse procedures. The state will provide a fraud, waste, and abuse procedures to statewide or regional contractors.

- b. Describe strategies in place for advertising the above-referenced resources. Select all that apply.

- Printed outreach materials
- Posted in local administering agencies offices
- Addressed on LIHEAP application
- Website
- Other - Describe

17.2 Identification Documentation Requirements

- a. Indicate which of the following forms of identification are required or requested to be collected from LIHEAP applicants or their household members.

Type of Identification Collected	Collected from Whom?
----------------------------------	----------------------

	Applicant Only	All Adults in HH	HH Members Seeking Assistance*
Social Security Card is photocopied and retained	Required <input type="checkbox"/>	Required <input type="checkbox"/>	Required <input type="checkbox"/>
	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>
Social Security Number (without actual card)	Required <input type="checkbox"/>	Required <input type="checkbox"/>	Required <input type="checkbox"/>
	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>
Government-issued identification card (e.g.,: driver's license, state ID, Tribal ID, passport, etc.)	Required <input checked="" type="checkbox"/>	Required <input checked="" type="checkbox"/>	Required <input checked="" type="checkbox"/>
	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>

#	Other	Applicant Only Required	Applicant Only Requested	All Adults in Household Required	All Adults in Household Requested	All Household Members Required	All Household Members Requested
1	Other: clients provide identification to the subrecipients and statewide or regional contractors at the time of application. See attachment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

*Households may include members who are not seeking assistance and may not be included in the household count. A live in aide or attendant is not considered part of the Household for purposes of determining Household income, but is considered for a benefit based on the size of the Household.

b. Describe any exceptions to the above policies: NA

17.3 Citizenship/Legal Residency Verification

What are your procedures for ensuring LIHEAP recipients are U.S. citizens or qualified non-citizens who are eligible to receive LIHEAP benefits? Select all that apply.

- Clients sign an attestation of citizenship or U.S. Citizen or Qualified Non-Citizen
- Clients' submission of certain Social Security Administration cards is accepted as proof of U.S. Citizen or Qualified Non-Citizen
- Non-Citizens must provide documentation of immigration status
- Citizens must provide a copy of their birth certificate, naturalization papers, or passport
- Noncitizens are verified through the SAVE system
- Tribal members are verified through Tribal enrollment records/Tribal ID card
- Other – describe: U.S. Nationals will have to provide documentation of that status. Birth Certificate, naturalization papers, or passport are acceptable methods to demonstrate citizenship, but other documents could also be used. Tribal members could be identified through Tribal enrollment records/Tribal ID card but could also provide other documentation of citizenship.

	Other	Applicant Only Required	Applicant Only Requested	All Adults in Household Required	All Adults in Household Requested	All Household Members Required	All Household Members Requested
1	Other: clients provide identification to the subrecipients and statewide or regional contractors at the time of application.					<input checked="" type="checkbox"/>	

17.4 Income Verification

What methods does your agency utilize to verify household income?

- Require documentation of income for all adult household members
- Pay stubs
- Social Security award letters
- Bank statements
- Tax statements
- Zero-income statements
- Unemployment Insurance letters
- Other – describe: Court Documents or government benefit statements as applicable.

Computer data matches:

- Income information matched against state computer system (e.g., SNAP, TANF)
- Proof of unemployment benefits verified with state Department of Labor
- Social Security income verified with SSA
- Utilize state directory of new hires

Other – describe:

17.5 Identification Verification

Describe what methods are used to verify the authenticity of identification documents provided by clients or household members. Select all that apply.

- Verify SSNs with Social Security Administration
- Match SSNs with death records from Social Security Administration or state agency
- Match SSNs with state eligibility/management system (e.g., SNAP, TANF)
- Match with state Department of Labor system
- Match with state and/or federal corrections system
- Match with state child support system
- Verification using private software (e.g., The Work Number)
- In-person certification by staff (for tribal grantees only)
- Match SSN/Tribal ID number with tribal database or enrollment records (for tribal grantees only)

Other – describe:

Subrecipients or statewide/regional contractors verify the authenticity of identification documents provided by clients who are not U.S. citizens or nationals. That verification is made through the Systematic Alien Verification for Entitlements (SAVE) system.

17.6 Protection of Privacy and Confidentiality

Describe the financial and operating controls in place to protect client information against improper use or disclosure.

- Policy in place prohibiting release of information without written consent
- Grant recipient LIHEAP database includes privacy/confidentiality safeguards
- Employee training on confidentiality for:
 - Grant recipient employees
 - local agencies/district offices
- Employees must sign confidentiality agreement
 - Grant recipient employees
 - local agencies/district offices
- Physical files are stored in a secure location
- Electronic files are protected in a secure location.
- Other – describe: Grantee contracts include the following section:

17.6 Other – Describe:

17.6 Protection of Privacy and Confidentiality

Describe the financial and operating controls in place to protect client information against improper use or disclosure.

Policy in place prohibiting release of information without written consent

Grantee LIHEAP database includes privacy/confidentiality safeguards

Employee training on confidentiality for:

Grantee employees

local agencies/district offices

Employees must sign confidentiality agreement

Physical files are stored in a secure location

RECORD KEEPING REQUIREMENTS

Subrecipients and statewide or regional contractors acknowledge that any information created or exchanged with the State of Texas pursuant to this Contract, must be available in a format that is accessible by the public at no additional charge to the State of Texas. A request for public information shall be communicated to the Department’s contact identified in this Contract, by the close of business

on the following business day after the request is received. Subrecipient/Vendor shall not provide to the requestor any information that was written, produced, collected, assembled, or maintained under this Contract, but shall respond to the requestor that the request has been forwarded to the Department for processing. After gathering all information that is responsive to the request, but in no event later than five (5) business days after receiving the information request, Subrecipient/Vendor shall send the information to the Department and shall timely contact the Department if there will be any delay in sending the information request or responsive documents to the Department.

Texas Administrative Code, Title 10 Chapter 1, Subchapter D §1.409 requires that:

(a) Client Records including Multifamily Development Owners. The Department requires subrecipient organizations to document client services and assistance. Subrecipient organizations must arrange for the security of all program-related computer files through a remote, online, or managed backup service. Confidential client files must be maintained in a manner to protect the privacy of each client and to maintain the same for future reference. Subrecipient organizations must store physical client files in a secure space in a manner that ensures confidentiality and in accordance with Subrecipient organization policies and procedures. To the extent that it is financially feasible, archived client files should be stored offsite from Subrecipient a headquarters, in a secure space in a manner that ensures confidentiality and in accordance with organization policies and procedures.

(b) Records of client eligibility must be retained for five (5) years starting from the date the Household activity is completed, unless otherwise provided in federal regulations governing the program.

(c) Other records must be maintained as described in the Contract or the LURA, and in accordance with federal or state law for the programs described in the Chapters of this Part.

These requirements will also be incorporated into statewide and regional contractor Contracts.

17.7 Verifying the Authenticity of Energy Vendors

What policies are in place for verifying vendor authenticity?

- All vendors must register with the State/Tribe
- All vendors must supply a valid SSN or TIN/W-9 form
- Vendors are verified through energy bills provided by the household
- Grantee and/or local agencies/district offices perform physical monitoring of vendors
- Other – describe, and note any exceptions to policies above:

17.8 Benefits Policy – Gas and Electric Utilities

What policies are in place to protect against fraud when making benefit payments to gas and electric utilities on behalf of clients? Select all that apply.

- Applicants required to submit proof of physical residency
- Applicants must submit current utility bill
- Data exchange with utilities that verifies:
 - Account ownership
 - Consumption
 - Balances
 - Payment history
 - Account is properly credited with benefit
 - Other – describe:
- Centralized computer system/database tracks payments to all utilities

- Centralized computer system automatically generates benefit level
- Separation of duties between intake and payment approval
- Payments coordinated among other heating assistance programs to avoid duplication of payments
- Payments to utilities and invoices from utilities are reviewed for accuracy
- Computer databases are periodically reviewed to verify accuracy and timeliness of payments made to utilities
- Direct payment to households are made in limited cases only
- Procedures are in place to require prompt refunds from utilities in cases of account closure
- Vendor agreements specify requirements selected above, and provide enforcement mechanism
- Other – describe:

17.9 Benefits Policy — Bulk Fuel Vendors

What procedures are in place for averting fraud and improper payments when dealing with bulk fuel suppliers of heating oil, propane, wood, and other bulk fuel vendors? Select all that apply.

- Vendors are checked against an approved vendors list
- Centralized computer system/database is used to track payments to all vendors
- Clients are relied on for reports of non-delivery or partial delivery
- Two-party checks are issued naming client and vendor
- Direct payment to households are made in limited cases only
- Vendors are only paid once they provide a delivery receipt signed by the client
- Conduct monitoring of bulk fuel vendors
- Bulk fuel vendors are required to submit reports to the Grantee
- Vendor agreements specify requirements selected above, and provide enforcement mechanism
- Other – describe:

17.10 Investigations and Prosecutions

Describe the Grantee's procedures for investigating and prosecuting reports of fraud, and any sanctions placed on clients/staff/vendors found to have committed fraud. Select all that apply.

- Refer to state Inspector General
- Refer to local prosecutor or state Attorney General
- Refer to US DHHS Inspector General (including referral to OIG hotline)
- Local agencies/district offices or Grantee conduct investigation of fraud complaints from public
- Grantee attempts collection of improper payments. If so, describe the recoupment process.
- Clients found to have committed fraud are banned from LIHEAP assistance. For how long is a household banned?
- Contracts with local agencies require that employees found to have committed fraud are reprimanded and/or terminated
- Vendors found to have committed fraud may no longer participate in LIHEAP
- Other — describe: A Subrecipient and statewide or regional contractors may be referred to the Department's Enforcement Committee or proposed for debarment.

Section 18: Certification Regarding Debarment, Suspension, and Other Responsibility Matters

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

Instructions for Certification

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

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

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

4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

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

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

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

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

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

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

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

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

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

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used

in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

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

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

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

By checking this box, the prospective primary participant is providing the certification set out above.

Section 19: Certification Regarding Drug-Free Workforce Requirements

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

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

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.
2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies.
4. For grantees who are individuals, Alternate II applies.
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

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

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

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

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

Certification Regarding Drug-Free Workplace Requirements

Alternate I. (Grantees Other Than Individuals)

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

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about --(1)The dangers of drug abuse in the workplace;
(2) The grantee's policy of maintaining a drug-free workplace;
(3) Any available drug counseling, rehabilitation, and employee assistance programs; and
(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted -

- (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).
- (B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

221 East 11th Street

Austin, Travis County, Texas, 78701

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

Alternate II. (Grantees Who Are Individuals)

- (a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;
- (b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

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

By checking this box, the prospective primary participant is providing the certification set out above.

Section 20: Certification Regarding Lobbying

The submitter of this application certifies, to the best of his or her knowledge and belief, that:

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

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

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

Statement for Loan Guarantees and Loan Insurance

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

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

By checking this box, the prospective primary participant is providing the certification set out above.

REQUIRED ATTACHMENTS

The following documents must be attached to this application:

- Assurances signature page (submitted as separate document)
- Designation letter for signature to Assurances is required if someone other than the Governor or Tribal Chairperson signs the Assurances. (submitted as separate document)
- Heating component benefit matrix. (Attachment 3)
- Cooling component benefit matrix. (Attachment 3)
- Local Agency Monitoring Schedule (Attachment 4)

Attachment 3

Benefit Matrix

Program rules found at 10 Texas Administrative Code, §6.309(e):

[https://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=6&rl=309](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=6&rl=309) . .

All benefits are determined based on a sliding scale.

(e) Benefit determinations for the Utility Assistance Component and the Crisis Assistance Component cannot exceed the sliding scale described in paragraphs (1) - (3) of this subsection:

(1) Households with Incomes of 0 to 50% of Federal Poverty Guidelines may receive an amount not to exceed \$1,800 per Component;

(2) Households with Incomes more than 50% but at or below 75% of Federal Poverty Guidelines may receive an amount not to exceed \$1,500 per Component; and

(3) Households with Incomes more than 75% but at or below 150% of Federal Poverty Guidelines may receive an amount not to exceed \$1,200 per Component; and

(f) Service and Repair of existing heating and cooling units: Households may receive up to \$9,000 for service and repair of existing heating and cooling units, replacement of irreparable existing heating and cooling unit components, when the Household has an inoperable heating or cooling system based on requirements in §6.310 and §6.311.

(g) Purchase of heating and cooling units. Households may receive up to \$9,000 for the purchase of a heating and cooling unit when a heating or cooling system is nonexistent based on requirements in §6.310 of this subchapter (relating to Crisis Assistance Component) for Non-Vulnerable Population Households and §6.311 of this subchapter (relating to Utility Assistance Component) for Vulnerable Population Households.

(h) Assistance with purchase of portable cooling and/or heating units, window units, evaporative coolers, and mini splits cannot exceed \$9,000. Refer to §6.310(c)(5) of this subchapter for requirements relating to purchase of these types of units.

Attachment 4

Monitoring Schedule for FY 2027

	SUBRECIPIENT	REVIEW TYPE	FY Date of Next Monitoring Review	DATE OF LAST FULL ONSITE REVIEW (IF APPLICABLE)
1	Alamo Area Council of Governments	On-Site	2027	February 2026
2	Aspermont Small Business Development Center, Inc.	On-Site	2029	February 2026
3	BakerRipley	On-Site	2026	March 2025
4	Bexar County Community and Development Programs	On-Site	2026	January 2023
5	Brazos Valley Community Action Programs	On-Site	2027	October 2025
6	City of Fort Worth Neighborhood Services Department	On-Site	2026	July 2025
7	City of Lubbock Community Development Department	On-Site	2028	May 2025
8	Combined Community Action, Inc.	On-Site	2027	September 2025
9	Community Action Corporation of South Texas	On-Site	2026	November 2024
10	Community Action Inc. of Central Texas	On-Site	2029	February 2026
11	Community Council of South Central Texas, Inc.	On-Site	2026	November 2025
12	Community Services Northeast Texas, Inc.	On-Site	2027	March 2024
13	Concho Valley Community Action Agency	On-Site	2026	October 2025
14	Cornerstone Community Action Agency	On-Site	2027	March 2024
15	County of Hidalgo Community Services Agency	On-Site	2027	August 2024
16	Crossroads Community Action	On-Site	2026	February 2025
17	Dallas County Health and Human Services	On-Site	2026	February 2025
18	Economic Action Committee of the Gulf Coast	On-Site	2026	January 2023
19	Economic Opportunities Advancement Corporation of Planning Region XI	On-Site	2027	January 2026
20	El Paso Community Action Program-Project BRAVO	On-Site	2026	July 2025
21	Greater East Texas Community Action Program	On-Site	2026	May 2025
22	Hill Country Community Action Association, Inc.	On-Site	2026	October 2025
23	Kleberg County Human Services	On-Site	2027	October 2024
24	Nueces County Community Action Agency	On-Site	2027	October 2024
25	Panhandle Community Services	On-Site	2027	February 2026
26	Pecos County Community Action Agency	On-Site	2027	April 2024
27	Rolling Plains Management Corporation	On-Site	2026	March 2025
28	South Plains Community Action Association, Inc.	On-Site	2026	September 2024
29	South Texas Development Council	On-Site	2026	October 2022
30	Texas Neighborhood Services	On-Site	2028	July 2025
31	Texoma Council Of Governments	On-Site	2026	April 2025
32	Travis County Health and Human Services	On-Site	2026	June 2025
33	Tri-County Community Action, Inc.	On-Site	2027	August 2024
34	Webb County Community Action Agency	On-Site	2028	January 2025
35	West Texas Opportunities, Inc.	On-Site	2026	July 2025



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1475

Agenda Date: 6/4/2026

Agenda #: 33.

Presentation, discussion, and possible action authorizing the Department to submit an application in response to the U.S. Department of Housing and Urban Development's 2025 Notice of Funding Opportunity for Section 811 Project Rental Assistance for Persons with Disabilities funds, and if successfully awarded to operate such program

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Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1470

Agenda Date: 6/4/2026

Agenda #: 34.

Presentation, discussion, and possible action authorizing the Department to amend the service area for the Foster Youth to Independence Initiative

RECOMMENDED ACTION

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) Foster Youth to Independence (FYI) Initiative is designed to provide rental assistance vouchers to youth aged 18 to 24 who have left foster care or will leave foster care within 180 days in accordance with a transition plan described in Section 475(5)(H) of the Social Security Act and who are homeless or at-risk of becoming homeless;

WHEREAS, on March 15, 2023, HUD published PIH Notice 2023-04 related to its FYI Initiative;

WHEREAS, on April 9, 2025, HUD published PIH Notice 2025-08 modifying certain provisions in the FYI Initiative;

WHEREAS, the Department is an eligible entity to participate in the FYI Initiative as a Public Housing Authority (PHA) currently administering the Housing Choice Voucher (HCV) Program;

WHEREAS, on September 5, 2024, the Board authorized staff to request vouchers under the FYI Initiative but while that action allowed the Department's issuance authority statewide, it contained a caveat that to the extent that other PHAs are offering FYI vouchers, the Department would only issue in areas of the state that already have an administering PHA if that PHA has maximized their voucher allocation or has otherwise declined to issue a voucher to an eligible participant;

WHEREAS, the Department has now been issuing FYI vouchers to youth referred from the Department of Family and Protective Services (DFPS);

WHEREAS, staff recommends that TDHCA's service area for the FYI Initiative be expanded statewide irrespective of other FYI voucher availability from another PHA to better allow full statewide access to the program for youth; and

WHEREAS, the recommendation to remove the prior restriction is supported by the Department's referral partner, DFPS;

NOW, therefore, it is hereby

RESOLVED, the Department is authorized to proceed with implementation of the FYI Initiative

on a statewide basis without limitation.

BACKGROUND

The Foster Youth to Independence (FYI) Initiative is a HUD-funded program administered by Public Housing Authorities (PHAs). The FYI Initiative provides Housing Choice Vouchers (HCVs) to youth eligible under the Family Unification Program. While the Department does not administer the Family Unification Program, HUD has provided PHAs with the opportunity to apply for these HCVs for the FYI Initiative so long as they meet certain qualifications, including holding an existing Annual Contributions Contract to administer regular HCVs.

FYI Vouchers are awarded under a noncompetitive process, and HUD awards vouchers which may be issued to an eligible participant referred by the Department of Family and Protective Services. Limitations on the number of vouchers that may be issued are determined by HUD. The Board determined that TDHCA may participate in the FYI Program at its meeting of September 5, 2024. To date, 48 vouchers have been requested from HUD for referred youth, and eight have been issued to the eligible youth.

Prior to placing the request for a voucher to HUD, the PHA must have identified the youth to be served and certify their eligibility. Additionally, the PHA must include its certification that it has entered into a partnership with a Public Child Welfare Agency (PWCA) responsible for making eligibility determinations and referrals to the PHA, as well as third party partners and supportive services providers. The Department has entered into an agreement with the Department of Family and Protective Services (DFPS). The DFPS State Office of Transitional Living Services provides these referrals, and arranges all required supportive services for the youth at no cost to the Department.

The FYI Initiative requires youth assisted under the Initiative to meet specific eligibility requirements, including being at least 18 but not more than 24 years of age. The eligible youth must have either left foster care, or be leaving foster care within 180 days, and must be homeless or at-risk of becoming homeless. This may include pregnant or parenting youth and is not limited to single-person households. DFPS ensures that assisted youth are receiving the required supportive services, which must be made available during the entire duration of the assistance term, which is generally limited to 36 months.

Staff have conferred with DFPS's Office of Transitional Living Services and recommends that the Department administer the FYI Initiative on a statewide basis. The prior authorization limited TDHCA's service area to areas where no PHA was administering FYI, or where the administering PHA had maximized their voucher allocation or has otherwise declined to issue a voucher to an eligible participant. A statewide model allowing the voucher to be requested and issued by TDHCA would allow for the vouchers to be utilized more rapidly, and to best meet the needs of the participating youth. This recommendation is supported by DFPS, who has agreed to make referrals to TDHCA from any area of the state in order to maximize effective use of available FYI vouchers.



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1491

Agenda Date: 6/4/2026

Agenda #: 35.

Presentation, discussion, and possible action on an appeal for The Trails (26043)

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Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1492

Agenda Date: 6/4/2026

Agenda #: 36.

Presentation, discussion, and possible action on an appeal for Paredes Apartments (26096)

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Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1493

Agenda Date: 6/4/2026

Agenda #: 37.

Presentation, discussion, and possible action on a request for an extension of the previously approved deadline to Place in Service for Sunset Ridge

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Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1494

Agenda Dat6/4/2026e:

Agenda #: 38.

Report relating to the conclusion of the 2025 Non-competitive 4% Housing Tax Credit Program and an update on the 2026 Non-competitive 4% Housing Tax Credit Program.

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