# Texas Department of Housing and Community Affairs

## Board Book

**Thursday, July 9, 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 June 4, 2026 | Beau Eccles |
| **2.** | Presentation, Discussion and Possible Action on a Staff-Initiated Waiver of Certain Sections of 10 TAC §10.628, relating to Verification of Occupant Legal Status for HOME, HOME ARP Rental, and NHTF Developments | Brooke Boston |

**ASSET MANAGEMENT**

| | | |
|---|---|---|
| **3.** | Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for St. Augustine Estates (HTC #05609) | Rosalio Banuelos |
| **4.** | Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Sunset Haven (HTC #060118) | Rosalio Banuelos |
| **5.** | Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Village at Johnson Creek (HTC #98002) | Rosalio Banuelos |

**COMPLIANCE**

| | | |
|---|---|---|
| **6.** | Presentation, discussion, and possible action on an order proposing amendments to 10 TAC Chapter 10, Subchapter F, §10.614 Utility Allowances and directing its publication for public comment in the Texas Register | Wendy Quackenbush |

**HOUSING RESOURCE CENTER**

| | | |
|---|---|---|
| **7.** | Presentation, discussion, and possible action on the 2027 Regional Allocation Formula Methodology | Jeremy Stremler |
| **8.** | Presentation, Discussion, and Possible Action on the 2026 State of Texas Consolidated Plan: One-Year Action Plan | Jeremy Stremler |

**LEGAL**

| | | |
|---|---|---|
| **9.** | Presentation, discussion, and possible action on an Agreed Final Order concerning Resources Inspiring Success and Empowering, relating to FY 2025 Texas Youth and Young Adult Homeless Program General Revenue Contract Number 32247000003 | Sascha Stremler |

**RULES**

| | | |
|---|---|---|
| **10.** | Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.12 Negotiated Rulemaking; action for new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.12 Negotiated Rulemaking and Petitions for Rulemaking, and an order 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 21, Minimum Energy Efficiency Requirements for Single Family Construction Activities; an order proposing the repeal of 10 TAC Chapter 20, Single Family Programs Umbrella Rule §20.3, Definitions; and an order proposing new 10 TAC Chapter 20 Single Family Programs Umbrella Rule, §20.3 Definitions and §20.16, Minimum Energy Efficiency Standards and directing their publication for public comment in the Texas Register | Chad Landry |
| **12.** | Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 7, Emergency Solutions Grant Program, §7.40 Competitive Program Participant Services Selection Criteria; and an order proposing a new 10 TAC Chapter 7, Emergency Solutions Grant Program, §7.40 Competitive Program Participant Services Selection Criteria and directing their publication for public comment in the Texas Register | Rosy Falcon |
| **13.** | Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC §2.302 Administrative Penalty Process; an order adopting a replacement version of the rule; and directing publication in the Texas Register | Sascha Stremler |

**14.** Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 2, Debarment from Participation in Programs Administered by the Department, §2.401 General; an order adopting the replacement version of the rule; and directing publication in the Texas Register — Sascha Stremler

**15.** Presentation, discussion, and possible action on the adoption of the amendment to 10 TAC §10.802, Written Policies and Procedures and directing its publication in the Texas Register — Brooke Boston

**16.** Presentation, discussion, and possible action on an order adopting the amendment to 10 TAC Chapter 10 Uniform Multifamily Rules, Subchapter F Compliance Monitoring, §10.625 Events of Noncompliance and directing its publication in the Texas Register — Brooke Boston

**CONSENT AGENDA REPORT ITEMS**

**17.** Quarterly Voluntary Non-Participation Agreement Report, July 2026 — Sascha Stremler

**18.** Media Analysis and Outreach Report, May 2026 — Michael Lyttle

**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**

**19.** Executive Director's Report — Bobby Wilkinson

**FUNDING ANNOUNCEMENTS AND AWARDS**

**20.** Presentation, discussion, and possible action on State Fiscal Year 2027 Homeless Housing and Services Program Awards. — Rosy Falcon

**ACTION REPORT ITEMS**

**21.** Report on the issuance of TDHCA Residential Mortgage Revenue Bonds 2026 Series B (Non-AMT) — Scott Fletcher

**22.** Presentation and discussion regarding the issuance of Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, Series 2026 C (Non-AMT) — Scott Fletcher

**BOND FINANCE**

**23.** Presentation, discussion, and possible action on Resolution No. 26-017 approving Assignment Agreements relating to Private Activity Bond Authority, and containing other provisions relating to the subject — Scott Fletcher

**24.** Presentation, discussion, and possible action on Resolution No. 26-018 authorizing the filing of one or more applications for reservation to the Texas Bond Review Board with respect to Qualified Mortgage Bonds and containing other provisions relating to the subject — Scott Fletcher

**25.** Presentation, discussion and possible action on Resolution No. 26-019 approving consent to sale of Master Servicing Rights in connection with the Department's Single Family Mortgage purchase program: approving the execution of a new servicing agreement and other agreements in connection with such sale; authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this resolution' and containing other provisions relating to the subject — Scott Fletcher

**ASSET MANAGEMENT**

**26.** Presentation, discussion, and possible action regarding a Material Amendment to the Land Use Restriction Agreement and changes to the ownership structure for Riverstone Apartments (HTC #20465) — Rosalio Banuelos

**LEGAL**

**27.** Presentation, discussion, and possible action on recommendation to debar Tracy Andrus Foundation and Tracy Andrus — Sascha Stremler

**COMPLIANCE**

**28.** Presentation, discussion, and possible action on an order proposing amendments to 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter I, Public Facility Corporation Compliance Monitoring §10.1101 Purpose, §10.1102 Definitions, §10.1103 Reporting Requirements, §10.1104 Audit Requirements, §10.1105 Income and Rent Requirements and §10.1107 Options for Review and directing its publication for public comment in the Texas Register — Wendy Quackenbush

**SINGLE FAMILY & HOMELESS PROGRAMS**

**29.** Presentation, discussion, and possible action on a request for reasonable accommodation under the Section 8 Housing Choice Voucher Program — Abigail Versyp

**MULTIFAMILY FINANCE**

**30.** 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 Brownwood Pioneer Crossing — 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 #:** 1514 **Agenda Date:** 7/9/2026 **Agenda #:** 1.

Presentation, discussion, and possible action on the Board meeting minutes summary for June 4, 2026

**RECOMMENDED ACTION**

Approve the Board meeting minutes summary for June 4, 2026.

**RESOLVED,** that the Board meeting minutes summary for June 4, 2026, is hereby approved as presented.

**Texas Department of Housing and Community Affairs Governing Board**
**Board Meeting Minutes Summary**
**June 4, 2026**

On Thursday, the fourth day of June 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 Dewitt C. Greer State Highway Building, Williamson Board Room, 125 E. 11th Street, 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 Megan Sylvester served as Deputy General Counsel.

1) The Board unanimously approved the Consent Agenda items (1-19) and the Consent Agenda Report Items (20-21) as presented.

2) Action Item 22 – the Executive Director's Report – was presented by Bobby Wilkinson, TDHCA Executive Director. The Board heard the report and took no further action.

3) Ajay Thomas, Chair of the Board's Audit and Finance Committee, present Action Item 23 – Report on the Meeting of the Internal Audit and Finance Committee. The Board heard the report and took no further action.

4) Action Item 24 – Presentation, discussion, and possible action on the SFY 2027 Operating Budget – was presented by Paul Ford, TDHCA Manager of Financial and Staff Services. The Board unanimously adopted staff recommendation to approve the budget.

5) Mr. Ford also presented Action Item 25 – Presentation, discussion, and possible action on the SFY 2027 Housing Finance Division Budget. The Board unanimously adopted staff recommendation to approve the budget.

6) Action Item 26 – Presentation, discussion, and possible action regarding a Request for Proposal for audit services and selection thereof – was presented by Joe Guevara, TDHCA Director of Financial Administration, with additional information from Mr. Wilkinson. The Board unanimously approved staff recommendation to select CliftonLarsonAllen LLP to perform the annual audit of the State Housing Trust Fund as described in the item.

7) Action Item 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 – was presented by Teresa Morales, TDHCA Director of Multifamily Bonds. The Board unanimously adopted staff recommendation to approve the bond resolution and determination notice.

8) Action Item 28 – Presentation, discussion, and possible action on a loan request for Crossroads Redevelopment – was presented by Priscilla Stevenson, TDHCA Manager of the Multifamily Direct Loan Program. The Board unanimously adopted staff recommendation to approve the loan request.

9) Ms. Stevenson also presented Action Item 29 – Presentation, discussion, and possible action on the approval of a loan for McAdams Haven. The Board by a 5-0 vote (Member Marchant abstained from voting) adopted staff recommendation to approve the loan.

10) Action Item 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 – was presented by Jonathan Galvan, TDHCA Manager of the 4% Housing Tax Credit Program. The Board heard the report and took no further action.

11) Action Item 31 – 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 and not heard.

12) Action Item 32 – Presentation, discussion, and possible action on the 2027 Low Income Home Energy Assistance Program State Plan and Awards – was presented by Michael De Young, TDHCA Director of Community Affairs. The Board unanimously adopted staff recommendation to approve the plan and awards.

13) Action Item 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 – was presented by Bill Cranor, TDHCA Director of the 811 Program, with additional information from Mr. Wilkinson. Per staff recommendation, the Board unanimously approved and authorized staff to apply to HUD for Section 811 Project Rental Assistance Program funding.

14) Action Item 34 – Presentation, discussion, and possible action authorizing the Department to amend the service area for the Foster Youth to Independence Initiative – was presented by Andre Adams, TDHCA Manager of the Section 8 Program. Mr. Wilkinson and Ms. Sylvester provided additional information. The Board unanimously adopted staff recommendation to amend the FYI Initiative service area to statewide.

15) Action Item 35 – Presentation, discussion, and possible action on an appeal for The Trails (26043) – was pulled from the agenda and not heard.

15) Action Item 36 – Presentation, discussion, and possible action on an appeal for Paredes Apartments (26096) – was pulled from the agenda and not heard.

16) Action Item 37 – Presentation, discussion, and possible action on a request for an extension of the previously approved deadline to Place in Service for Sunset Ridge – was presented by Joshua Goldberger, TDHCA Manager of the 9% Housing Tax Credit Program. The Board unanimously adopted staff recommendation to approve the extension request.

17) Action Item 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) – was presented by Cody Campbell, TDHCA Director of Multifamily Finance. Mr. Wilkinson and Ms. Sylvester provided additional information.

Following public comment (listed below), the Board unanimously adopted staff recommendation to approve the eligible application list as presented.

- Chris Goodpastor, Travis Heights resident, provided comments in opposition to staff recommendation
- Barbara Cilley, representing South River City Citizens, provided comments on the item
- Anita Tschurr, Travis Heights resident, provided comments in opposition to staff recommendation
- Diana Phillips, Travis Heights resident, provided comments in opposition to staff recommendation
- Jonnie McCart, representing Braun Station West, provided comments in opposition to staff recommendation
- Wallace Reed, representing the Hudson Hallmark development, provided comments on the item

18) The following persons provided comment during the Public Comment section at the end of the meeting agenda:

- Walter Moreau, Foundation Communities, provided comments regarding his disagreement with TDHCA over a rule interpretation
- Robbye Meyer, Arx Advantage, provided comments regarding the agency's consideration of administering multiple 9% Housing Tax Credit Program awards cycles in the same calendar year
- Glenn Lynch, developer, provided comments regarding TDHCA staff's administration of the RFAD process in the 9% Housing Tax Credit Program

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

There being no further business to come before the Board, the meeting adjourned at 12:00 p.m. The next meeting is scheduled for Thursday, July 9, 2026.

_____
Secretary

Approved:

_____
Chair

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #: 1535** **Agenda Date: 7/9/2026** **Agenda #: 2.**

Presentation, Discussion and Possible Action on a Staff-Initiated Waiver of Certain Sections of 10 TAC §10.628, relating to Verification of Occupant Legal Status for HOME, HOME ARP Rental, and NHTF Developments

# 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 #:** 1515 **Agenda Date:** 7/9/2026 **Agenda #:** 3.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for St. Augustine Estates (HTC #05609)

## RECOMMENDED ACTION

**WHEREAS,** St. Augustine Estates (HTC #05609) received an award of 4% Housing Tax Credits (HTCs) in 2005 for the new construction of 150 units for the elderly in Dallas, Dallas County;

**WHEREAS,** the Land Use Restriction Agreement (LURA) for the Development states that throughout the 15-year Compliance Period, which ended on December 31, 2021, 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,** St. Augustine Estate Apartments, 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 30-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 amendment to the LURA of St. Augustine Estates 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

St. Augustine Estates received an award of 4% Housing Tax Credits in 2005 for the construction of 150 units for the elderly in Dallas, Dallas County. The LURA for the Development states that throughout the 15-year Compliance Period, which ended on December 31, 2021, 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 May 18, 2026, Kandis Gren, the representative for the Owner, requests

approval to extend the elderly designation of the Development throughout the 30-year affordability period. The Owner has indicated 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 and require 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 and the investors for the Development that they are requesting a LURA amendment to extend the elderly requirement throughout the term of the LURA. The public hearing was held on May 28, 2026. The Owner reported that 25 residents 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.

CBL
CLARK BUSINESS LAW

May 18, 2026

**VIA EMAIL**
Texas Department of Housing and Community Affairs
Asset Management Division
Attention: Lucy Weber
Email: lucy.weber.@tdhca.texas.gov

Re: St. Augustine Estates (the "*Development*")
St. Augustine Estate Apartments, L.P. (the "*Owner*")
TDHCA File Number 05609
LURA Amendment Request

Dear Ms. Weber:

As you know, we are counsel to the Owner of the above-referenced Development, and submit this request on the Owner's behalf. Owner and the Texas Department of Housing and Community Affairs ("*TDHCA*") entered into that certain Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Credits on January 12, 2007, which was filed in the Official Public Records of Dallas County, Texas (the "*Public Records*") on March 20, 2007, as File Number 2007010001, and was amended by that certain First Amendment to Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Credits dated effective January 12, 2007, which was filed in the Public Records on July 2, 2010, as File Number 201000167607 (collectively, the "*LURA*"). The LURA requires that throughout the Compliance Period, the Development shall be a "Qualified Elderly Development" (as defined in the LURA). The Compliance Period ended on December 31, 2021, but Owner would like the Development to maintain its status as a "Qualified Elderly Development".

This letter is to formally request an amendment to the LURA (the "*Amendment*") to extend the term by which the Development is a "Qualified Elderly Development" through the end of the Extended Use Period (as defined in the LURA).

The Amendment is necessary because Owner would like to continue to market and lease the Development elderly residents. There are 150 units and 210 residents at the Development and the Development is known generally throughout the community as elderly housing. Opening the Development to lease to the general population would cause confusion in the community and undue hardship on the current residents.

There is good cause for the change because the current residents entered into a lease at the Development under the assumption that the Development was for elderly tenants. The Amendment will not have a financial impact on the Development since the Development will continue to be

subject to the rent and income restrictions set forth in the LURA through the end of the Extended Use Period.

The requested Amendment was not reasonably foreseeable at the time of initial application for low-income housing tax credits because after the date of initial application there was a transfer of interests in Owner. On May 25, 2016, TDHCA approved such ownership transfer. The current Owner did not file the initial application but would like to continue to operate the property as a "Qualified Elderly Development". If the current Owner had made the initial application, it would have applied for this restriction to be applicable through the end of the Extended Use Period.

The required amendment fee was scheduled to be paid to TDHCA by Owner on May 18, 2026.

We understand that for Material LURA Amendments such as this, Owner will need to provide reasonable notice and hold a public hearing at least 20 days prior to the July 23, 2026 THDCA board meeting where this request will be considered. Attached hereto as Exhibit A, is the proposed notice to be circulated regarding the public hearing.

We look forward to working with you to resolve any concerns with respect to this request. If there are any questions or if further discussion is needed, please let us know. Thank you for your time and consideration.

Sincerely,

Kandis Gren
Attorney at Law
kandis@clarkbusinesslaw.com
801-808-4600

CC: Ysella Kaseman, ysella.kaseman@tdhca.texas.gov (*via email*)
Brynn Morse, brynn@clarkbusinesslaw.com (*via email*)
Devon Gentry, dgentry@peakcapitalpartners.com (*via email*)
Natasha Vargas, nvargas@peakliving.com (*via email*)

Encl.: Exhibit A

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 1520 **Agenda Date:** 7/9/2026 **Agenda #:** 4.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Sunset Haven (HTC #060118)

## RECOMMENDED ACTION

**WHEREAS,** Sunset Haven (HTC #060118) received an allocation of 9% Housing Tax Credits (HTCs) in 2006 for the new construction of 100 units for the elderly in Brownsville, Cameron County;

**WHEREAS,** the Land Use Restriction Agreement (LURA) for the Development states that throughout the 15-year Compliance Period, which ended on December 31, 2022, 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 of age or older;

**WHEREAS,** Sunset Haven, Ltd. (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 amendment to the LURA of Sunset Haven 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

Sunset Haven received an allocation of 9% Housing Tax Credits in 2006 for the new construction of 100 units for the elderly in Brownsville, Cameron County. The LURA for the Development states that throughout the 15-year Compliance Period, which ended on December 31, 2022, 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 of age or older.

In a letter dated May 22, 2026, Cheridan McIntyre, 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 and require 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 June 5, 2026. The Owner reported that 30 residents 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.

CAPSTONE
REAL ESTATE SERVICES, INC.

May 22nd, 2026

**Sunset Haven** **CMTS ID: 4388**

Dear TDHCA Compliance Team,

Please accept this letter as a formal request for a Land Use Restriction Agreement (LURA) amendment to allow Sunset Haven to continue operating as a senior housing property.

During the recent monitoring review, it was noted that the property's elderly set-aside requirement had expired with the end of the applicable compliance period. Ownership would like to maintain the property as senior housing in order to continue serving the existing resident population and preserve housing opportunities for elderly households within the community.

The property has historically operated as a senior community and continues to market and lease units in accordance with applicable fair housing requirements and senior housing guidelines. Maintaining the elderly designation is important to both ownership and the residents currently residing at the property, as it supports the long-term stability and housing needs of seniors in the area.

Ownership is in the process of issuing the $2,500 check. Can you please confirm the mailing address where the payment should be sent?

We respectfully request guidance regarding the next steps and any documentation required by TDHCA to process the LURA amendment request. Ownership is prepared to provide any additional information necessary to facilitate review and approval. Thank you for your time and consideration. Please let us know if you require any further documentation or clarification.

Sincerely,
Cheridan McIntyre
Compliance Officer
Capstone Real Estate Services, Inc.
(512)646-6700
Cheridan.McIntyre@capstonemanagement.com

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 1521 **Agenda Date:** 7/9/2026 **Agenda #:** 5.

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Village at Johnson Creek (HTC #98002)

## RECOMMENDED ACTION

**WHEREAS,** Village at Johnson Creek (HTC #98002) received an allocation of 9% Housing Tax Credits (HTCs) in 1998 for the new construction of 140 units for the elderly in Arlington, Tarrant County;

**WHEREAS,** the Land Use Restriction Agreement (LURA) for the Development states that throughout the 25-year Compliance Period, which ended on December 31, 2023, the Development must be a project which is solely occupied by persons 62 years of age or older, or all units in the Development must be occupied by at least one person 60 years of age or older;

**WHEREAS,** Arlington Senior Housing, 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 Village at Johnson Creek 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

Village at Johnson Creek received an allocation of 9% Housing Tax Credits in 1998 for the new construction of 140 units for the elderly in Arlington, Tarrant County. The LURA for the Development states that throughout the 25-year Compliance Period, which ended on December 31, 2023, the Development must be a project which is solely occupied by persons 62 years of age or older, or all units in the Development must be occupied by at least one person 60 years of age or older.

In a letter dated June 3, 2026, Wayne Tai, 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 and require 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 and investor for the Development that they are requesting a LURA amendment to amend the LURA to extend the elderly requirement throughout the term of the LURA. The public hearing was held on June 11, 2026. The Owner reported that 40 residents attended the public hearing, and the comments received were all in favor of maintaining the elderly designation at the Development. The Department also received several written statements from residents of the Development in support of this amendment to extend the elderly designation at the Development.

Staff recommends approval of the amendment request as presented herein.

# Arlington Senior Housing, L.P.

6860 S. Yosemite Court, Suite 2222 – Centennial – CO 80112

June 03, 2026

Ms. Lucy Weber
Asset Management Division
Texas Dept. of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: Arlington Senior Housing, L.P. (the Partnership/Development Owner)
TDHCA Number: 98002

Dear Ms. Weber:

We've been corresponding regarding Justin Merrill's recent file review's non-compliance finding on The Villages of Johnson Creek ("Johnson Creek"). As a result of Mr. Merrill's/TDHCA's finding and your guidance on our correction options, we're writing to formally request an amendment to Johnson Creek's recorded Tax Credit Land Use Regulatory Agreement ("LURA"). Per Title 10, Ch 10, Sub-Ch E, Rule 10.405(b) of the Texas Administrative Code, we are writing to request an amendment to the LURA's post Compliance Period use. Specifically, we request that Johnson Creek remains an elderly age restricted property for tenants who are 62 years or older until the end of its Extended Use Period. Please find enclosed $2,500 check for the payment of the Amendment Application and Review Fee.

Johnson Creek is a 140-unit LIHTC property and was allocated tax credits as part of the 1998 allocation. Since 1999 when it was placed-in-service, the property has been designed and constructed for elderly tenants in which all occupants are 62 years of age or older; or occupied by at least one person who is 60 years or older. The property also provides social services suitable mainly for elderly residents.

Based on our knowledge and conversations with Johnson Creek's residents, the majority have expressed to us they chose to live at Johnson Creek because of its seniors only community. They enjoy having and interacting with fellow elderly neighbors. Residents utilize Johnson Creek's senior services and programs. Some of our onsite management staff have been seniors, which our residents feel they relate better with. From our residents' feedback, we believe converting Johnson Creek into a non-age restricted property will be non-congruent to the property's original intended purpose, which is to serve as affordable housing for the area's elderly population.

Perhaps even more detrimental is that by removing Johnson Creek's original Elderly Project age restriction, the area will lose vital affordable senior housing which is in short supply. To illustrate, here are some widely publicized statistics supporting the state's and local area's need for more senior housing rather than less:

- The age 65 and older cohort makes up 14% of Texas's population. It is also the fastest growing group at approximately 3.8% year-over-year [1].

- The country is said to be experiencing a "Silver Tsunami" whereby over 10,000 people turn age 65 every day. Texas has the country's 3rd largest population of this age group [2].

- Demographers find the Dallas Fort Worth metroplex alone is facing a growing shortage of affordable senior housing for residents 65 years and older. This shortage is not transient and has been worsening due to various unresolved barriers to senior residential housing developments [2].

- Statewide, over 765,000 seniors aged 65 years and older are categorized as cost burdened and struggling to stay housed [3].

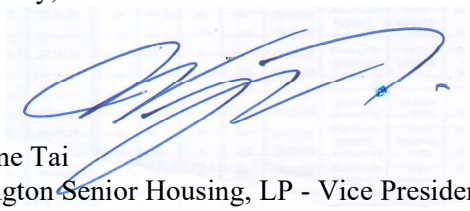
- A recent study found that in the DFW area, nearly 2/3 of its senior residents spend over 30% of their income on housing. The study finds this to be an ongoing affordability crisis [3].
- In Dallas County, approximately 13% of the elderly population are living in poverty [4].
- These sentiments are echoed by Texas Rep. Rhetta Bowers of District 113. Rep. Bowers believes "if we don't act soon, this is going to become a full-blown crisis for our seniors." [2]

- Last but not least, one of the more dire statistics highlighting the chronic shortage is that the National Low Income Housing Coalition found statewide, Texas needs nearly 865,000 affordable senior units than it currently has [3].

We will be holding the required public hearing and submitting the resulting documentation as you've advised. We feel it'll be in the best interest of Johnson Creek's existing residents and the public that the property remains an Elderly Project.

Please don't hesitate to contact me if questions arise or further clarifications are needed. Thank you.

Sincerely,



Wayne Tai
Arlington Senior Housing, LP - Vice President of Asset Management

CC:

| | |
|---|---|
| Brian Flaherty – Arlington Senior Housing, LP | via EMAIL |
| Brendan Flaherty - Sandalwood Management USA, LP | via EMAIL |
| Marilyn Cubias -Sandalwood Management USA, LP | via EMAIL |
| Kim Jackson – Sandalwood Management USA, LP | via EMAIL |
| Lisa Champion – Sandalwood Management USA, LP | via EMAIL |

Citations:


1- Colliers US Capital Markets (2025). Texas Senior Housing. *25H1 report.*
2- B. Wadsack (4/7/2025). Affordable Housing Shortage Could Leave DFW Senior Out in The Cold. *Bisnow.* https://www.bisnow.com/dallas-ft-worth/news/senior-housing/affording-housing-shortage-could-leave-dfw-seniors-out-in-the-cold-128815
3- J. Fechter (11/30/23). More Than 765,000 older Texans are Struggling to Cover Housing Costs. *The Texas Tribune.* More than 765,000 older Texans are struggling to cover housing costs
4- Dallas County (2025). Annual Action Plan. p.2

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #: 1531** **Agenda Date: 7/9/2026** **Agenda #: 6.**

Presentation, discussion, and possible action on an order proposing amendments to 10 TAC Chapter 10, Subchapter F, §10.614 Utility Allowances and directing its publication for public comment 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 #:** 1512 **Agenda Date:** 7/9/2026 **Agenda #:** 7.

Presentation, discussion, and possible action on the 2027 Regional Allocation Formula Methodology

## RECOMMENDED ACTION

**WHEREAS,** Tex. Gov't Code §§2306.1115 and 2306.111(d) require that the Texas Department of Housing and Community Affairs (TDHCA or the Department) use a Regional Allocation Formula (RAF) to allocate its HOME Investment Partnerships (HOME) Program, Housing Tax Credit (HTC) Program, and under certain circumstances, the Texas Housing Trust Fund (HTF) Program funding; and

**WHEREAS,** the proposed RAF Methodology utilizes appropriate statistical data to measure affordable housing needs, available housing resources, and other factors determined by the Department to be relevant to the equitable distribution of housing funds in the urban and rural areas of the 13 State Service Regions used for planning purposes; and

**WHEREAS,** the proposed RAF Methodology was approved by the Governing Board at its meeting on May 7, 2026, and was available for public comment through June 15, 2026, and no public comment was received;

**NOW, therefore, it is hereby**

**RESOLVED**, that the 2027 Regional Allocation Formula Methodologies for the HOME, HTC, and, as applicable, HTF programs, in the form presented at this meeting, is hereby approved.

## BACKGROUND

The Department uses the RAF for planning purposes by utilizing appropriate statistical data to measure the affordable housing need and available resources in the 13 State Service Regions. The RAF also guides the allocation of funding to rural and urban areas within each region. The Department has flexibility in determining variables to be used in the RAF, per Tex. Gov't Code §2306.1115(a)(3), "the department shall develop a formula that…includes other factors determined by the department to be relevant to the equitable distribution of housing funds."

The Department revises the RAF annually to reflect current data, respond to public comment, and better assess regional housing needs and available resources. In prior RAF cycles, the RAF Methodology was updated to refine the use of Metropolitan Statistical Areas (MSAs) by using "MSA counties with urban places" and "Non-MSA counties or counties with only rural places" instead of using just MSA and Non-MSA counties to allocate between urban and rural areas.
This accounts for the fact that even though a county may be a part of an MSA, all the places

within that county may meet the definition of rural per Tex. Gov't Code §2306.004(28-a). The 2027 Urban Rural process used the U.S. Census Bureau's American Community Survey (ACS) 5-year 2020-2024 data.

Factors for lack of kitchen and plumbing facilities are used to measure housing need for Single Family activities, as well as an additional factor for Single Family Activities called the Regional Coverage. The Regional Coverage Factor takes into account the smaller populations of rural areas as well as scattered locations of single family projects, instead of relying solely on population as an absolute.

The draft 2027 RAF Methodology explains the use of factors, in keeping with the statutory requirements, which include the need for housing assistance, the availability of housing resources, and other factors relevant to the equitable distribution of housing funds in urban and rural areas of the state.

The Single Family HOME, Multifamily HOME, HTC, and HTF program RAFs each use slightly different formulas because the programs have different eligible activities, households, and geographical service areas. For example, Tex. Gov't Code §2306.111(c) requires that 95% of the Department's annual allocation of HOME funding be set aside for non-participating jurisdictions (non-PJs). Therefore, the Single Family and Multifamily HOME RAFs only use need and available resource data for non-PJs.

Upon approval by the Board, the draft RAF was available for public comment on the TDHCA Public Comment Center at <https://www.tdhca.texas.gov/tdhca-public-comment-center>. A public comment was open from Friday, May 15, 2026, through Monday, June 15, 2026, at 5:00 pm Central Time. A public hearing for the draft 2026 RAF Methodology was held at 2:00 p.m. Central Time on Tuesday, June 2, 2026, at the Stephen F. Austin Building, Room 172, 1700 Congress Ave, Austin, Texas 78701. No public comment was received on the Regional Allocation Formula Methodology.

The following Attachment(s) are provided:

- 2027 RAF Methodology, inclusive of the following example tables
    - Example 2027 HOME SF RAF
    - Example 2027 HTF RAF
    - Example 2027 HOME MF RAF
    - Example 2027 HTC RAF

Once approved, the final 2027 RAF Methodology will be published on the Department's website. **It should be noted with this action that the Board is approving the final methodology for publication, not specific allocation amounts.**

To the extent funds received/proposed to be used fall below the statutory minimum for any program/activity, or if the proposed activities fall into a statutory exception, the RAF will not be used for the program/activity in question.

# 2027 Regional Allocation Formula Methodology

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## Introduction

Since 2000, the Texas Department of Housing and Community Affairs (TDHCA or the Department) has used a Regional Allocation Formula (RAF) to allocate funding at the regional and subregional level for multifamily and single-family activities. The RAF is required by Tex. Gov't Code §§2306.111 and 2306.1115. It allocates funding for the following programs:

Multifamily Programs:

Housing Tax Credit (HTC) Program

HOME Investment Partnerships Program (HOME) Multifamily (MF)

Single Family Programs:

Texas Housing Trust Fund (THTF) Program*

HOME Single Family (SF)

* The RAF is not required to be utilized for THTF as authorized by Tex. Gov't Code §2306.111(d-1), unless certain factors are in place. HTF is funded through state general revenue and is not to be confused with the federally funded National Housing Trust Fund (NHTF).

The following methodology explains how the RAF meets statutory requirements by accounting for housing need, housing resource availability, and other factors relevant to the equitable distribution of housing funds in urban and rural areas of the state.

The methodology also includes example allocation spreadsheets for each of the four programs subject to the RAF. These spreadsheets demonstrate how the methodology affects each program. The provided spreadsheets utilize the following total allocation amounts:

| Program | Example Total Allocation |
|---|---:|
| HTC | $65,000,000 |
| HOME Multifamily | $12,500,000 |
| HTF | $3,000,000 |
| HOME Single Family | $15,000,000 |

These allocation amounts are only examples. After approval of the RAF Methodology by the TDHCA Governing Board, Program area staff calculate the final allocation amounts according to the most recent information on funding availability. Other planning considerations may also alter the final allocations provided by the RAF. For example, certain HOME SF activities may not release funds subregionally using the RAF. In addition, per Tex. Gov't Code §2306.111(d-1)(3), if THTF funds administered by the Department (and not otherwise set aside) do not exceed $3 million, then THTF funds are not required to be allocated using the RAF.

The draft 2027 RAF Methodology was presented at the May 7, 2026, TDHCA Board meeting for approval to be released for public comment. A public comment period was open from Friday, May 15, 2026, through Monday, June 15, 2026 at 5:00 pm Austin local time. A public hearing for the draft 2027 RAF Methodology was held at 2:00 p.m. Austin local time on Tuesday, June 2, 2026, at the Stephen F. Austin Building, Room 172, 1700 Congress Ave, Austin, Texas 78701. No public

comment was received.

## Statutory Requirement

Tex. Gov't Code §§2306.111 and 2306.1115 require that TDHCA use a formula to allocate funding for the HOME, HTF, and HTC programs.

Tex. Gov't Code §2306.1115 states:

(a) To allocate housing funds under Section 2306.111(d), the department shall develop a formula that:

(1) includes as a factor the need for housing assistance and the availability of housing resources in an urban area or rural area;

(2) provides for allocations that are consistent with applicable federal and state requirements and limitations; and

(3) includes other factors determined by the department to be relevant to the equitable distribution of housing funds under Section 2306.111(d).

(b) The department shall use information contained in its annual state low income housing plan and other appropriate data to develop the formula under this section.

The methodology detailed in this document evaluates both housing need and housing availability in urban and rural areas, as required by statute for the HOME SF, HOME MF, HTF, and HTC programs. The methodology also includes a regional coverage factor for single family programs. This coverage factor utilizes an inverse population density function to help distribute single family program funding to more rural areas of the state in accordance with the statutory requirements.

## Urban and Rural Areas

Tex. Gov't Code §2306.004 states:

(28-a) "Rural area" means an area that is located:

(A) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area; or

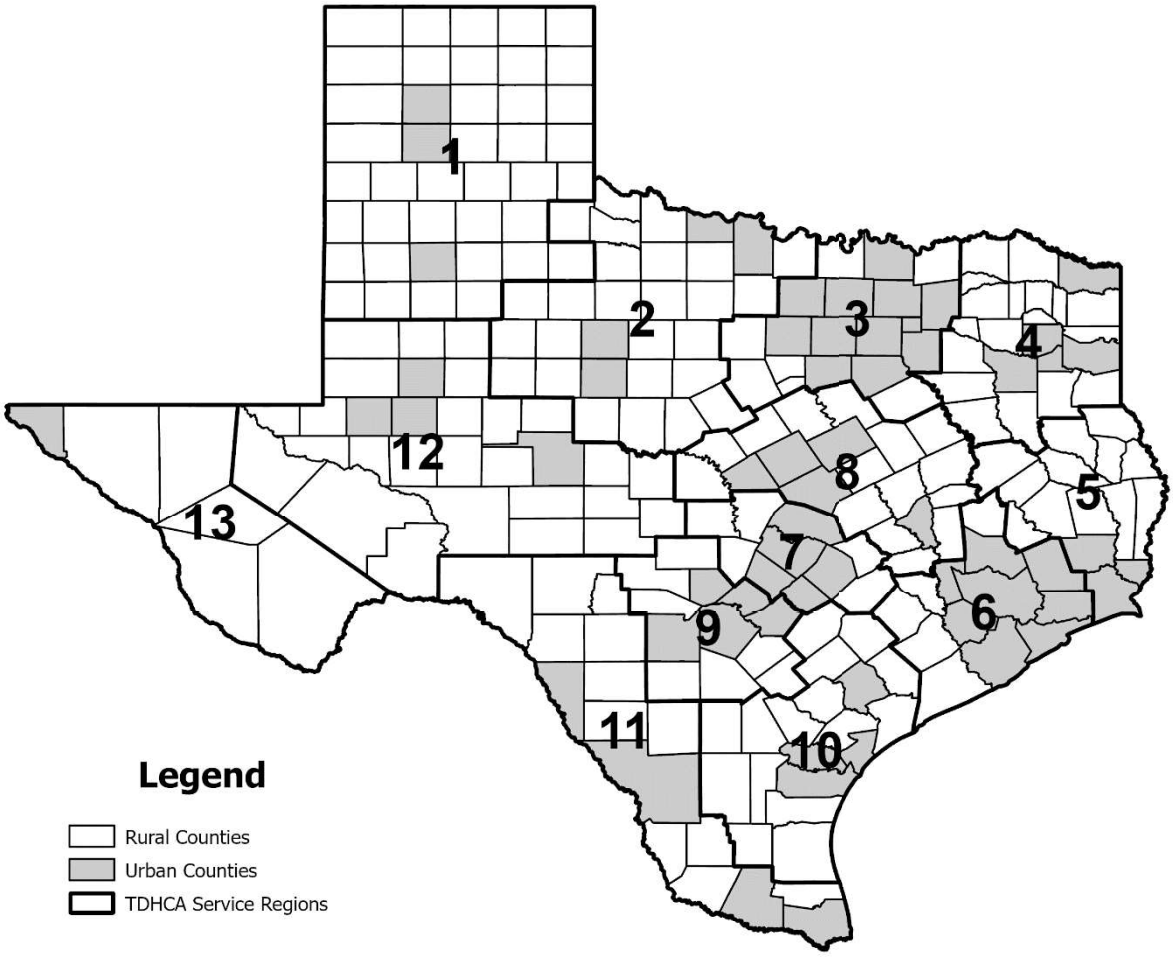
(B) within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 25,000 or less and does not share a boundary with an urban area.

Tex. Gov't Code §2306.004(28-a) is applied to incorporated places and Census Designated Places, as defined by the U.S. Census Bureau, collectively referred to as places. Prior to the development of the RAF each year, the parameters outlined in Tex. Gov't Code are used to determine which of these places are urban and which are rural. Organizations applying for certain site-specific TDHCA-administered funds use the urban and rural place designations to determine which subregional allocation they are eligible to apply for. If the site is located in an urban place, then that organization applies for funds allocated to the urban subregion of their region, while organizations requesting funds for sites in rural places would apply for rural subregional funds. For non-site specific funds, if

a place crosses county or regional boundaries, then that place's subregion (urban or rural) is determined by the county that contains the majority area and population of the place.
Additionally, the RAF must account for the statewide need for and availability of housing. If the RAF only analyzed data from places, many unincorporated parts of the state would not be included, which would significantly hinder the RAF's utility as an equitable allocation tool. For this reason, the RAF uses county-level data to measure statewide housing need and to calculate subregional allocations. This allows for a more complete picture of the state's demographics in determining allocations.

Even if a county contains a Metropolitan Statistical Area (MSA) per the U.S. Office of Management and Budget (OMB) definitions, it's possible that all the places within that county meet the definition of a rural area per Tex. Gov't Code §2306.004(28-a). Therefore, if an MSA county has no places designated as urban, the need and availability of the whole county will be counted toward the rural allocation (*i.e*., the MSA county had no places with a population over 25,000 or places touching a boundary of a place with a population over 25,000). The allocation process outlined in this document refers to "MSA counties with urban places" as "urban counties" and "Non-MSA counties and counties with only rural places" as "rural counties." The need and availability of "MSA counties with urban places" directs the allocation toward the urban places, and the need and availability of "Non-MSA counties and counties with only rural places" directs the allocation toward the rural places.

**Map of Urban and Rural Counties in Texas by Region**




Source: U.S. Census Bureau, 2020-2024 ACS Data, 2024 TIGER Data
Disclaimer: This is not a survey product, boundaries, distances, and scale are approximate only

## Methodology

For many of the RAF's variables, the Department uses the most recent American Community Survey (ACS) 5-Year Estimates data available. Land area data are not available in the annually released ACS; therefore, GEOINFO data used for the Regional Coverage Factor. The RAF currently uses the 2024 GEOINFO tables for land area.

## Affordable Housing Need

For the purposes of developing an allocation formula, affordable housing need is measured through variables that correspond with the assistance provided by each specific TDHCA program. Despite HTF not currently utilizing the RAF, HTF is included in the RAF methodology description if funding levels or programmatic changes require the RAF to be utilized for this program.

### Income

A household's income is the primary measurement of eligibility for housing assistance through TDHCA. HOME, HTC, and HTF serve households that earn less than or equal to 80% Area Median Family Income (AMFI). While eligibility for housing assistance is measured by AMFI, the Comprehensive Housing Affordability Strategy (CHAS) datasets that estimate the number of households in each AMFI category lag behind the poverty data included in the ACS by one year. In order to use the most up-to-date data, the RAF will incorporate ACS data for number of individuals at or below 200% of the poverty level to help calculate affordable housing need. Individuals at or below 200% of the poverty level will qualify for a majority of the housing assistance options offered through TDHCA's HOME, HTC, and HTF programs. The ACS collects income data by individual and housing data by household. Therefore, to ensure that data on *individuals* in poverty can be accurately weighted with data on cost burdened and overcrowded *households* to calculate affordable housing need, the income data must be converted to *households* at or below 200% of poverty. To do this, the number of individuals at or below 200% poverty in each subregion is divided by the average size of a household in Texas. The number of households at or below 200% poverty is included as a variable in all four program RAFs.

### Cost Burden and Overcrowding

Renter and owner need for housing assistance is measured through cost burden and overcrowding conditions. The RAF defines a cost-burdened household as one that spends 30% or more of their monthly income on rent or homeowner costs (for homeowners with a mortgage), which is a common measure of unaffordable housing. The RAF considers an overcrowded housing unit to be one that contains more than one person per room, including the kitchen and bathroom. Areas with high cost burden or overcrowding may signify a need for assistance.

Many of TDHCA's programs aim to assist households that are cost-burdened or overcrowded. HTC and HOME MF both offer assistance for reduced-rent apartments. HOME SF offers Tenant-Based Rental Assistance, which pays a portion of a recipient's rent to their landlord. HTF offers the Amy Young Barrier Removal Program, which can serve both renters and homeowners. Therefore, variables representing renters who need assistance are included in the analysis for all four program RAFs.

HOME SF offers homebuyer assistance, home reconstruction assistance, and single family development programs. For home reconstruction, HOME SF offers grants and no-interest loans to homeowners to reconstruct their homes. For single family development, typically the homes are built by Community Housing Development Organizations (CHDOs) and purchased by low-income homeowners. HTF offers the Amy Young Barrier Removal Program, which can be used for homeowners (as well as renters), and the Bootstrap Loan Program for potential homeowners who use "sweat equity" and low- to no-interest loans to build and secure ownership of their homes. Therefore, variables representing homeowners who need assistance are included in the HOME SF and HTF RAFs.

### Lack of Kitchen and Plumbing Facilities

HOME SF offers homeowner reconstruction assistance. HTF includes activities for the reconstruction, such as the Amy Young Barrier Removal Program. Since TDHCA programs fund the reconstruction of substandard housing, the RAF includes measures for substandard housing. Common definitions of substandard housing include lack of operable indoor plumbing, usable flush toilets, usable bathtub or shower, safe electricity, safe or adequate source of heat, or kitchen facilities. Data regarding total units lacking kitchen facilities or plumbing are the only data available on both an annual basis and at a county level. The count of occupied and unoccupied units lacking kitchen facilities and the count of occupied and unoccupied units lacking plumbing are utilized in the HOME SF and HTF RAFs.

### Summary of Affordable Housing Need for Single Family and Multifamily Activities

The extent of Texans needing affordable housing is measured using five variables for single family activities:

- Cost burdened renter and owner households;
- Overcrowded renter and owner households;
- Housing units lacking kitchen facilities;
- Housing units lacking plumbing; and
- Individuals at or below 200% of the poverty rate.

The extent of Texans needing affordable housing is measured using three variables for multifamily activities:

- Cost burdened renter households;
- Overcrowded renter households; and
- Individuals at or below 200% of the poverty rate.

## Housing Availability

Housing availability is included to measure where existing housing resources are located. Since this includes both market-rate and subsidized units, the RAF uses vacancies as a common measurement for housing availability. A high number of vacancies may indicate that a market has an adequate or a potentially abundant supply of housing. The HOME SF and HTF RAFs incorporate both units for rent and units for sale only into their housing availability measure, while the HOME MF and HTC RAFs only incorporate units for rent.

## Regional Coverage Factor

The RAF uses inverse population density to generate a regional coverage factor. Population density measures the average number of people located in a defined area (i.e. persons per square mile). This is calculated by dividing the number of people in a geographic area by the area of the land in that area. In this way, population density can be used to compare the population size of geographic areas with different dimensions. A high population density means that a geographic area has higher population relative to its available land area. Contrarily, inverse population density measures the amount of land in a geographic area per person in that area (i.e. square miles per person). This is calculated by dividing the land area by the number of people that live in that area. A high inverse population density means that a geographic area has more land area relative to its population size. In this way, high population density generally corresponds to urban regions, while high inverse population generally corresponds to more rural regions.

Inverse population density is included in the HOME SF and HTF RAFs as a Regional Coverage Factor to consider the distance between scattered-site single family activities. This includes accounting for the dispersed population within the predominantly rural areas where HOME SF and HTF administrators provide assistance. TDHCA's multifamily programs generally focus development on a single site, so the Regional Coverage Factor is not as pertinent to multifamily program allocation. The Regional Coverage Factor assists in redistributing single family program funding from urban areas to more rural parts of the state. This better aligns funding availability with the statutory requirement that 95% of the annual allocation of HOME funds be allocated for the benefit of those areas of the state that do not receive HOME funds directly from the U.S. Department of Housing and Urban Development (HUD), primarily smaller cities and rural areas (per Tex. Gov't Code §2306.111).

## Summary of Variables

The following chart shows which need, availability, and other variables are used in the RAF Methodology for each of the four applicable programs.

| | | Multifamily Programs | | Single Family Programs | |
|---|---|---|---|---|---|
| | | HTC | HOME MF | HTF | HOME SF |
| **Need Variables** | *Cost Burdened Renter Households* | ✓ | ✓ | ✓ | ✓ |
| | *Cost Burdened Owner Households* | | | ✓ | ✓ |
| | *Overcrowded Renter Households* | ✓ | ✓ | ✓ | ✓ |
| | *Overcrowded Owner Households* | | | ✓ | ✓ |
| | *Units Lacking Kitchen Facilities* | | | ✓ | ✓ |
| | *Units Lacking Plumbing Facilities* | | | ✓ | ✓ |
| | *Individuals at or Below 200% of Poverty* | ✓ | ✓ | ✓ | ✓ |
| **Availability Variables** | *Vacant Units for Rent* | ✓ | ✓ | ✓ | ✓ |
| | *Vacant Units for Sale* | | | ✓ | ✓ |
| **Other** | *Regional Coverage Factor* | | | ✓ | ✓ |

## Exceptions to the RAF

Per Tex. Gov't Code §2306.111, there are certain instances in which the RAF requirement does not apply to HOME MF, HOME SF, HTC, or HTF funds.

### Set-Asides

Specific set-asides will not be subject to the RAF per Tex. Gov't Code §2306.111(d-1), including set-asides for contract-for-deed activities and set-asides mandated by state or federal law, if these set-asides are less than 10% of the total allocation of funds or credits. Set-asides for funds allocated to serve persons with disabilities will not be subject to the RAF. The total amount available through the RAF will not include funds for at-risk developments for the HTC Program or other statutorily created set-asides. Also pursuant to Tex. Gov't Code §2306.111(d-1), programmed activities for HTF that do not exceed $3 million are not subject to the RAF. It is due to these exceptions that the HTF funds, as currently programmed, do not utilize the RAF.

In addition, per Tex. Gov't Code §2306.111(c)(2), 5% of State HOME funds must be spent on activities that serve persons with disabilities in any area of the State. This portion of HOME is not subject to the RAF because it is set-aside for persons with disabilities.

In Tex. Gov't Code §2306.111(d-2), 5% of HTC funds must be allocated to developments that receive federal assistance through USDA. Any developments that receive federal assistance through USDA and HTC for rehabilitation may compete for funding separately under the "USDA Set-Aside." This funding is taken from the total tax credit ceiling prior to applying the RAF.

### Participating Jurisdictions (PJs)

PJs refer to geographic areas that are under the jurisdiction of local government entities that receive HOME funding directly from HUD. In accordance with Tex. Gov't Code §§2306.111(c)(1), 95% of the funds for HOME must be spent outside of PJs. Since 95% of the annual allocation of HOME funds cannot be spent within a PJ, the housing need, availability, and coverage variables of PJs are not counted toward the subregional allocations for the HOME SF and HOME MF RAFs.

PJ designations are subject to change annually depending on HUD funding. According to HUD's 2025 HOME allocation, 35 of the PJs are cities and nine of the PJs are counties. Four PJ cities fell completely within PJ counties, resulting in a total of 31 PJ cities and nine PJ counties that will be subtracted from the HOME SF and HOME MF RAFs.

### Allocation Adjustments

The HOME SF and HTC RAFs have subregional allocation adjustments under certain conditions. Tex. Gov't Code §2306.111(d-3) requires that at least $500,000 in housing tax credits be allocated to each urban and rural subregion. In the most current Qualified Allocation Plan (QAP), the Department reflects an increase to the $500,000 figure establishing a $600,000 minimum for each region. In a further effort to meet Tex. Gov't Code §§2306.111(c)(1) and (2), the HOME SF RAF has a minimum subregional allocation of $100,000. Additional detail regarding the processes used to adjust allocations for the HOME SF RAF and the HTC RAF can be found in the single family and multifamily RAF examples.

## Single Family RAF Example

Tables 1, 2, and 3 show the need variables, availability variables, and regional coverage factor used in the HOME SF RAF. The HTF RAF is very similar to the HOME SF RAF with the exception that the HTF RAF includes PJs. Example numbers are used for illustrative purposes only. The statewide average household size in the following example is 2.83.

*Table 1: Example of Need Variables Used for HOME SF, by Subregion*

| | Region | Column A: Individuals at or below 200% Poverty without PJs | Column B: Households (HH) at or below 200% Poverty without PJs | Column C: Cost Burdened Owners without PJs | Column D: Cost Burdened Renters without PJs | Column E: Overcrowded Owners without PJs | Column F: Overcrowded Renters without PJs | Column G: Units Lacking Plumbing without PJs | Column H: Units Lacking Kitchen without PJs | Column I: Total Need Variables |
|---|---|---|---|---|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | 150,000 | 53,191 | 1,500 | 15,000 | 3,000 | 2,000 | 4,000 | 6,000 | 84,691 |
| | 2 | 100,000 | 35,461 | 2,500 | 16,000 | 3,500 | 2,500 | 3,000 | 5,000 | 67,961 |
| | 3 | 150,000 | 53,191 | 1,500 | 15,000 | 3,000 | 2,000 | 4,000 | 6,000 | 84,691 |
| | 4 | 100,000 | 35,461 | 2,500 | 16,000 | 3,500 | 2,500 | 3,000 | 5,000 | 67,961 |
| | 5 | 150,000 | 53,191 | 1,500 | 15,000 | 3,000 | 2,000 | 4,000 | 6,000 | 84,691 |
| | 6 | 100,000 | 35,461 | 2,500 | 16,000 | 3,500 | 2,500 | 3,000 | 5,000 | 67,961 |
| | 7 | 150,000 | 53,191 | 1,500 | 15,000 | 3,000 | 2,000 | 4,000 | 6,000 | 84,691 |
| | 8 | 100,000 | 35,461 | 2,500 | 16,000 | 3,500 | 2,500 | 3,000 | 5,000 | 67,961 |
| | 9 | 150,000 | 53,191 | 1,500 | 15,000 | 3,000 | 2,000 | 4,000 | 6,000 | 84,691 |
| | 10 | 100,000 | 35,461 | 2,500 | 16,000 | 3,500 | 2,500 | 3,000 | 5,000 | 67,961 |
| | 11 | 150,000 | 53,191 | 1,500 | 15,000 | 3,000 | 2,000 | 4,000 | 6,000 | 84,691 |
| | 12 | 100,000 | 35,461 | 2,500 | 16,000 | 3,500 | 2,500 | 3,000 | 5,000 | 67,961 |
| | 13 | 150,000 | 53,191 | 1,500 | 15,000 | 3,000 | 2,000 | 4,000 | 6,000 | 84,691 |
| Non-MSA counties and counties with only rural places | Region | Column A: Individuals at or below 200% Poverty without PJs | Column B: HH at or below 200% Poverty without PJs | Column C: Cost Burdened Owners without PJs | Column D: Cost Burdened Renters without PJs | Column E: Overcrowded Owners without PJs | Column F: Overcrowded Renters without PJs | Column G: Units Lacking Plumbing without PJs | Column H: Units Lacking Kitchen without PJs | Column I: Total Need Variables |
| | 1 | 80,000 | 28,369 | 6,000 | 8,000 | 2,000 | 2,000 | 5,000 | 5,000 | 56,369 |
| | 2 | 60,000 | 21,277 | 9,000 | 5,000 | 1,000 | 1,000 | 7,000 | 7,000 | 51,277 |
| | 3 | 80,000 | 28,369 | 6,000 | 8,000 | 2,000 | 2,000 | 5,000 | 5,000 | 56,369 |
| | 4 | 60,000 | 21,277 | 9,000 | 5,000 | 1,000 | 1,000 | 7,000 | 7,000 | 51,277 |
| | 5 | 80,000 | 28,369 | 6,000 | 8,000 | 2,000 | 2,000 | 5,000 | 5,000 | 56,369 |
| | 6 | 60,000 | 21,277 | 9,000 | 5,000 | 1,000 | 1,000 | 7,000 | 7,000 | 51,277 |
| | 7 | 80,000 | 28,369 | 6,000 | 8,000 | 2,000 | 2,000 | 5,000 | 5,000 | 56,369 |
| | 8 | 60,000 | 21,277 | 9,000 | 5,000 | 1,000 | 1,000 | 7,000 | 7,000 | 51,277 |
| | 9 | 80,000 | 28,369 | 6,000 | 8,000 | 2,000 | 2,000 | 5,000 | 5,000 | 56,369 |
| | 10 | 60,000 | 21,277 | 9,000 | 5,000 | 1,000 | 1,000 | 7,000 | 7,000 | 51,277 |
| | 11 | 80,000 | 28,369 | 6,000 | 8,000 | 2,000 | 2,000 | 5,000 | 5,000 | 56,369 |
| | 12 | 60,000 | 21,277 | 9,000 | 5,000 | 1,000 | 1,000 | 7,000 | 7,000 | 51,277 |
| | 13 | 80,000 | 28,369 | 6,000 | 8,000 | 2,000 | 2,000 | 5,000 | 5,000 | 56,369 |
| | | Col A Total | Col B Total | Col C Total | Col D Total | Col E Total | Col F Total | Col G Total | Col H Total | Col I Total |
| State Total | | 2,570,000 | 911,348 | 121,500 | 287,000 | 62,000 | 49,000 | 123,000 | 149,000 | 1,702,848 |

*Table 2: Example of Availability Variables Used for HOME SF, by Subregion*

| | Region | Column J: Vacant Units For Sale without PJs | Column K: Vacant Units For Rent without PJs | Column L: Total Availability Variables |
|---|---|---|---|---|
| MSA Counties with urban places | 1 | 1,500 | 2,000 | 3,500 |
| | 2 | 1,000 | 3,000 | 4,000 |
| | 3 | 1,500 | 2,000 | 3,500 |
| | 4 | 1,000 | 3,000 | 4,000 |
| | 5 | 1,500 | 2,000 | 3,500 |
| | 6 | 1,000 | 3,000 | 4,000 |
| | 7 | 1,500 | 2,000 | 3,500 |
| | 8 | 1,000 | 3,000 | 4,000 |
| | 9 | 1,500 | 2,000 | 3,500 |
| | 10 | 1,000 | 3,000 | 4,000 |
| | 11 | 1,500 | 2,000 | 3,500 |
| | 12 | 1,000 | 3,000 | 4,000 |
| | 13 | 1,500 | 2,000 | 3,500 |
| Non-MSA counties and counties with only rural places | 1 | 1,500 | 2,000 | 3,500 |
| | 2 | 2,000 | 2,500 | 4,500 |
| | 3 | 1,500 | 2,000 | 3,500 |
| | 4 | 2,000 | 2,500 | 4,500 |
| | 5 | 1,500 | 2,000 | 3,500 |
| | 6 | 2,000 | 2,500 | 4,500 |
| | 7 | 1,500 | 2,000 | 3,500 |
| | 8 | 2,000 | 2,500 | 4,500 |
| | 9 | 1,500 | 2,000 | 3,500 |
| | 10 | 2,000 | 2,500 | 4,500 |
| | 11 | 1,500 | 2,000 | 3,500 |
| | 12 | 2,000 | 2,500 | 4,500 |
| | 13 | 1,500 | 2,000 | 3,500 |
| | | Column J Total | Column K Total | Column L Total |
| State Total | | 39,000 | 61,000 | 100,000 |

*Table 3: Example of Regional Coverage Factor used for HOME SF, by Subregion*

| | Region | Column M: Land area without PJs | Column N: Total Population without PJs | Column O: Regional Coverage Factor |
|---|---|---|---|---|
| MSA Counties with urban places | 1 | 3,000 | 350,000 | 0.009 |
| | 2 | 2,000 | 250,000 | 0.008 |
| | 3 | 3,000 | 350,000 | 0.009 |
| | 4 | 2,000 | 250,000 | 0.008 |
| | 5 | 3,000 | 350,000 | 0.009 |
| | 6 | 2,000 | 250,000 | 0.008 |
| | 7 | 3,000 | 350,000 | 0.009 |
| | 8 | 2,000 | 250,000 | 0.008 |
| | 9 | 3,000 | 350,000 | 0.009 |
| | 10 | 2,000 | 250,000 | 0.008 |
| | 11 | 3,000 | 350,000 | 0.009 |
| | 12 | 2,000 | 250,000 | 0.008 |
| | 13 | 3,000 | 350,000 | 0.009 |
| Non-MSA counties and counties with only rural places | 1 | 15,000 | 200,000 | 0.075 |
| | 2 | 13,000 | 300,000 | 0.043 |
| | 3 | 15,000 | 200,000 | 0.075 |
| | 4 | 13,000 | 300,000 | 0.043 |
| | 5 | 15,000 | 200,000 | 0.075 |
| | 6 | 13,000 | 300,000 | 0.043 |
| | 7 | 15,000 | 200,000 | 0.075 |
| | 8 | 13,000 | 300,000 | 0.043 |
| | 9 | 15,000 | 200,000 | 0.075 |
| | 10 | 13,000 | 300,000 | 0.043 |
| | 11 | 15,000 | 200,000 | 0.075 |
| | 12 | 13,000 | 300,000 | 0.043 |
| | 13 | 15,000 | 200,000 | 0.075 |
| | | Column M Total | Column N Total | Column O Total |
| State Total | | 216,000 | 7,150,000 | 0.893 |

## Compounded Need

To allocate funds, the RAF compares each subregion's total need to the state's total need. All of the housing need variables are added together. Then, each subregion's total need is taken as a percentage of the amount of total need in the state. Table 1, Column I, illustrates how the Total Need Variables are derived: households at 200% of poverty, cost burdened owner and renter households, overcrowded owner and renter households, units lacking kitchen facilities, and units lacking plumbing facilities are added together, thereby compounding the need.

This compounding balances the relative importance of the variables; variables with very high or very small numbers are combined with the overall total of need. This prevents variables from being disproportionately weighted.

## Weights

Examples of how the weights operate in the RAF are in Tables 4 and 5. The column header letters (A, B, C, etc.) will build off the previous table. If column letters are not in alphabetical order, the column header letter refers to a previous table.

To apply weights, first the subregional percentage (the subregional share of statewide need), housing availability, and regional allocation factor must be calculated. Table 4 demonstrates how the percentages are derived. Table 4 shows only Urban Region 1 and the statewide total in order to simplify the example.

*Table 4: Percentages Taken*

| Area | Column I: Total Need Variables | Column P: Percent of State's Total Need | Column L: Total Availability Variables | Column Q: Percent of State's Total Availability | Column O: Regional Coverage Factor | Column R: Percent of State's Total Regional Coverage Factor |
|---|---|---|---|---|---|---|
| Urban Region 1 | 84,691 | 5.0% | 3,500 | 3.5% | 0.009 | 1.0% |
| State Total | 1,702,848 | | 100,000 | | 0.893 | |

*Note: Column I is from Table 1, Column L is from Table 2, and Column O is from Table 3.*

A successful allocation formula will provide more funding for areas with high housing need and reduce funding for areas with an abundance of housing resources. Housing availability variables have a negative weight to reflect that an abundance of available units might reduce the need for assistance. The housing need variables and the regional coverage factor have positive weights to reflect that these factors may increase the need for assistance. Renter and owner components of a single need or availability category are added together, as they represent one variable for the purposes of weighting compounded need. The weight of each variable, whether need, availability, or regional coverage factor, must equal 100%; otherwise, the initial subregion allocation will not add up to the total example allocation. The formulas to determine variable weight for the Single Family RAF are as follows:

Total Need Variables = HH at or below 200% poverty + Cost Burden + Overcrowding + Units Lacking Plumbing + Units Lacking Kitchen
Total Availability Variables = Unoccupied Units for Sale or Rent
Regional Coverage Factor = Inverse Population Density
Total Need Variables – Total Availability Variables + Regional Coverage Factor = 100%

To put it simply (with x representing the weight of each variable): 5x-x+x=100%
As a result, each variable is weighted at 20% for Single Family programs, giving the appropriate relationship between funding and current availability of resources. The compounded need variables receive 100% weight. Table 5 shows the application of the weights based on a hypothetical statewide availability of $2,500,000.

*Table 5: Weight Application*

| Area | Column P: Percent of State's Total Need | Column S: Weight of Need Variables | Column T: Need Variable Allocation* | Column Q: Percent of State's Total Availability | Column U: Weight of Availability Variable | Column V: Availability Variable Allocation~ | Column R: Percent of State's Total Regional Coverage Factor | Column W: Weight of Regional Coverage Factor | Column X: Regional Coverage Factor Allocation^ | Column Y: Total Allocation+ |
|---|---|---|---|---|---|---|---|---|---|---|
| Urban Region 1 | 5.0% | 100% | $ 124,338 | 3.5% | -20% | $ (17,500) | 1.0% | 20% | $4,799 | $ 111,637 |

*Note: Column P, Q and R taken from Table 4.*
*Column T is calculated as follows: Column P x Column S x statewide availability of funds.
~Column V is calculated as follows: Column Q x Column U x statewide availability of funds.
^ Column X is calculated as follows: Column W x Column R x statewide availability of funds.
+Column Y is calculated as follows: Column T + Column V + Column X.

## HOME Subregional Allocation Adjustment

The HOME SF RAF has a subregional floor. This floor ensures sufficient funding to award at least one contract in each subregion. If the RAF results in a subregional funding amount that is less than $100,000, that subregion's funding amount is adjusted upward to provide for at least a minimum of $100,000. The process does not reallocate funds from subregions with initial funding amounts in excess of $100,000 to those subregions with initial funding amounts that are less than $100,000. Funds used to enable the floor are not subject to RAF requirements and are added as a final adjustment to the subregional allocation amounts available for award. The final adjustment adds a supplemental allocation to bring all subregions to a minimum of $100,000. The process is complete when each subregion has at least $100,000.

Table 6 shows the process of supplementing funds to subregions that have initial funding amounts that are less than $100,000. This table builds from the previous tables included in this methodology and Urban Regions 1 and 2 are included as examples of this adjustment. The column header letters build off previous tables, so if the letters are not in alphabetical order, the column letter refers to previous tables.

*Table 6: Subregion amount under $100,000*

| Area | Column Y: Initial Subregion amount | Column Z: Amount needed to reach $100,000 | Column AA: Final Subregion Allocation |
|---|---|---|---|
| Urban Region 1 | $111,637 | $- | $111,637 |
| Urban Region 2 | $84,255 | $15,745 | $100,000 |

*Note: Column Y is from Table 5.*

Since the Urban Region 1 initial Subregion amount exceeds $100,000, no adjustment is made to this sub-allocation. However, because the Urban Region 2 initial Subregion amount is less than $100,000, a supplemental allocation amount is added to bring the subregion allocation up to the final allocation amount of $100,000.

## Multifamily RAF Example

Table 7 shows the need and availability variables used in the HTC RAF. The HTC RAF is very similar to the HOME MF RAF, with the exception that the HTC RAF includes PJs. Example numbers are used for clarity. The statewide average household size in the following example is 2.83.

*Table 7: Example of Need and Availability Variables used for HTC, by Subregion*

| | Region | Column BB: Individuals at or below 200% Poverty | Column CC: HH at or below 200% Poverty | Column DD: Cost Burdened Renters | Column EE: Overcrowded Renters | Column FF: Vacant Units for Rent |
|---|---|---|---|---|---|---|
| MSA Counties with urban places | 1 | 150,000 | 53,571 | 25,000 | 4,000 | 6,000 |
| | 2 | 100,000 | 35,714 | 20,000 | 2,000 | 4,000 |
| | 3 | 150,000 | 53,571 | 25,000 | 4,000 | 6,000 |
| | 4 | 100,000 | 35,714 | 20,000 | 2,000 | 4,000 |
| | 5 | 150,000 | 53,571 | 25,000 | 4,000 | 6,000 |
| | 6 | 100,000 | 35,714 | 20,000 | 2,000 | 4,000 |
| | 7 | 150,000 | 53,571 | 25,000 | 4,000 | 6,000 |
| | 8 | 100,000 | 35,714 | 20,000 | 2,000 | 4,000 |
| | 9 | 150,000 | 53,571 | 25,000 | 4,000 | 6,000 |
| | 10 | 100,000 | 35,714 | 20,000 | 2,000 | 4,000 |
| | 11 | 150,000 | 53,571 | 25,000 | 4,000 | 6,000 |
| | 12 | 100,000 | 35,714 | 20,000 | 2,000 | 4,000 |
| | 13 | 150,000 | 53,571 | 25,000 | 4,000 | 6,000 |

| | Region | Column BB: Individuals at or below 200% Poverty | Column CC: HH at or below 200% Poverty | Column DD: Cost Burdened Renters | Column EE: Overcrowded Renters | Column FF: Vacant Units for Rent |
|---|---|---|---|---|---|---|
| Non-MSA counties and counties with only rural places | 1 | 40,000 | 14,286 | 7,000 | 700 | 700 |
| | 2 | 25,000 | 8,929 | 2,000 | 400 | 500 |
| | 3 | 40,000 | 14,286 | 7,000 | 700 | 700 |
| | 4 | 25,000 | 8,929 | 2,000 | 400 | 500 |
| | 5 | 40,000 | 14,286 | 7,000 | 700 | 700 |
| | 6 | 25,000 | 8,929 | 2,000 | 400 | 500 |
| | 7 | 40,000 | 14,286 | 7,000 | 700 | 700 |
| | 8 | 25,000 | 8,929 | 2,000 | 400 | 500 |
| | 9 | 40,000 | 14,286 | 7,000 | 700 | 700 |
| | 10 | 25,000 | 8,929 | 2,000 | 400 | 500 |
| | 11 | 40,000 | 14,286 | 7,000 | 700 | 700 |
| | 12 | 25,000 | 8,929 | 2,000 | 400 | 500 |
| | 13 | 40,000 | 14,286 | 7,000 | 700 | 700 |

| | Column BB Total | Column CC Total | Column DD Total | Column EE Total | Column FF Total |
|---|---|---|---|---|---|
| State Total | 2,080,000 | 742,857 | 356,000 | 47,300 | 73,900 |

## Compounded Need

To allocate funds, the RAF compares each subregion's total need to the state's total need. All of the housing need variables are added together. Then, each subregion's total need is taken as a percentage of the amount of total need in the state. Table 8 illustrates how the Total Need Variables are derived: households at or below 200% of poverty, cost burdened renter households, and overcrowded renter households are added together, thereby compounding the need. Table 8 shows only Urban Region 1 and the statewide total, in order to simplify the example.

*Table 8: Total Need Variables*

| Area | Column CC: HH at or below 200% Poverty | Column DD: Cost Burdened Renters | Column EE: Overcrowded Renters | Column GG: Total Need Variables |
|---|---|---|---|---|
| Urban Region 1 | 53,571 | 25,000 | 4,000 | 82,571 |
| State Total | 742,857 | 356,000 | 47,300 | 1,146,157 |

*Note: Columns CC, DD and EE are from Table 7.*

This compounding balances the relative importance of the variables; variables with very high or very small numbers are combined with the overall total of need. This prevents variables from being disproportionately weighted.

## Weights

Examples of how the weights work in the RAF are in Tables 9 and 10. If the letters are not in alphabetical order, the column header letter refers to a previous table.

In order to apply weights, first the subregional percentage availability, and inverse population density must be calculated. Table 9 demonstrates how the percentages are derived.

*Table 9: Percentages Taken*

| Area | Column GG: Total Need Variables | Column HH: Percent of State's Total Need | Column II: Vacant Units for Rent | Column JJ: Percent of State's Total Availability |
|---|---|---|---|---|
| Urban Region 1 | 82,571 | 7.2% | 6,000 | 8.1% |
| State Total | 1,146,157 | | 73,900 | |

*Note: Column GG is from Table 8.*

A successful allocation formula will provide more funding for areas with high housing need and reduce funding for areas with an abundance of housing resources. The housing availability variable has negative weight to reflect that an abundance of available units might reduce the need for assistance, while housing need variables have positive weight to reflect that these factors may increase the need for assistance. Renter and owner components of a single need or availability category are added together, as they represent one variable for the purposes of weighting the variables. The weight of each variable, whether need, availability, or regional coverage factor, must equal 100%; otherwise, the initial subregion allocation will not add up to the total example allocation. The formulas to determine variable weight for the Multifamily RAF are as follows:

Total Need Variables = HH at or below 200% poverty + Renter Cost Burden + Renter Overcrowding

Availability Variable = Unoccupied Units for Rent

Total Need Variables – Availability Variable = 100%

Simply stated (with x representing the weight of each variable): 3x-x=100%
As a result, each variable is weighted at 50% for multifamily programs, giving the appropriate relationship between funding and current availability of resources. The compounded need variables receive 150% weight. Table 10 shows the application of the weights based on a statewide availability of $40,000,000.

*Table 10: Weight Application*

| Area | Column HH: Percent of State's Total Need | Column KK: Weight of Need Variables | Column LL: Need Variable Allocation* | Column JJ: Percent of State's Total Availability | Column MM: Weight of Availability Variable | Column NN: Availability Variable Allocation~ | Column OO: Total Allocation+ |
|---|---|---|---|---|---|---|---|
| Urban Region 1 | 7.2% | 150% | $ 4,322,519 | 8.1% | -50% | $ (1,623,816) | $ 2,698,703 |

*Note: Column HH and JJ taken from Table 9.*
*Column LL is calculated as follows: Column HH x Column KK x statewide availability of funds.
~Column NN is calculated as follows: Column JJ x Column MM x statewide availability of funds.
+Column OO is calculated as follows: Column LL + Column NN.

## HTC Subregional Allocation Adjustment

Tex. Gov't Code §2306.111(d-3) is a requirement regarding funding and the RAF that applies only to HTC. This provision requires that TDHCA allocate at least 20% of housing tax credits to rural areas, and that $500,000 or more be available for each of the 26 subregions. In the most recent QAP, the Department reflects an increase to the $500,000 figure establishing a $600,000 minimum for each region. The overall state rural allocation of funds is ensured to satisfy the minimum of 20% of the credit ceiling amount in rural areas by making any adjustments at the time of award, if needed. Usually, the 20% allocation to rural areas occurs through the competitive process, but, if not, one or more applications from rural areas will be awarded from the statewide collapse of the RAF to ensure the requirement is met.

For the HTC RAF, the subregional funding amount is adjusted to a minimum of $600,000, if needed. This is a final adjustment to the subregional allocation amounts available for award. The process proportionately takes funds from subregions with initial funding amounts in excess of $600,000 and reallocates those funds to those subregions with initial funding amounts that are less than $600,000. The process is complete when each subregion has at least $600,000.

Tables 11 and 12 show the process of determining the amount to adjust from subregions with more than $600,000. These tables build from the previous tables included in this methodology and Urban Region 1 and 2 and Rural Region 1 and 2 are included. The column header letters build off previous tables, so if the letters are not in alphabetical order, the column letter refers to previous tables.

These four subregions are examined because the most common movement for funds during the $600,000 adjustment is from Urban Counties to Rural Counties. The first step in the $600,000 adjustment process is to determine the amount by which each subregion is over or under $600,000 for each subregion. This is illustrated in Table 11.

*Table 11: Subregional amount over/under $600,000*

| Area | Column OO: Initial Subregion amount | Column PP: Amount needed to reach $600,000 | Column QQ: Amount over $600,000 that can be reallocated |
|---|---|---|---|
| Urban Region 1 | $2,698,703 | $- | $2,098,703 |
| Urban Region 2 | $1,938,732 | $- | $1,338,732 |
| Rural Region 1 | $961,482 | $- | $361,482 |
| Rural Region 2 | $457,720 | $142,280 | $- |
| State Total | $40,000,000 | $853,682.36 | $25,253,682.36 |

*Note: Column OO is from Table 10.*

Column QQ in Table 11 is the amount in Column OO minus $600,000 if the amount in Column OO is more than $600,000. At least $600,000 is maintained in each subregion before the adjustment process. The next step in the adjustment process is to determine the percentage to be reallocated. The proportion of the total amount to be reallocated is in Column SS. Finally, Column OO is adjusted by Column SS to equal the final Sub-Amount in Column TT.

*Table 12: Proportional adjustment*

| Area | Column RR: Percent of Total Amount that can be reallocated* | Column SS: Amount to be reallocated~ | Column TT: Final Subregion Allocation+ |
|---|---|---|---|
| Urban Region 1 | 8.31% | $ (70,945) | $2,627,758 |
| Urban Region 2 | 5.30% | $ (45,255) | $1,893,477 |
| Rural Region 1 | 1.43% | $ (12,220) | $949,262 |
| Rural Region 2 | 0.00% | $142,280 | $600,000 |
| State Total | 100.00% | $0 | $40,000,000 |

**Column RR is calculated as follows: if Column OO is more than $600,000, then ((Column OO-$600,000)/(Statewide total for Column QQ))*
*~Column SS is calculated as followed: if Column RR is a percentage, then (Column RR*$853,682.36); if Column RR is "-%", then Column SS equals Column PP.*
*+Column TT is calculated as follows: Column OO + Column SS.*

Texas Department of Housing and Community Affairs

Example 2027 HOME SF Regional Allocation Formula

**Table 1 - Raw Data**

| | Region | Individuals at or Below 200% Poverty | HH at or Below 200% Poverty | Cost-Burdened Owners | Cost-Burdened Renters | Over-crowded Owners | Over-crowded Renters | Total Units Lacking Plumbing | Total Units Lacking Kitchen | Vacant Units For Sale | Vacant Units For Rent | Land Area | Total Population | Inverse Population Density |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | 26,135 | 9,716 | 3,784 | 2,763 | 653 | 593 | 1,412 | 1,845 | 207 | 660 | 2,616 | 114,230 | 0.023 |
| | 2 | 20,405 | 7,586 | 2,549 | 1,740 | 458 | 150 | 2,077 | 1,645 | 288 | 304 | 3,293 | 76,024 | 0.043 |
| | 3 | 447,282 | 166,276 | 114,043 | 97,299 | 14,269 | 11,736 | 9,171 | 20,275 | 5,876 | 12,413 | 7,665 | 2,453,549 | 0.003 |
| | 4 | 120,081 | 44,640 | 12,914 | 14,213 | 2,937 | 1,898 | 10,085 | 6,774 | 822 | 3,016 | 3,453 | 379,919 | 0.009 |
| | 5 | 63,472 | 23,596 | 6,330 | 7,319 | 1,408 | 1,497 | 3,691 | 4,822 | 832 | 2,564 | 1,941 | 227,720 | 0.009 |
| | 6 | 144,061 | 53,554 | 21,213 | 22,400 | 4,717 | 2,681 | 4,255 | 4,466 | 1,914 | 3,430 | 2,606 | 521,996 | 0.005 |
| | 7 | 219,072 | 81,439 | 46,244 | 56,522 | 5,946 | 6,476 | 2,890 | 5,703 | 2,077 | 4,461 | 3,208 | 1,029,908 | 0.003 |
| | 8 | 135,781 | 50,476 | 16,790 | 25,121 | 2,799 | 2,853 | 3,810 | 4,848 | 1,730 | 2,612 | 4,256 | 488,500 | 0.009 |
| | 9 | 95,628 | 35,549 | 22,136 | 17,384 | 2,810 | 2,162 | 2,020 | 4,196 | 2,051 | 2,384 | 3,258 | 469,582 | 0.007 |
| | 1 | 77,790 | 28,918 | 7,153 | 11,865 | 1,769 | 1,496 | 3,296 | 4,807 | 663 | 3,970 | 2,508 | 222,006 | 0.011 |
| | 1 | 118,593 | 44,087 | 5,926 | 8,792 | 4,230 | 2,741 | 2,559 | 2,742 | 589 | 1,550 | 5,271 | 234,613 | 0.022 |
| | 1 | 70,582 | 26,239 | 9,840 | 11,786 | 2,800 | 2,702 | 3,283 | 2,418 | 875 | 2,097 | 4,136 | 249,254 | 0.017 |
| | 1 | 87,696 | 32,601 | 7,858 | 5,270 | 2,793 | 1,178 | 1,391 | 1,434 | 740 | 599 | 757 | 190,649 | 0.004 |
| | Sub | 1,626,578 | 604,676 | 276,780 | 282,474 | 47,589 | 38,163 | 49,940 | 65,975 | 18,664 | 40,060 | 44,967 | 6,657,950 | 0.165 |
| Non-MSA Counties and Counties with | 1 | 110,366 | 41,028 | 6,579 | 9,924 | 2,441 | 1,979 | 11,878 | 10,155 | 1,235 | 2,801 | 36,633 | 292,467 | 0.125 |
| | 2 | 86,435 | 32,132 | 7,217 | 8,787 | 1,487 | 908 | 9,206 | 9,432 | 1,219 | 1,548 | 23,742 | 249,510 | 0.095 |
| | 3 | 85,781 | 31,889 | 11,151 | 11,911 | 2,439 | 1,648 | 3,573 | 4,469 | 879 | 1,910 | 5,417 | 283,757 | 0.019 |
| | 4 | 212,005 | 78,812 | 19,524 | 21,693 | 6,439 | 2,364 | 11,503 | 11,439 | 1,755 | 3,652 | 11,856 | 603,816 | 0.020 |
| | 5 | 143,705 | 53,422 | 10,346 | 17,411 | 4,030 | 2,885 | 8,868 | 8,188 | 1,406 | 2,777 | 9,910 | 376,885 | 0.026 |
| | 6 | 72,294 | 26,875 | 7,183 | 11,812 | 1,516 | 1,343 | 3,324 | 3,835 | 884 | 2,472 | 4,577 | 210,508 | 0.022 |
| | 7 | 34,002 | 12,640 | 5,792 | 4,846 | 1,251 | 570 | 1,676 | 1,735 | 543 | 588 | 4,217 | 130,535 | 0.032 |
| | 8 | 93,051 | 34,591 | 8,852 | 9,851 | 2,851 | 1,522 | 7,129 | 7,741 | 1,172 | 1,923 | 12,672 | 293,740 | 0.043 |
| | 9 | 68,362 | 25,413 | 9,539 | 8,414 | 2,429 | 1,540 | 2,937 | 3,601 | 1,474 | 1,508 | 6,857 | 240,373 | 0.029 |
| | 1 | 90,401 | 33,606 | 6,391 | 10,984 | 1,757 | 1,780 | 6,821 | 6,714 | 475 | 1,384 | 14,903 | 238,949 | 0.062 |
| | 1 | 107,174 | 39,842 | 4,659 | 7,363 | 3,106 | 2,074 | 5,112 | 4,711 | 678 | 1,110 | 16,935 | 209,276 | 0.081 |
| | 1 | 60,869 | 22,628 | 4,722 | 5,603 | 1,787 | 1,022 | 4,096 | 4,673 | 680 | 1,339 | 35,496 | 180,957 | 0.196 |
| | 1 | 10,012 | 3,722 | 766 | 946 | 221 | 141 | 862 | 677 | 116 | 178 | 20,687 | 22,896 | 0.904 |
| | Sub | 1,174,457 | 436,601 | 102,721 | 129,545 | 31,754 | 19,776 | 76,985 | 77,370 | 12,516 | 23,190 | 203,902 | 3,333,669 | 1.654 |
| | To | 2,801,035 | 1,041,277 | 379,501 | 412,019 | 79,343 | 57,939 | 126,925 | 143,345 | 31,180 | 63,250 | 248,869 | 9,991,619 | 1.819 |

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Texas Average HH Size: 2.69

Texas Department of Housing and Community Affairs

Example 2027 HOME SF Regional Allocation Formula

**Table 2 - Weights**

| | Region | Total Need Variables | % of Total Need Variables | Weighted | Total Availability Variables | % of Total Availability Variables | Weighted | Regional Coverage Factor | % of Total Regional Coverage Factor | Weighted | Initial Subregion Allocation | % of Total Award |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | 20,766 | 0.9% | $139,034 | 867 | 0.9% | $(27,544) | 0.023 | 1.3% | $37,767 | $149,257 | 1.00% |
| | 2 | 16,205 | 0.7% | $108,495 | 592 | 0.6% | $(18,808) | 0.043 | 2.4% | $71,426 | $161,113 | 1.07% |
| | 3 | 433,069 | 19.3% | $2,899,563 | 18,289 | 19.4% | $(581,034) | 0.003 | 0.2% | $5,152 | $2,323,681 | 15.49% |
| | 4 | 93,461 | 4.2% | $625,756 | 3,838 | 4.1% | $(121,932) | 0.009 | 0.5% | $14,989 | $518,813 | 3.46% |
| | 5 | 48,663 | 2.2% | $325,814 | 3,396 | 3.6% | $(107,889) | 0.009 | 0.5% | $14,055 | $231,980 | 1.55% |
| | 6 | 113,286 | 5.1% | $758,495 | 5,344 | 5.7% | $(169,777) | 0.005 | 0.3% | $8,233 | $596,952 | 3.98% |
| | 7 | 205,220 | 9.2% | $1,374,030 | 6,538 | 6.9% | $(207,709) | 0.003 | 0.2% | $5,136 | $1,171,456 | 7.81% |
| | 8 | 106,697 | 4.8% | $714,379 | 4,342 | 4.6% | $(137,943) | 0.009 | 0.5% | $14,367 | $590,802 | 3.94% |
| | 9 | 86,257 | 3.9% | $577,527 | 4,435 | 4.7% | $(140,898) | 0.007 | 0.4% | $11,443 | $448,071 | 2.99% |
| | 10 | 59,304 | 2.6% | $397,065 | 4,633 | 4.9% | $(147,188) | 0.011 | 0.6% | $18,629 | $268,506 | 1.79% |
| | 11 | 71,077 | 3.2% | $475,885 | 2,139 | 2.3% | $(67,955) | 0.022 | 1.2% | $37,048 | $444,978 | 2.97% |
| | 12 | 59,068 | 2.6% | $395,481 | 2,972 | 3.1% | $(94,419) | 0.017 | 0.9% | $27,365 | $328,427 | 2.19% |
| | 13 | 52,525 | 2.3% | $351,673 | 1,339 | 1.4% | $(42,539) | 0.004 | 0.2% | $6,552 | $315,686 | 2.10% |
| | Subtotal | 1,365,597 | 61.0% | $9,143,197 | 58,724 | 62.2% | $(1,865,636) | 0.165 | 9.1% | $272,161 | $7,549,723 | 50.33% |
| Non-MSA Counties and Counties with Only Rural Places | 1 | 83,984 | 3.7% | $562,307 | 4,036 | 4.3% | $(128,222) | 0.125 | 6.9% | $206,559 | $640,644 | 4.27% |
| | 2 | 69,169 | 3.1% | $463,113 | 2,767 | 2.9% | $(87,906) | 0.095 | 5.2% | $156,921 | $532,128 | 3.55% |
| | 3 | 67,080 | 3.0% | $449,125 | 2,789 | 3.0% | $(88,605) | 0.019 | 1.0% | $31,483 | $392,003 | 2.61% |
| | 4 | 151,774 | 6.8% | $1,016,187 | 5,407 | 5.7% | $(171,778) | 0.020 | 1.1% | $32,381 | $876,790 | 5.85% |
| | 5 | 105,150 | 4.7% | $704,019 | 4,183 | 4.4% | $(132,892) | 0.026 | 1.4% | $43,362 | $614,489 | 4.10% |
| | 6 | 55,888 | 2.5% | $374,192 | 3,356 | 3.6% | $(106,619) | 0.022 | 1.2% | $35,859 | $303,433 | 2.02% |
| | 7 | 28,510 | 1.3% | $190,886 | 1,131 | 1.2% | $(35,931) | 0.032 | 1.8% | $53,270 | $208,225 | 1.39% |
| | 8 | 72,537 | 3.2% | $485,666 | 3,095 | 3.3% | $(98,327) | 0.043 | 2.4% | $71,144 | $458,483 | 3.06% |
| | 9 | 53,873 | 2.4% | $360,703 | 2,982 | 3.2% | $(94,737) | 0.029 | 1.6% | $47,042 | $313,009 | 2.09% |
| | 10 | 68,053 | 3.0% | $455,643 | 1,859 | 2.0% | $(59,060) | 0.062 | 3.4% | $102,850 | $499,434 | 3.33% |
| | 11 | 66,867 | 3.0% | $447,698 | 1,788 | 1.9% | $(56,804) | 0.081 | 4.4% | $133,450 | $524,344 | 3.50% |
| | 12 | 44,531 | 2.0% | $298,151 | 2,019 | 2.1% | $(64,143) | 0.196 | 10.8% | $323,486 | $557,494 | 3.72% |
| | 13 | 7,335 | 0.3% | $49,110 | 294 | 0.3% | $(9,340) | 0.904 | 49.7% | $1,490,031 | $1,529,801 | 10.20% |
| | Subtotal | 874,752 | 39.0% | $5,856,803 | 35,706 | 37.8% | $(1,134,364) | 1.654 | 90.9% | $2,727,839 | $7,450,277 | 49.67% |
| | Total | 2,240,349 | 100% | $15,000,000 | 94,430 | 100% | $(3,000,000) | 1.819 | 100.0% | $3,000,000 | $15,000,000 | 100.00% |

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Total Sample Allocation: $15,000,000

Weight of Need Variables: 100%

Weight of Availability Variables: -20%

Weight of Regional Coverage Factor: 20%

Texas Department of Housing and Community Affairs

Example 2027 HOME SF Regional Allocation Formula

**Table 3 – Supplemental Allocation**

| | Region | Initial Subregion Amount | Supplemental Amount Needed to Reach Subregion Floor | Final Subregion Allocation | % of Total Award |
|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | $149,256.77 | $- | $149,256.77 | 1.00% |
| | 2 | $161,113.31 | $- | $161,113.31 | 1.07% |
| | 3 | $2,323,681.08 | $- | $2,323,681.08 | 15.49% |
| | 4 | $518,813.27 | $- | $518,813.27 | 3.46% |
| | 5 | $231,980.22 | $- | $231,980.22 | 1.55% |
| | 6 | $596,952.12 | $- | $596,952.12 | 3.98% |
| | 7 | $1,171,456.27 | $- | $1,171,456.27 | 7.81% |
| | 8 | $590,802.04 | $- | $590,802.04 | 3.94% |
| | 9 | $448,071.39 | $- | $448,071.39 | 2.99% |
| | 10 | $268,505.53 | $- | $268,505.53 | 1.79% |
| | 11 | $444,977.90 | $- | $444,977.90 | 2.97% |
| | 12 | $328,426.80 | $- | $328,426.80 | 2.19% |
| | 13 | $315,685.98 | $- | $315,685.98 | 2.10% |
| | Subtotal | $7,549,722.68 | $- | $7,549,722.68 | 50.33% |
| Non-MSA Counties and Counties with Only Rural Places | 1 | $640,643.78 | $- | $640,643.78 | 4.27% |
| | 2 | $532,127.86 | $- | $532,127.86 | 3.55% |
| | 3 | $392,003.30 | $- | $392,003.30 | 2.61% |
| | 4 | $876,790.19 | $- | $876,790.19 | 5.85% |
| | 5 | $614,489.13 | $- | $614,489.13 | 4.10% |
| | 6 | $303,432.74 | $- | $303,432.74 | 2.02% |
| | 7 | $208,225.11 | $- | $208,225.11 | 1.39% |
| | 8 | $458,483.06 | $- | $458,483.06 | 3.06% |
| | 9 | $313,008.52 | $- | $313,008.52 | 2.09% |
| | 10 | $499,434.08 | $- | $499,434.08 | 3.33% |
| | 11 | $524,343.92 | $- | $524,343.92 | 3.50% |
| | 12 | $557,494.41 | $- | $557,494.41 | 3.72% |
| | 13 | $1,529,801.21 | $- | $1,529,801.21 | 10.20% |
| | Subtotal | $7,450,277.32 | $- | $7,450,277.32 | 49.67% |
| | Total | $15,000,000.00 | $- | $15,000,000.00 | 100.00% |

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Subregion Allocation Floor: $100,000.00

Texas Department of Housing and Community Affairs

Example 2027 HTF Regional Allocation Formula

**Table 1 - Raw Data**

| | Region | Individuals at or Below 200% Poverty | HH at or Below 200% Poverty | Cost-Burdened Owners | Cost-Burdened Renters | Over-crowded Owners | Over-crowded Renters | Total Units Lacking Plumbing | Total Units Lacking Kitchen | Vacant Units For Sale | Vacant Units For Rent | Land Area | Total Population | Inverse Population Density |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | 196,669 | 73,111 | 19,624 | 44,346 | 2,662 | 4,182 | 5,724 | 9,147 | 1,266 | 9,338 | 2,716 | 580,929 | 0.005 |
| | 2 | 97,121 | 36,104 | 9,037 | 18,507 | 1,359 | 1,564 | 4,406 | 4,700 | 1,163 | 2,999 | 3,561 | 306,658 | 0.012 |
| | 3 | 2,089,260 | 776,677 | 319,734 | 586,769 | 50,518 | 81,709 | 27,547 | 59,146 | 16,044 | 98,895 | 9,603 | 8,128,927 | 0.001 |
| | 4 | 188,494 | 70,072 | 17,966 | 29,710 | 3,982 | 3,457 | 14,061 | 9,114 | 1,240 | 7,918 | 3,563 | 572,057 | 0.006 |
| | 5 | 136,853 | 50,875 | 11,159 | 21,866 | 2,422 | 3,088 | 5,526 | 7,694 | 1,407 | 4,498 | 2,101 | 396,827 | 0.005 |
| | 6 | 2,253,840 | 837,859 | 278,188 | 517,621 | 48,715 | 98,933 | 37,096 | 52,244 | 18,776 | 103,473 | 7,612 | 7,383,177 | 0.001 |
| | 7 | 522,317 | 194,170 | 104,026 | 195,264 | 11,794 | 24,168 | 6,789 | 12,629 | 4,901 | 18,961 | 4,220 | 2,426,592 | 0.002 |
| | 8 | 341,345 | 126,894 | 33,478 | 82,548 | 5,219 | 7,709 | 6,915 | 9,804 | 2,559 | 10,213 | 4,438 | 1,002,738 | 0.004 |
| | 9 | 787,536 | 292,764 | 100,901 | 173,783 | 15,665 | 24,679 | 11,956 | 20,820 | 7,481 | 32,387 | 4,498 | 2,536,923 | 0.002 |
| | 10 | 190,444 | 70,797 | 18,342 | 36,442 | 4,034 | 4,513 | 5,454 | 7,882 | 1,434 | 9,316 | 2,666 | 539,425 | 0.005 |
| | 11 | 827,908 | 307,772 | 44,433 | 76,123 | 28,940 | 23,683 | 16,001 | 15,425 | 4,114 | 12,328 | 7,103 | 1,645,473 | 0.004 |
| | 12 | 140,060 | 52,067 | 17,344 | 28,459 | 4,636 | 4,948 | 4,852 | 4,942 | 1,464 | 4,546 | 4,235 | 464,250 | 0.009 |
| | 13 | 371,903 | 138,254 | 33,540 | 53,445 | 7,437 | 8,570 | 5,333 | 6,754 | 2,140 | 7,451 | 1,013 | 870,779 | 0.001 |
| | Subtotal | 8,143,750 | 3,027,416 | 1,007,772 | 1,864,883 | 187,383 | 291,203 | 151,660 | 220,301 | 63,989 | 322,323 | 57,328 | 26,854,755 | 0.058 |
| Non-MSA Counties and Counties with Only Rural Places | 1 | 110,366 | 41,028 | 6,579 | 9,924 | 2,441 | 1,979 | 11,878 | 10,155 | 1,235 | 2,801 | 36,633 | 292,467 | 0.125 |
| | 2 | 86,435 | 32,132 | 7,217 | 8,787 | 1,487 | 908 | 9,206 | 9,432 | 1,219 | 1,548 | 23,742 | 249,510 | 0.095 |
| | 3 | 85,781 | 31,889 | 11,151 | 11,911 | 2,439 | 1,648 | 3,573 | 4,469 | 879 | 1,910 | 5,417 | 283,757 | 0.019 |
| | 4 | 212,005 | 78,812 | 19,524 | 21,693 | 6,439 | 2,364 | 11,503 | 11,439 | 1,755 | 3,652 | 11,856 | 603,816 | 0.020 |
| | 5 | 143,705 | 53,422 | 10,346 | 17,411 | 4,030 | 2,885 | 8,868 | 8,188 | 1,406 | 2,777 | 9,910 | 376,885 | 0.026 |
| | 6 | 72,294 | 26,875 | 7,183 | 11,812 | 1,516 | 1,343 | 3,324 | 3,835 | 884 | 2,472 | 4,577 | 210,508 | 0.022 |
| | 7 | 34,002 | 12,640 | 5,792 | 4,846 | 1,251 | 570 | 1,676 | 1,735 | 543 | 588 | 4,217 | 130,535 | 0.032 |
| | 8 | 93,051 | 34,591 | 8,852 | 9,851 | 2,851 | 1,522 | 7,129 | 7,741 | 1,172 | 1,923 | 12,672 | 293,740 | 0.043 |
| | 9 | 68,362 | 25,413 | 9,539 | 8,414 | 2,429 | 1,540 | 2,937 | 3,601 | 1,474 | 1,508 | 6,857 | 240,373 | 0.029 |
| | 10 | 90,401 | 33,606 | 6,391 | 10,984 | 1,757 | 1,780 | 6,821 | 6,714 | 475 | 1,384 | 14,905 | 238,949 | 0.062 |
| | 11 | 107,174 | 39,842 | 4,659 | 7,363 | 3,106 | 2,074 | 5,112 | 4,711 | 678 | 1,110 | 16,935 | 209,276 | 0.081 |
| | 12 | 60,869 | 22,628 | 4,722 | 5,603 | 1,787 | 1,022 | 4,096 | 4,673 | 680 | 1,339 | 35,496 | 180,957 | 0.196 |
| | 13 | 10,012 | 3,722 | 766 | 946 | 221 | 141 | 862 | 677 | 116 | 178 | 20,687 | 22,896 | 0.904 |
| | Subtotal | 1,174,457 | 436,601 | 102,721 | 129,545 | 31,754 | 19,776 | 76,985 | 77,370 | 12,516 | 23,190 | 203,904 | 3,333,669 | 1.654 |
| | Total | 9,318,207 | 3,464,017 | 1,110,49 | 1,994,428 | 219,137 | 310,979 | 228,645 | 297,671 | 76,505 | 345,513 | 261,232 | 30,188,424 | 1.712 |

Texas Average HH Size: 2.69

Texas Department of Housing and Community Affairs

Example 2027 HTF Regional Allocation Formula

**Table 2 - Weights**

| | Region | Total Need Variables | % of Total Need Variables | Weighted | Total Availability Variables | % of Total Availability Variables | Weighted | Regional Coverage Factor | % of Total Regional Coverage Factor | Weighted | Final Subregion Allocation | % of Total Award |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | 158,796 | 2.1% | $62,474 | 10,604 | 2.5% | $(15,076) | 0.005 | 0.3% | $1,639 | $49,037 | 1.63% |
| | 2 | 75,677 | 1.0% | $29,773 | 4,162 | 1.0% | $(5,917) | 0.012 | 0.7% | $4,070 | $27,926 | 0.93% |
| | 3 | 1,902,100 | 24.9% | $748,331 | 114,939 | 27.2% | $(163,413) | 0.001 | 0.1% | $414 | $585,331 | 19.51% |
| | 4 | 148,362 | 1.9% | $58,369 | 9,158 | 2.2% | $(13,020) | 0.006 | 0.4% | $2,183 | $47,532 | 1.58% |
| | 5 | 102,630 | 1.3% | $40,377 | 5,905 | 1.4% | $(8,395) | 0.005 | 0.3% | $1,856 | $33,837 | 1.13% |
| | 6 | 1,870,656 | 24.5% | $735,960 | 122,249 | 29.0% | $(173,806) | 0.001 | 0.1% | $361 | $562,515 | 18.75% |
| | 7 | 548,840 | 7.2% | $215,927 | 23,862 | 5.7% | $(33,926) | 0.002 | 0.1% | $610 | $182,611 | 6.09% |
| | 8 | 272,567 | 3.6% | $107,234 | 12,772 | 3.0% | $(18,158) | 0.004 | 0.3% | $1,552 | $90,627 | 3.02% |
| | 9 | 640,568 | 8.4% | $252,015 | 39,868 | 9.4% | $(56,682) | 0.002 | 0.1% | $622 | $195,954 | 6.53% |
| | 10 | 147,464 | 1.9% | $58,016 | 10,750 | 2.5% | $(15,284) | 0.005 | 0.3% | $1,733 | $44,465 | 1.48% |
| | 11 | 512,377 | 6.7% | $201,581 | 16,442 | 3.9% | $(23,376) | 0.004 | 0.3% | $1,513 | $179,718 | 5.99% |
| | 12 | 117,248 | 1.5% | $46,128 | 6,010 | 1.4% | $(8,545) | 0.009 | 0.5% | $3,198 | $40,781 | 1.36% |
| | 13 | 253,333 | 3.3% | $99,667 | 9,591 | 2.3% | $(13,636) | 0.001 | 0.1% | $408 | $86,439 | 2.88% |
| | Subtotal | 6,750,618 | 88.5% | $2,655,852 | 386,312 | 91.5% | $(549,235) | 0.058 | 3.4% | $20,157 | $2,126,773 | 70.89% |
| Non-MSA Counties and Counties with Only Rural Places | 1 | 83,984 | 1.1% | $33,041 | 4,036 | 1.0% | $(5,738) | 0.125 | 7.3% | $43,907 | $71,210 | 2.37% |
| | 2 | 69,169 | 0.9% | $27,213 | 2,767 | 0.7% | $(3,934) | 0.095 | 5.6% | $33,356 | $56,635 | 1.89% |
| | 3 | 67,080 | 0.9% | $26,391 | 2,789 | 0.7% | $(3,965) | 0.019 | 1.1% | $6,692 | $29,118 | 0.97% |
| | 4 | 151,774 | 2.0% | $59,712 | 5,407 | 1.3% | $(7,687) | 0.020 | 1.1% | $6,883 | $58,907 | 1.96% |
| | 5 | 105,150 | 1.4% | $41,368 | 4,183 | 1.0% | $(5,947) | 0.026 | 1.5% | $9,217 | $44,638 | 1.49% |
| | 6 | 55,888 | 0.7% | $21,988 | 3,356 | 0.8% | $(4,771) | 0.022 | 1.3% | $7,622 | $24,839 | 0.83% |
| | 7 | 28,510 | 0.4% | $11,217 | 1,131 | 0.3% | $(1,608) | 0.032 | 1.9% | $11,323 | $20,932 | 0.70% |
| | 8 | 72,537 | 1.0% | $28,538 | 3,095 | 0.7% | $(4,400) | 0.043 | 2.5% | $15,123 | $39,260 | 1.31% |
| | 9 | 53,873 | 0.7% | $21,195 | 2,982 | 0.7% | $(4,240) | 0.029 | 1.7% | $9,999 | $26,955 | 0.90% |
| | 10 | 68,053 | 0.9% | $26,774 | 1,859 | 0.4% | $(2,643) | 0.062 | 3.6% | $21,866 | $45,997 | 1.53% |
| | 11 | 66,867 | 0.9% | $26,307 | 1,788 | 0.4% | $(2,542) | 0.081 | 4.7% | $28,367 | $52,131 | 1.74% |
| | 12 | 44,531 | 0.6% | $17,519 | 2,019 | 0.5% | $(2,870) | 0.196 | 11.5% | $68,761 | $83,410 | 2.78% |
| | 13 | 7,335 | 0.1% | $2,886 | 294 | 0.1% | $(418) | 0.904 | 52.8% | $316,727 | $319,194 | 10.64% |
| | Subtotal | 874,752 | 11.5% | $344,148 | 35,706 | 8.5% | $(50,765) | 1.654 | 96.6% | $579,843 | $873,227 | 29.11% |
| | Total | 7,625,370 | 100% | $3,000,000 | 422,018 | 100% | $(600,000) | 1.712 | 100.0% | $600,000 | $3,000,000 | 100.00% |

Total Sample Allocation: $3,000,000

Weight of Need Variables: 100%

Weight of Availability Variables: -20%

Weight of Regional Coverage Factor: 20%

Texas Department of Housing and Community Affairs

Example 2027 HOME MF Regional Allocation Formula

**Table 1 - Raw Data**

| | Region | Individuals at or Below 200% Poverty | HH at or Below 200% Poverty | Cost-Burdened Renters | Overcrowded Renters | Vacant Units For Rent |
|---|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | 26,135 | 9,716 | 2,763 | 593 | 660 |
| | 2 | 20,405 | 7,586 | 1,740 | 150 | 304 |
| | 3 | 447,282 | 166,276 | 97,299 | 11,736 | 12,413 |
| | 4 | 120,081 | 44,640 | 14,213 | 1,898 | 3,016 |
| | 5 | 63,472 | 23,596 | 7,319 | 1,497 | 2,564 |
| | 6 | 144,061 | 53,554 | 22,400 | 2,681 | 3,430 |
| | 7 | 219,072 | 81,439 | 56,522 | 6,476 | 4,461 |
| | 8 | 135,781 | 50,476 | 25,121 | 2,853 | 2,612 |
| | 9 | 95,628 | 35,549 | 17,384 | 2,162 | 2,384 |
| | 10 | 77,790 | 28,918 | 11,865 | 1,496 | 3,970 |
| | 11 | 118,593 | 44,087 | 8,792 | 2,741 | 1,550 |
| | 12 | 70,582 | 26,239 | 11,786 | 2,702 | 2,097 |
| | 13 | 87,696 | 32,601 | 5,270 | 1,178 | 599 |
| | Subtotal | 1,626,578 | 604,676 | 282,474 | 38,163 | 40,060 |
| Non-MSA Counties and Counties with Only Rural Places | 1 | 110,366 | 41,028 | 9,924 | 1,979 | 2,801 |
| | 2 | 86,435 | 32,132 | 8,787 | 908 | 1,548 |
| | 3 | 85,781 | 31,889 | 11,911 | 1,648 | 1,910 |
| | 4 | 212,005 | 78,812 | 21,693 | 2,364 | 3,652 |
| | 5 | 143,705 | 53,422 | 17,411 | 2,885 | 2,777 |
| | 6 | 72,294 | 26,875 | 11,812 | 1,343 | 2,472 |
| | 7 | 34,002 | 12,640 | 4,846 | 570 | 588 |
| | 8 | 93,051 | 34,591 | 9,851 | 1,522 | 1,923 |
| | 9 | 68,362 | 25,413 | 8,414 | 1,540 | 1,508 |
| | 10 | 90,401 | 33,606 | 10,984 | 1,780 | 1,384 |
| | 11 | 107,174 | 39,842 | 7,363 | 2,074 | 1,110 |
| | 12 | 60,869 | 22,628 | 5,603 | 1,022 | 1,339 |
| | 13 | 10,012 | 3,722 | 946 | 141 | 178 |
| | Subtotal | 1,174,457 | 436,601 | 129,545 | 19,776 | 23,190 |
| | Total | 2,801,035 | 1,041,277 | 412,019 | 57,939 | 63,250 |

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Texas Average HH Size: 2.69

Texas Department of Housing and Community Affairs

Example 2027 HOME MF Regional Allocation Formula

**Table 2 - Weights**

| | Region | Total Need Variables | % of Total Need Variables | Weighted | Total Availability Variable | % of Total Availability Variable | Weighted | Final Subregion Allocation | % of Total Award |
|---|---|---|---|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | 13,072 | 0.9% | $162,180 | 660 | 1.0% | $(65,217) | $96,963.05 | 0.78% |
| | 2 | 9,476 | 0.6% | $117,563 | 304 | 0.5% | $(30,040) | $87,523.70 | 0.70% |
| | 3 | 275,311 | 18.2% | $3,415,801 | 12,413 | 19.6% | $(1,226,581) | $2,189,220.19 | 17.51% |
| | 4 | 60,751 | 4.0% | $753,739 | 3,016 | 4.8% | $(298,024) | $455,715.51 | 3.65% |
| | 5 | 32,412 | 2.1% | $402,132 | 2,564 | 4.1% | $(253,360) | $148,772.60 | 1.19% |
| | 6 | 78,635 | 5.2% | $975,633 | 3,430 | 5.4% | $(338,933) | $636,700.67 | 5.09% |
| | 7 | 144,437 | 9.6% | $1,792,045 | 4,461 | 7.1% | $(440,810) | $1,351,234.93 | 10.81% |
| | 8 | 78,450 | 5.2% | $973,337 | 2,612 | 4.1% | $(258,103) | $715,234.57 | 5.72% |
| | 9 | 55,095 | 3.6% | $683,573 | 2,384 | 3.8% | $(235,573) | $447,999.97 | 3.58% |
| | 10 | 42,279 | 2.8% | $524,561 | 3,970 | 6.3% | $(392,292) | $132,268.76 | 1.06% |
| | 11 | 55,620 | 3.7% | $690,077 | 1,550 | 2.5% | $(153,162) | $536,914.51 | 4.30% |
| | 12 | 40,727 | 2.7% | $505,299 | 2,097 | 3.3% | $(207,213) | $298,085.16 | 2.38% |
| | 13 | 39,049 | 2.6% | $484,481 | 599 | 0.9% | $(59,190) | $425,290.83 | 3.40% |
| | Subtotal | 925,313 | 61.2% | $11,480,422 | 40,060 | 63.3% | $(3,958,498) | $7,521,924.44 | 60.18% |
| Non-MSA Counties and Counties with Only Rural Places | 1 | 52,931 | 3.5% | $656,722 | 2,801 | 4.4% | $(276,779) | $379,943.18 | 3.04% |
| | 2 | 41,827 | 2.8% | $518,950 | 1,548 | 2.4% | $(152,964) | $365,985.78 | 2.93% |
| | 3 | 45,448 | 3.0% | $563,875 | 1,910 | 3.0% | $(188,735) | $375,139.51 | 3.00% |
| | 4 | 102,869 | 6.8% | $1,276,306 | 3,652 | 5.8% | $(360,870) | $915,436.79 | 7.32% |
| | 5 | 73,718 | 4.9% | $914,624 | 2,777 | 4.4% | $(274,407) | $640,216.55 | 5.12% |
| | 6 | 40,030 | 2.6% | $496,656 | 2,472 | 3.9% | $(244,269) | $252,387.45 | 2.02% |
| | 7 | 18,056 | 1.2% | $224,024 | 588 | 0.9% | $(58,103) | $165,921.16 | 1.33% |
| | 8 | 45,964 | 3.0% | $570,284 | 1,923 | 3.0% | $(190,020) | $380,264.45 | 3.04% |
| | 9 | 35,367 | 2.3% | $438,806 | 1,508 | 2.4% | $(149,012) | $289,793.79 | 2.32% |
| | 10 | 46,370 | 3.1% | $575,320 | 1,384 | 2.2% | $(136,759) | $438,560.98 | 3.51% |
| | 11 | 49,279 | 3.3% | $611,404 | 1,110 | 1.8% | $(109,684) | $501,719.76 | 4.01% |
| | 12 | 29,253 | 1.9% | $362,943 | 1,339 | 2.1% | $(132,312) | $230,630.33 | 1.85% |
| | 13 | 4,809 | 0.3% | $59,665 | 178 | 0.3% | $(17,589) | $42,075.84 | 0.34% |
| | Subtotal | 585,922 | 38.8% | $7,269,578 | 23,190 | 36.7% | $(2,291,502) | $4,978,075.56 | 39.82% |
| | Total | 1,511,235 | 100% | $18,750,000 | 63,250 | 100% | $(6,250,000) | $12,500,000.00 | 100.00% |

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Total Sample Allocation: $12,500,000
Weight of Need Variables: 150%
Weight of Availability Variables: -50%

Texas Department of Housing and Community Affairs Example 2027 HTC Regional Allocation Formula

**Table 1 - Raw Data**

| | Region | Individuals at or Below 200% Poverty | HH at or Below 200% Poverty | Cost-Burdened Renters | Overcrowded Renters | Vacant Units For Rent |
|---|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | 196,669 | 73,111 | 44,346 | 4,182 | 9,338 |
| | 2 | 97,121 | 36,104 | 18,507 | 1,564 | 2,999 |
| | 3 | 2,089,260 | 776,677 | 586,769 | 81,709 | 98,895 |
| | 4 | 188,494 | 70,072 | 29,710 | 3,457 | 7,918 |
| | 5 | 136,853 | 50,875 | 21,866 | 3,088 | 4,498 |
| | 6 | 2,253,840 | 837,859 | 517,621 | 98,933 | 103,473 |
| | 7 | 522,317 | 194,170 | 195,264 | 24,168 | 18,961 |
| | 8 | 341,345 | 126,894 | 82,548 | 7,709 | 10,213 |
| | 9 | 787,536 | 292,764 | 173,783 | 24,679 | 32,387 |
| | 10 | 190,444 | 70,797 | 36,442 | 4,513 | 9,316 |
| | 11 | 827,908 | 307,772 | 76,123 | 23,683 | 12,328 |
| | 12 | 140,060 | 52,067 | 28,459 | 4,948 | 4,546 |
| | 13 | 371,903 | 138,254 | 53,445 | 8,570 | 7,451 |
| | Subtotal | 8,143,750 | 3,027,416 | 1,864,883 | 291,203 | 322,323 |
| Non-MSA Counties and Counties with Only Rural Places | 1 | 110,366 | 41,028 | 9,924 | 1,979 | 2,801 |
| | 2 | 86,435 | 32,132 | 8,787 | 908 | 1,548 |
| | 3 | 85,781 | 31,889 | 11,911 | 1,648 | 1,910 |
| | 4 | 212,005 | 78,812 | 21,693 | 2,364 | 3,652 |
| | 5 | 143,705 | 53,422 | 17,411 | 2,885 | 2,777 |
| | 6 | 72,294 | 26,875 | 11,812 | 1,343 | 2,472 |
| | 7 | 34,002 | 12,640 | 4,846 | 570 | 588 |
| | 8 | 93,051 | 34,591 | 9,851 | 1,522 | 1,923 |
| | 9 | 68,362 | 25,413 | 8,414 | 1,540 | 1,508 |
| | 10 | 90,401 | 33,606 | 10,984 | 1,780 | 1,384 |
| | 11 | 107,174 | 39,842 | 7,363 | 2,074 | 1,110 |
| | 12 | 60,869 | 22,628 | 5,603 | 1,022 | 1,339 |
| | 13 | 10,012 | 3,722 | 946 | 141 | 178 |
| | Subtotal | 1,174,457 | 436,601 | 129,545 | 19,776 | 23,190 |
| | Total | 9,318,207 | 3,464,017 | 1,994,428 | 310,979 | 345,513 |

Texas Average HH Size: 2.69

| | Region | Total Need Variables | % of Total Need Variables | Weighted | Total Availability Variable | % of Total Availability Variable | Weighted | Initial Subregion Allocation | % of Total Award |
|---|---|---|---|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | 121,639 | 2.1% | $2,055,633 | 9,338 | 2.7% | $(878,361) | $1,177,272.07 | 1.81% |
| | 2 | 56,175 | 1.0% | $949,333 | 2,999 | 0.9% | $(282,095) | $667,238.39 | 1.03% |
| | 3 | 1,445,155 | 25.0% | $24,422,292 | 98,895 | 28.6% | $(9,302,363) | $15,119,928.98 | 23.26% |
| | 4 | 103,239 | 1.8% | $1,744,683 | 7,918 | 2.3% | $(744,791) | $999,891.45 | 1.54% |
| | 5 | 75,829 | 1.3% | $1,281,462 | 4,498 | 1.3% | $(423,096) | $858,366.85 | 1.32% |
| | 6 | 1,454,413 | 25.2% | $24,578,750 | 103,473 | 29.9% | $(9,732,984) | $14,845,766.01 | 22.84% |
| | 7 | 413,602 | 7.2% | $6,989,637 | 18,961 | 5.5% | $(1,783,529) | $5,206,108.11 | 8.01% |
| | 8 | 217,151 | 3.8% | $3,669,730 | 10,213 | 3.0% | $(960,666) | $2,709,063.83 | 4.17% |
| | 9 | 491,226 | 8.5% | $8,301,446 | 32,387 | 9.4% | $(3,046,419) | $5,255,026.57 | 8.08% |
| | 10 | 111,752 | 1.9% | $1,888,546 | 9,316 | 2.7% | $(876,291) | $1,012,254.64 | 1.56% |
| | 11 | 407,578 | 7.1% | $6,887,845 | 12,328 | 3.6% | $(1,159,609) | $5,728,236.19 | 8.81% |
| | 12 | 85,474 | 1.5% | $1,444,461 | 4,546 | 1.3% | $(427,611) | $1,016,850.12 | 1.56% |
| | 13 | 200,269 | 3.5% | $3,384,431 | 7,451 | 2.2% | $(700,864) | $2,683,567.19 | 4.13% |
| | Subtotal | 5,183,502 | 89.8% | $87,598,249 | 322,323 | 93.3% | $(30,318,678) | $57,279,570.39 | 88.12% |
| Non-MSA Counties and Counties with Only Rural Places | 1 | 52,931 | 0.9% | $894,508 | 2,801 | 0.8% | $(263,471) | $631,037.59 | 0.97% |
| | 2 | 41,827 | 0.7% | $706,852 | 1,548 | 0.4% | $(145,610) | $561,242.49 | 0.86% |
| | 3 | 45,448 | 0.8% | $768,043 | 1,910 | 0.6% | $(179,660) | $588,382.45 | 0.91% |
| | 4 | 102,869 | 1.8% | $1,738,432 | 3,652 | 1.1% | $(343,518) | $1,394,914.07 | 2.15% |
| | 5 | 73,718 | 1.3% | $1,245,791 | 2,777 | 0.8% | $(261,213) | $984,578.20 | 1.51% |
| | 6 | 40,030 | 0.7% | $676,486 | 2,472 | 0.7% | $(232,524) | $443,962.05 | 0.68% |
| | 7 | 18,056 | 0.3% | $305,139 | 588 | 0.2% | $(55,309) | $249,829.61 | 0.38% |
| | 8 | 45,964 | 0.8% | $776,773 | 1,923 | 0.6% | $(180,883) | $595,889.91 | 0.92% |
| | 9 | 35,367 | 0.6% | $597,689 | 1,508 | 0.4% | $(141,847) | $455,841.65 | 0.70% |
| | 10 | 46,370 | 0.8% | $783,632 | 1,384 | 0.4% | $(130,183) | $653,448.86 | 1.01% |
| | 11 | 49,279 | 0.9% | $832,781 | 1,110 | 0.3% | $(104,410) | $728,371.02 | 1.12% |
| | 12 | 29,253 | 0.5% | $494,357 | 1,339 | 0.4% | $(125,950) | $368,406.69 | 0.57% |
| | 13 | 4,809 | 0.1% | $81,268 | 178 | 0.1% | $(16,743) | $64,525.02 | 0.10% |
| | Subtotal | 585,922 | 10.2% | $9,901,751 | 23,190 | 6.7% | $(2,181,322) | $7,720,429.61 | 11.88% |
| | Total | 5,769,424 | 100.0% | $97,500,000 | 345,513 | 100% | $(32,500,000) | $65,000,000.00 | 100.00% |

Total Sample Allocation: $65,000,000
Weight of Need Variables: 150%
Weight of Availability Variables: -50%

Texas Department of Housing and Community Affairs Example 2027 HTC Regional Allocation Formula

**Table 2 - Weights**

| | Region | Initial Subregion Amount | Amount Needed to Reach Subregion Floor | Amount that can be Reallocated | % of Total Amount that can be Reallocated | Amount to be Reallocated | Final Subregion Allocation | % of Total Award |
|---|---|---|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | $1,177,272.07 | $- | $577,272.07 | 1.13% | $(16,702.70) | $1,160,569.38 | 1.79% |
| | 2 | $667,238.39 | $- | $67,238.39 | 0.13% | $(1,945.46) | $665,292.92 | 1.02% |
| | 3 | $15,119,928.98 | $- | $14,519,928.98 | 28.54% | $(420,117.34) | $14,699,811.64 | 22.62% |
| | 4 | $999,891.45 | $- | $399,891.45 | 0.79% | $(11,570.40) | $988,321.06 | 1.52% |
| | 5 | $858,366.85 | $- | $258,366.85 | 0.51% | $(7,475.55) | $850,891.30 | 1.31% |
| | 6 | $14,845,766.01 | $- | $14,245,766.01 | 28.00% | $(412,184.75) | $14,433,581.26 | 22.21% |
| | 7 | $5,206,108.11 | $- | $4,606,108.11 | 9.05% | $(133,272.41) | $5,072,835.70 | 7.80% |
| | 8 | $2,709,063.83 | $- | $2,109,063.83 | 4.15% | $(61,023.32) | $2,648,040.51 | 4.07% |
| | 9 | $5,255,026.57 | $- | $4,655,026.57 | 9.15% | $(134,687.81) | $5,120,338.77 | 7.88% |
| | 10 | $1,012,254.64 | $- | $412,254.64 | 0.81% | $(11,928.11) | $1,000,326.52 | 1.54% |
| | 11 | $5,728,236.19 | $- | $5,128,236.19 | 10.08% | $(148,379.58) | $5,579,856.61 | 8.58% |
| | 12 | $1,016,850.12 | $- | $416,850.12 | 0.82% | $(12,061.08) | $1,004,789.04 | 1.55% |
| | 13 | $2,683,567.19 | $- | $2,083,567.19 | 4.10% | $(60,285.61) | $2,623,281.59 | 4.04% |
| | Subtotal | $57,279,570.39 | $- | $49,479,570.39 | 97.26% | $(1,431,634.10) | $55,847,936.29 | 85.92% |
| Non-MSA Counties and Counties with Only Rural Places | 1 | $631,037.59 | $- | $31,037.59 | 0.06% | $(898.04) | $630,139.55 | 0.97% |
| | 2 | $561,242.49 | $38,757.51 | $- | 0.00% | $38,757.51 | $600,000.00 | 0.92% |
| | 3 | $588,382.45 | $11,617.55 | $- | 0.00% | $11,617.55 | $600,000.00 | 0.92% |
| | 4 | $1,394,914.07 | $- | $794,914.07 | 1.56% | $(22,999.92) | $1,371,914.15 | 2.11% |
| | 5 | $984,578.20 | $- | $384,578.20 | 0.76% | $(11,127.33) | $973,450.88 | 1.50% |
| | 6 | $443,962.05 | $156,037.95 | $- | 0.00% | $156,037.95 | $600,000.00 | 0.92% |
| | 7 | $249,829.61 | $350,170.39 | $- | 0.00% | $350,170.39 | $600,000.00 | 0.92% |
| | 8 | $595,889.91 | $4,110.09 | $- | 0.00% | $4,110.09 | $600,000.00 | 0.92% |
| | 9 | $455,841.65 | $144,158.35 | $- | 0.00% | $144,158.35 | $600,000.00 | 0.92% |
| | 10 | $653,448.86 | $- | $53,448.86 | 0.11% | $(1,546.48) | $651,902.38 | 1.00% |
| | 11 | $728,371.02 | $- | $128,371.02 | 0.25% | $(3,714.27) | $724,656.75 | 1.11% |
| | 12 | $368,406.69 | $231,593.31 | $- | 0.00% | $231,593.31 | $600,000.00 | 0.92% |
| | 13 | $64,525.02 | $535,474.98 | $- | 0.00% | $535,474.98 | $600,000.00 | 0.92% |
| | Subtotal | $7,720,429.61 | $1,471,920.13 | $1,392,349.74 | 2.74% | $1,431,634.10 | $9,152,063.71 | 14.08% |
| | Total | $65,000,000.00 | $1,471,920.13 | $50,871,920.13 | 100.00% | $- | $65,000,000.00 | 100.00% |

Subregion Allocation Floor: $600,000.00

To the extent funds received/proposed to be used fall below the statutory minimum for any program/activity, or if the proposed activities fall into a statutory exception, the RAF will not be used for the program/activity in question.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 1513 **Agenda Date:** 7/9/2026 **Agenda #:** 8.

Presentation, Discussion, and Possible Action on the 2026 State of Texas Consolidated Plan: One-Year Action Plan

## RECOMMENDED ACTION

**WHEREAS,** the U.S. Department of Housing and Urban Development (HUD) requires the submission of a One-Year Action Plan in accordance with 24 CFR §91.320;

**WHEREAS,** the Texas Department of Housing and Community Affairs ("the Department" or "TDHCA") has developed the draft 2026 State of Texas Consolidated Plan: One-Year Action Plan (the Plan), which reports on the intended use of funds received by the State of Texas from HUD for Program Year (PY) 2026, beginning on September 1, 2026, and ending on August 31, 2027;

**WHEREAS**, a public comment period was open from Friday, April 17, 2026, through Sunday, May 17, 2026, and a public hearing was held on Wednesday, May 6, 2026, to garner input on the Plan; and

**WHEREAS,** HUD announced the 2026 allocations for the HOME, ESG, CDBG and HOPWA formula programs on April 10, 2026, and staff has included these released amounts in the final version presented at this meeting;

**WHEREAS**, per 24 CFR §91.15(a)(1), the Plan is required to be submitted to HUD on July 17, 2026, which is at least 45 days before the start of PY 2026;

**NOW, therefore, it is hereby**

**RESOLVED**, that the 2026 State of Texas Consolidated Plan: One-Year Action Plan, in the form presented to this meeting, is hereby approved and the Executive Director and his designees are each hereby authorized, empowered and directed, for and on behalf of the Department, to submit the 2026 State of Texas Consolidated Plan: One-Year Action Plan to HUD and, in connection therewith, to make such non-substantive grammatical, monetary and technical changes as they deem necessary or advisable.

## BACKGROUND

TDHCA along with the Texas Department of Agriculture (TDA) and Texas Department of State Health Services (DSHS) prepared the draft 2026 State of Texas Consolidated Plan: One-Year Action Plan (Plan) in accordance with 24 CFR §91.320. TDHCA coordinates the preparation of the State of Texas Consolidated Plan documents. The Plan covers the State's administration of the Community Development Block Grant Program (CDBG) by TDA, the Housing Opportunities for Persons with AIDS Program (HOPWA) by DSHS, the Emergency Solutions

Grant (ESG) Program, the HOME Investment Partnerships (HOME) Program, and the National Housing Trust Fund (NHTF) Program by TDHCA.

The Texas General Land Office (GLO) is the responsible entity for developing the State Community Development Block Grant Disaster Recovery Program (CDBG-DR) Action Plan and submitting any required amendments to the Consolidated Plan in accordance with HUD guidelines. CDBG-DR planning documents are available at <https://recovery.texas.gov/action-plans/index.html>.

Examples of activities described in the 2026 One Year Action Plan include, but are not limited to, the Reconstruction of single-family housing through TDHCA's Homeowner Reconstruction Assistance (HRA) program, Tenant Based Rental Assistance (TBRA), HOME and NHTF (National Housing Trust Fund) Rental activities, Homeless programs, and Colonia Self-Help Centers.

The Plan reflects the intended uses of funds received by the State of Texas from HUD for Program Year 2026. The Program Year begins on September 1, 2026, and ends on August 31, 2027. The Plan also illustrates the State's strategies in addressing the priority needs and specific goals and objectives identified in the 2025-2029 State of Texas Consolidated Plan.

The Plan does not include discussion of TDHCA's ESG-CV or CDBG-CV funds. ESG-CV and CDBG-CV are separate programs, which were created by the CARES Act related to the Coronavirus pandemic. Information on these temporary programs may be found in amendments to both the 2015-2019 State of Texas 5-year Consolidated Plan and 2019 One-Year Action Plan found here:

<https://www.tdhca.texas.gov/housing-resource-center-annual-or-biennial-plans-and-reports>.

A draft of the Plan was available for public comment on the TDHCA Public Comment Center at <https://www.tdhca.texas.gov/tdhca-public-comment-center>. The public comment period was open from Friday, April 17, 2026, through Sunday, May 17, 2026, and a public hearing was held on Wednesday, May 6, 2026, at 2:00 p.m. The Texas Department of Agriculture regularly hosts public hearings and informational sessions on the CDBG funds they administer, more information on these hearings can be found at <https://texasagriculture.gov/Grants-Services/Rural-Economic-Development/-TxCDBG-Rural-Community-Development-Block-Grant/Training-and-Events>. The State received no public comments.

There were no substantial changes to the Plan or programs from the 2025 One-Year Action Plan to the 2026 One-Year Action Plan.

| Program | Annual Allocation | Total Amount Available in PY 2026* |
|---|---|---|
| HOME | $34,892,270.78 | $54,690,427,89 |
| ESG | $10,262,662 | $10,262,662 |
| NHTF | **$9,611,392.27** | **$9,611,392.27** |
| CDBG | $72,039,298 | $79,155,088 |
| HOPWA | $8,661,855 | $9,643,061 |

*Total funding available includes program income and prior program year resources that are still available for PY 2025. More details are in the 2026 OYAP, Section AP-15 pp. 46-56.

**NHTF amounts have not yet been released by HUD, dollar amounts in chart are estimates.

This action seeks approval to submit the Plan to HUD upon approval by the Board and prior to any deadline identified by HUD Per 24 CFR §91.15(a)(1) or outlined in CPD notice 26-05. Staff recommends approval of this action.

The Department has not yet received the PY 2026 allocation amount for NHTF. Should the allocation not be released prior to the Department's submission of the 2026 One-Year Action Plan to HUD, staff will bring a substantial amendment to the 2026 OYAP once the allocation amount is known to incorporate NHTF funding.

Staff intends to present the Plan to the Board for final approval at the Board meeting of June 4, 2026, allowing sufficient time for the Plan to be submitted to HUD prior to the deadline of July 17, 2026.

# 2026 State of Texas Consolidated Plan

# One-Year Action Plan

Prepared by:

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# Executive Summary

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

### 1. Introduction

This One-Year Action Plan (OYAP) identifies the contemplated possible use of funds received by the State of Texas from the U.S. Department of Housing and Urban Development (HUD) for Program Year (PY) 2026. This PY 2026 OYAP applies to those actions of the Texas Department of Housing and Community Affairs (TDHCA), the Texas Department of Agriculture (TDA), and the Texas Department of State Health Services (DSHS), relating to the activities of those three state agencies involving the administration of ongoing HUD Community Planning and Development (CPD) programs. Those agencies, being all of the agencies that administer HUD CPD programs for the state of Texas (other than Community Development Block Grant Disaster Recovery funds designated specifically by HUD for disaster recovery efforts), are collectively referred to herein as the "State." This OYAP is for the HOME Investment Partnerships (HOME) Program, the Emergency Solutions Grant (ESG) Program, the Community Development Block Grant (CDBG) Program, the Housing Opportunities for Persons with AIDS (HOPWA) Program, and the National Housing Trust Fund (NHTF). This OYAP does not include CDBG-CV, which was part of the 2019 OYAP. The 2026 PY for HUD program activity begins on September 1, 2025, and ends on August 31, 2026. The performance report on PY 2024 funds was submitted to HUD in November 2025 and approved by HUD in December 2025.

The CPD programs include the Emergency Solutions Grant Program, the HOME Investment Partnerships Program, and the National Housing Trust Fund Program administered by the Texas Department of Housing of Community Affairs; the Community Development Block Grant Program administered by the Texas Department of Agriculture; and the Housing Opportunities for Persons with AIDS Program administered by the Department of State Health Services.

### 2. Summarize the objectives and outcomes identified in the Plan

The 2026 OYAP:

1. Reports on the intended use of funds received by the State from HUD for PY 2026;
2. Explains the State's method for distributing CDBG, ESG, HOME, HOPWA, and NHTF program funds; and,
3. Provides opportunity for public input on the development of this OYAP.

The State's progress in achieving the goals put forth in the OYAP will be measured according to HUD guidelines (24 CFR §91.520) and outlined in the Consolidated Annual Performance and Evaluation Report (CAPER), submitted to HUD by November 30 each year.

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

The objectives, outcomes, and activity budgets in this OYAP are based on official and unofficial notices of allocations.

## 3. Evaluation of past performance

The information below is for HOME, ESG, NHTF, CDBG, and HOPWA for PY 2026 (September 1, 2025 to August 31, 2026), and excludes any activity during that period from CDBG-CV, or HOPWA-CV.

HOME Evaluation of Past Performance
TDHCA's HOME program expended $32,255,460.55 in program funds through five different HOME Program activities in PY 2024, representing completed assistance to 844 households.
ESG Evaluation of Past Performance

During PY 2024, TDHCA's ESG Program expended $9,483,057.63. With the expended funding, ESG served 496 households with rapid re-housing, 18,495 persons with overnight shelter assistance, and 816 persons with homelessness prevention.

NHTF Evaluation of Past Performance
During PY 2024, NHTF expended $121,436. With the expended funding 128 rental units were constructed.

CDBG Evaluation of Past Performance

During PY 2024, the Texas CDBG Program committed approximately $70 million, which includes the PY 2024 allocation, any remaining funds from the 2023 allocation, deobligated funds, and program income.

HOPWA Evaluation of Past Performance
In the HOPWA 2024 program year, Project Sponsors served 645 households with Tenant-Based Rental Assistance (TBRA) out of the 575 OYAP goal (112 percent); 462 households with Short-Term Rent, Mortgage, Utility (STRMU) out of the 295 OYAP goal (157 percent); 102 households with Facility-Based Housing Assistance (FBHA) out of the 136 OYAP goal (75 percent); 182 households with Permanent Housing Placement (PHP) out of the 132 OYAP goal (115 percent); 1,101 households with Housing Case

Management (HCM) out of the 1,031 OYAP goal (107 percent); and 19 households with Housing Information Services (HIS) out of the 7 OYAP goal (271 percent). In total, Project Sponsors served 1,259 unduplicated households and provided housing assistance services to 1,184 unduplicated households.

## 4. Summary of Citizen Participation Process and consultation process

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

The 2025-2029 Consolidated Plan (as adopted) substantial amendments, the OYAP, and the Consolidated Plan Annual Performance and Evaluation Reports (CAPER) are available to the public online at https://www.tdhca.texas.gov and materials are accessible to persons with disabilities, upon request.

The State recognizes that public participation and consultation are ongoing processes. During the development of the 2025-2029 Consolidated Plan, comprehensive outreach was conducted to gather input. This outreach continues through the development of each Annual Action Plan within the 5-year consolidated planning process.

## 5. Summary of public comments

No public comment was received for the 2026 One-Year Action Plan **6. Summary of comments or views not accepted and the reasons for not accepting them**

Any Public Comment received on the 2026 One-Year Action Plan will be summarized here in the Final No public comment was received for the 2026 One-Year Action Plan

## 7. Summary

The consolidated planning process occurs once every five years, so creating a comprehensive 2025-2029 Consolidated Plan was vital for CDBG, HOME, ESG, HOPWA, and NHTF. Because of the Consolidated Plan's authority to govern these programs, research from multiple sources, including other government plans, peer-reviewed journals, news sources, and fact sheets were used. Valuable public input was gathered through roundtable meetings, council/workgroup meetings, public hearings, and online formats. An expansive public input process was included in the development of the Consolidated Plan. The 2025-2029 Consolidated Plan is now carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that the State plans to use each year to address the priority needs and specific goals identified by the Consolidated Plan.

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

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

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

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

**Table 1 – Responsible Agencies**

### Narrative

The Texas Department of Housing and Community Affairs (TDHCA) administers the Emergency Solutions Grants (ESG) Program, the HOME Investment Partnerships (HOME) Program and the National Housing Trust Fund (NHTF) Program; the Texas Department of Agriculture (TDA) administers the Community Development Block Grant (CDBG) Program; and the Texas Department of State Health Services (DSHS) administers the Housing Opportunities for Persons with AIDS (HOPWA) Program. All these programs, known collectively as Community Planning and Development (CPD) Programs, are covered in the 2025-2029 State of Texas Consolidated Plan (Plan). TDHCA is the entity responsible for overseeing the development of the Plan.

Key Organizational Events

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

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

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

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

## Consolidated Plan Public Contact Information

ESG, HOME, and NHTF Contact Information:
Texas Department of Housing and Community Affairs,
PO Box 13941, Austin, TX 78711-3941. (800) 525-0657.
https://www.tdhca.texas.gov/

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

HOPWA Contact Information:
DSHS HIV/STD Section, HIV Care Services Group, HOPWA Program,
PO Box 149347, Mail Code 1873, Austin, TX 78714-9347. (737) 255-4300.
https://www.dshs.texas.gov/hivstd/hopwa/

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

## 1. Introduction

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

An online presence allows TDHCA to reach out to encourage participation and consultation. TDHCA has a social media presence, specifically through Twitter, Facebook, Instagram, and YouTube. Furthermore, TDHCA sends out notices via voluntary email lists, where subscribed individuals and entities can receive email updates on TDHCA information, announcements, and trainings. Use of technology allows fast communication to a large audience and allows TDCHA to reach people across the state of Texas efficiently.

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

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

The State worked to enhance coordination between public and assisted housing providers, and private and governmental health, mental health and service agencies for the Plan in various ways. For example, TDHCA staff routinely attends inter- and intra-agency meetings to educate and coordinate on the intersection between housing and services, as described in Strategic Plan Section 35, Anticipated Resources, and Action Plan Section 65, Homeless and Other Special Needs. The opportunity to submit input was also on the agenda for several of these meetings and input was sometimes received after the meetings were concluded.

DSHS contracts with AAs in six Ryan White Part B HIV Planning Areas to administer the DSHS HOPWA Program. AAs ensure that a comprehensive continuum of care exists throughout their funded areas. To that end, AAs routinely consult with a variety of organizations and stakeholders, including persons living with HIV (PLWH) and local HIV Planning Councils. Additionally, AAs complete periodic needs assessments to inventory available resources and identify service needs, barriers, and gaps within their planning areas. With this information, AAs develop and implement a regional HIV core medical and supportive services

plan. When developing this plan, AAs establish multiple mechanisms for obtaining stakeholder input (e.g., dissemination of written copies of the plans, postings to the Internet, town hall meetings, advisory groups, etc.). Where possible, Project Sponsors coordinate with local Housing Choice Voucher Programs (HCVPs) and other affordable housing programs to support HOPWA program delivery. TDHCA operates 27 distinct Listservs so that the agency can disseminate information easily on different topics to interested groups. All these groups are sent updates for the topic they selected as well as cross cutting topics like TDHCA news, event information and announcements. All 27 of these groups were used to send out requests for consultation on the 2025-2029 Consolidated Plan.

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

TDA consulted with local governments both in person and through web-based meetings as part of its evaluation of the TxCDBG program. In 2024, TDA engaged in a series of public meetings to discuss the program and solicit feedback from stakeholders. The primary purpose of the meetings was to identify areas where program changes were needed to ensure that the program was able to best assist rural communities, or to ensure the sustainability of the program long term.

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

TDHCA coordinates its work with other colonia-serving entities through the implementation of the Colonia Self-Help Center Program. The Colonia Self Help Center (CSHC) Program is funded by the U.S. Department of Housing and Urban Development through the Texas Community Development Block Grant (CDBG) Program. The CDBG funds are transferred to TDHCA through a memorandum of understanding with the Texas Department of Agriculture, and together TDHCA and TDA co-manage the administration of the funds, with TDHCA providing the day-to-day oversight of the Colonia SHC Program and subrecipients.

The Colonia SHC funds specific Texas border county governments with four-year contracts. Requests for funding are reviewed and recommended by a Colonia Resident Advisory Group (C-RAC), a group of colonia residents who live in the specific colonias served by the centers.

On a very frequent basis—weekly or more often—TDHCA provides guidance and oversight to the county governments with which TDHCA has executed a CSHC contract. As needed, TDHCA provides guidance and technical assistance to the housing subgrantees with whom each respective county has contracted to achieve specific deliverables per their individualized CSHC subcontract. Every one to two years, TDHCA organizes and implements a workshop for all eligible counties and their subgrantees to review rules, best practices, and exchange other program updates. As needed but on an average of one to two times per year, TDHCA convenes a meeting with the C-RAC. This grass-roots-style committee approves contracts, evaluates county recommendations, and provides TDHCA and the counties guidance on programming and activities in the colonias. Lastly, approximately every two years, TDHCA updates its CSHC Program rules,

and initiates this process by first soliciting comment from the public at large for critiques of the current rules and suggestions for changes.

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

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

The Texas Interagency Council for the Homeless (TICH) was created in 1989 to coordinate the State's homeless resources and services. The TICH consists of representatives from eleven state agencies that serve persons experiencing or at risk of homelessness. Membership also includes representatives appointed by the office of the governor, the lieutenant governor, and the speaker of the house. The council is not appropriated funding and has no full-time staff but receives facilitation and advisory support from TDHCA. TICH's major mandates include:

- evaluating and helping coordinate the delivery of services for the homeless in Texas;
- increasing the flow of information among service providers and appropriate authorities;
- providing technical assistance to TDHCA in assessing the need for housing for people with special needs;
- developing, in coordination with TDHCA and the Health and Human Services Commission (HHSC), a strategic plan to address the needs of the homeless; and
- maintaining a central resource and information center for the homeless.

The Texas Interagency Council for the Homeless has been meeting during 2026 with the CoCs to coordinate homeless services. These efforts are reinforced by 24 Code of Federal Regulation (CFR) Part 91 that require ESG recipients to expand consultation with community partners and CoCs in the formation of consolidated planning documents. The consultation must address the allocation of resources; development of performance standards and evaluation; and development of funding, policy, and procurements for operating state-required Homeless Management Information Systems (HMIS). The TICH held three meetings during the development of the draft Plan and TDHCA solicited input from the TICH on housing and community development needs at all three meetings.

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

TDHCA coordinates with Continuums of Care (CoCs) and their member agencies regarding allocation of ESG funds, development of performance standards and outcomes evaluation, and development of funding, policies through the TDHCA rulemaking process.

TDHCA presents its draft ESG rules, which include the formula by which funds are allocated to each CoC region, to CoCs and other interested parties prior to presentation of the proposed rule to the TDHCA Board. The allocation formula includes weights for point-in-time counts conducted by the CoC. TDHCA staff conducts public hearings to garner feedback and accepts comment via email, mail and in person. Input received at public hearings is incorporated into the administrative rules, which are ultimately adopted by the Board.

TDHCA requires subrecipients, through its administrative rules, to utilize HMIS or an HMIS comparable database (for domestic violence or legal service providers only) and to submit HMIS exports as required by HUD.

TDHCA further consults with CoCs through involvement in the TICH, which is described in the prior question.

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

**Table 2 – Agencies, groups, organizations who participated**

| | | |
|---|---|---|
| 1 | **Agency/Group/Organization** | CARITAS OF AUSTIN |
| | **Agency/Group/Organization Type** | Services - Housing<br>Services-homeless<br>Services-Education<br>Services-Employment |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 2 | **Agency/Group/Organization** | Front Steps, Inc. |

| | | |
|---|---|---|
| | **Agency/Group/Organization Type** | Services - Housing<br>Services-homeless |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Homelessness Needs - Veterans |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 3 | **Agency/Group/Organization** | THE GULF COAST CENTER |
| | **Agency/Group/Organization Type** | Services-Children<br>Services-Persons with Disabilities<br>Services-Victims of Domestic Violence<br>Services-Health |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Non-Homeless Special Needs |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 4 | **Agency/Group/Organization** | Aliviane |
| | **Agency/Group/Organization Type** | Services-Health |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Non-Homeless Special Needs |

| | | |
|---|---|---|
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 5 | **Agency/Group/Organization** | Texas Council on Family Violence |
| | **Agency/Group/Organization Type** | Services-Children<br>Services-Elderly Persons<br>Services-Persons with Disabilities<br>Services-Victims of Domestic Violence<br>Services - Victims |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Non-Homeless Special Needs |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 6 | **Agency/Group/Organization** | The Harris Center for Mental Health and IDD |
| | **Agency/Group/Organization Type** | Services-Children<br>Services-Elderly Persons<br>Services-Persons with Disabilities<br>Services-homeless<br>Services-Health |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Non-Homeless Special Needs |

| | | |
|---|---|---|
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 7 | **Agency/Group/Organization** | San Angelo Police Department |
| | **Agency/Group/Organization Type** | Other government - Local |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 8 | **Agency/Group/Organization** | Comal County Family Violence Shelter Inc dba Crisis Center of Comal County |
| | **Agency/Group/Organization Type** | Services-Victims of Domestic Violence<br>Services-homeless<br>Services - Victims |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Non-Homeless Special Needs |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 9 | **Agency/Group/Organization** | City of Plano |
| | **Agency/Group/Organization Type** | Other government - Local |

| | | |
|---|---|---|
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 10 | **Agency/Group/Organization** | VETSTAR |
| | **Agency/Group/Organization Type** | Services - Housing<br>Services-Children<br>Services-homeless |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Homeless Needs - Chronically homeless<br>Homelessness Needs - Veterans |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 11 | **Agency/Group/Organization** | CITY OF EL PASO - COMMUNITY & HUMAN DEVELOPMENT |
| | **Agency/Group/Organization Type** | Other government - Local |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Non-Homeless Special Needs |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 12 | **Agency/Group/Organization** | Lifeline for Families Inc |

| | | |
|---|---|---|
| | **Agency/Group/Organization Type** | Services-Children<br>Services-homeless<br>Services-Education |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Homeless Needs - Families with children |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 13 | **Agency/Group/Organization** | Haven for Hope |
| | **Agency/Group/Organization Type** | Services - Housing<br>Services-Children<br>Services-Elderly Persons<br>Services-Persons with Disabilities<br>Services-Victims of Domestic Violence<br>Services-homeless<br>Services-Health<br>Services-Education<br>Services - Victims |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Homelessness Needs - Veterans<br>Homelessness Needs - Unaccompanied youth |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 14 | **Agency/Group/Organization** | City of San Antonio |
| | **Agency/Group/Organization Type** | Other government - Local |

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| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the September 17, 2025 TICH meeting and discussion with HUD representative on Homeless program regulation concerns and state of homeless delivery system in Texas. |
| 15 | **Agency/Group/Organization** | Texas Health and Human Services Commission |
| | **Agency/Group/Organization Type** | Services - Housing<br>Services-Children<br>Services-Elderly Persons<br>Services-Persons with Disabilities<br>Services-Persons with HIV/AIDS<br>Services-Victims of Domestic Violence<br>Services-homeless<br>Services-Health<br>Services-Education<br>Services-Employment<br>Service-Fair Housing<br>Services - Victims<br>Health Agency<br>Child Welfare Agency<br>Other government - State |
| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Homelessness Strategy<br>Market Analysis<br>Anti-poverty Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings in 2025 and 2026. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness. |

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| 16 | **Agency/Group/Organization** | Texas State Affordable Housing Corporation (TSAHC) |
| | **Agency/Group/Organization Type** | Housing<br>Services - Housing |
| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Homelessness Strategy<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Homelessness Needs - Veterans<br>Market Analysis |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings in 2025 and 2026. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness. |
| 17 | **Agency/Group/Organization** | CORNERSTONE ASSISTANCE NETWORK |
| | **Agency/Group/Organization Type** | Services - Housing<br>Services-Children<br>Services-Elderly Persons<br>Services-Persons with Disabilities<br>Services-Victims of Domestic Violence<br>Services-homeless<br>Services-Health<br>Services-Education<br>Services-Employment |
| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Homelessness Strategy<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Homelessness Needs - Veterans<br>Market Analysis<br>Anti-poverty Strategy |

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| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings in 2025 and 2026. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness. |
| 18 | **Agency/Group/Organization** | TEXAS DEPARTMENT OF STATE HEALTH SERVICES |
| | **Agency/Group/Organization Type** | Services-Children<br>Services-Elderly Persons<br>Services-Persons with Disabilities<br>Services-Persons with HIV/AIDS<br>Services-homeless<br>Services-Health<br>Health Agency<br>Other government - State |
| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Homelessness Strategy<br>Non-Homeless Special Needs<br>Market Analysis<br>Anti-poverty Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings in 2025 and 2026. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness. |
| 19 | **Agency/Group/Organization** | Texas Department of Family and Protective Services |
| | **Agency/Group/Organization Type** | Services - Housing<br>Services-Children<br>Services-Elderly Persons<br>Services-Persons with Disabilities<br>Services-homeless<br>Health Agency<br>Child Welfare Agency<br>Other government - State |

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| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Homelessness Strategy<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Homelessness Needs - Veterans<br>Homelessness Needs - Unaccompanied youth<br>Non-Homeless Special Needs |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings in 2025 and 2026. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness. |
| 20 | **Agency/Group/Organization** | Texas Education Agency |
| | **Agency/Group/Organization Type** | Services-Children<br>Services-Education<br>Other government - State |
| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Homelessness Strategy<br>Homeless Needs - Families with children<br>Homelessness Needs - Unaccompanied youth<br>Market Analysis<br>Anti-poverty Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings in 2025 and 2026. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness. |
| 21 | **Agency/Group/Organization** | Texas Department of Criminal Justice |

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| | **Agency/Group/Organization Type** | Services - Housing<br>Services-Persons with Disabilities<br>Services-homeless<br>Services-Education<br>Services-Employment<br>Services - Victims<br>Other government - State |
| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Homelessness Strategy<br>Homeless Needs - Chronically homeless |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings in 2025 and 2026. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness. |
| 22 | **Agency/Group/Organization** | HOPWA Project Sponsors |
| | **Agency/Group/Organization Type** | Services-Persons with HIV/AIDS |
| | **What section of the Plan was addressed by Consultation?** | HOPWA Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | DSHS engages in ongoing consultation with HOPWA stakeholders by collecting qualitative data from HOPWA Project Sponsors and using it for planning and evaluation. Project Sponsors provide narrative performance output and outcome data; offer program strategies for improved performance and strategies that contributed to successes; describe efforts to coordinate resources and efforts; assess housing barriers and make recommendations; request technical assistance; and supply other discussion items (i.e., feedback, ideas, other recommendations). |
| 23 | **Agency/Group/Organization** | HIV Administrative Agencies |
| | **Agency/Group/Organization Type** | Services-Persons with HIV/AIDS |

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| | **What section of the Plan was addressed by Consultation?** | HOPWA Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | DSHS engages in ongoing consultation with HOPWA stakeholders by collecting qualitative data from HIV Administrative Agencies (AAs) and using it for planning and evaluation. AAs work with HIV planning councils in major metropolitan areas and other organizations and stakeholders outside those areas to develop comprehensive HIV service plans and needs assessments. AAs consult with clients and other stakeholders through interviews, surveys, focus groups, and public hearings. AAs disseminate written copies of service plans, sharing them online, at town hall meetings, and with advisory groups. AA contact information and planning area maps are located athttps://www.dshs.texas.gov/hivstd/services/aa.shtm |
| 24 | **Agency/Group/Organization** | Central Texas Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 25 | **Agency/Group/Organization** | Brazos Valley Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |

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| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 26 | **Agency/Group/Organization** | Middle Rio Grande Development Council |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 27 | **Agency/Group/Organization** | Coastal Bend Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 28 | **Agency/Group/Organization** | Lower Rio Grande Valley Development Council |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |

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| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 29 | **Agency/Group/Organization** | South Texas Development Council |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 30 | **Agency/Group/Organization** | Houston-Galveston Area Council |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 31 | **Agency/Group/Organization** | ARK TEX COUNCIL OF GOVERNMENTS |

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| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 32 | **Agency/Group/Organization** | Alamo Area Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 33 | **Agency/Group/Organization** | East Texas Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |

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| 34 | **Agency/Group/Organization** | Deep East Texas Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 35 | **Agency/Group/Organization** | Heart of Texas Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 36 | **Agency/Group/Organization** | South East Texas Regional Planning Commission |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |

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| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 37 | **Agency/Group/Organization** | Concho Valley Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 38 | **Agency/Group/Organization** | Capital Area Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 39 | **Agency/Group/Organization** | West Central Texas Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |

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| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 40 | **Agency/Group/Organization** | Texoma Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 41 | **Agency/Group/Organization** | North Central Texas Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 42 | **Agency/Group/Organization** | PANHANDLE REGIONAL PLANNING COMMISSION |

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| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 43 | **Agency/Group/Organization** | South Plains Association of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 44 | **Agency/Group/Organization** | Permian Basin Regional Planning Commission |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |

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| 45 | **Agency/Group/Organization** | HIV Planning Councils |
| | **Agency/Group/Organization Type** | Services-Persons with HIV/AIDS |
| | **What section of the Plan was addressed by Consultation?** | HOPWA Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | DSHS Administrative Agencies (AAs) consulted with HIV Planning Councils to guide grant funding decisions. Councils conducted needs assessments to identify service gaps and barriers, including housing challenges. AAs and councils held regional meetings in HIV Service Delivery Areas (HSDAs) to gather feedback on HIV housing services. They engaged underserved populations, rural communities, and consumers to address critical housing needs amid rising rents, such as expanded service options and integrated service models. AAs presented HOPWA program updates during council meetings and worked on strategies to improve housing services, elevating stakeholder voices and centering planning around affected communities. |
| 46 | **Agency/Group/Organization** | Persons Living with HIV |
| | **Agency/Group/Organization Type** | Services-Persons with HIV/AIDS |
| | **What section of the Plan was addressed by Consultation?** | HOPWA Strategy |

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| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | DSHS Administrative Agencies (AAs) consulted with persons living with HIV (PLWH) to inform grant funding decisions. AAs collected consumer input through needs assessments and consumer satisfaction surveys, focusing on housing needs, barriers, and service gaps. Community Advisory Boards held meetings to gather feedback and address housing accessibility, service quality, and program improvements. AAs hosted public forums, focus groups, and outreach events to discuss housing services, share updates, and gather input on program effectiveness. Workshops provided PLWH with a supportive space to discuss housing challenges and service needs. In some cases, AAs conducted direct interviews with PLWH to assess housing service satisfaction and gather personal insights, ensuring their lived experiences informed planning decisions. |
| 47 | **Agency/Group/Organization** | Ryan White Service Providers |
| | **Agency/Group/Organization Type** | Services-Persons with HIV/AIDS |
| | **What section of the Plan was addressed by Consultation?** | HOPWA Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | DSHS Administrative Agencies (AAs) consulted with Ryan White service providers to enhance housing services. Regular care coordination meetings with case managers, navigators, and frontline staff included housing discussions to address ongoing issues. AAs and providers collaborated on needs assessments and surveys to identify housing needs, service gaps, and barriers. AAs trained service providers on the HOPWA program and provided updates. Providers participated in strategic planning, discussing housings role within the HIV continuum of care. They also shared recommendations during public forums, community advisory board meetings, and consultations with AAs, integrating their insights into housing program planning and implementation. |
| 48 | **Agency/Group/Organization** | Texas Homeless Network |

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|---|---|---|
| | **Agency/Group/Organization Type** | Services - Housing<br>Services-homeless |
| | **What section of the Plan was addressed by Consultation?** | Homelessness Strategy<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Homelessness Needs - Veterans<br>Homelessness Needs - Unaccompanied youth |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency participated in the Texas Interagency Council on Homelessness (TICH) quarterly meetings on January 24, 2024, May 21, 2024 and September 11,2024. Anticipated outcome of the consultation is greater coordination of the state's resources and services to address homelessness. Agency also provided written input on suggested changes to State administered ESG program. |
| 49 | **Agency/Group/Organization** | Langford Community Management Services |
| | **Agency/Group/Organization Type** | Housing<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Economic Development |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Attended three HOME program roundtables in relation to Energy efficiency rules and HOME program construction cost limits. Information provided and comments made at these roundtables was used to guide program staff in adjustment of HOME program rules. |
| 50 | **Agency/Group/Organization** | GrantWorks, Inc. |
| | **Agency/Group/Organization Type** | Housing |
| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Economic Development |

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| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Attended three HOME program roundtables in relation to Energy efficiency rules and HOME program construction cost limits. Information provided and comments made at these roundtables was used to guide program staff in adjustment of HOME program rules. |
| 51 | **Agency/Group/Organization** | COASTAL BEND CENTER FOR INDEPENDENT LIVING |
| | **Agency/Group/Organization Type** | Housing<br>Services-Elderly Persons<br>Services-Persons with Disabilities |
| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Economic Development |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Attended a HOME program roundtable in relation to HOME program construction cost limits. Information provided and comments made at roundtables were used to guide program staff in adjustment of HOME program rules. |
| 52 | **Agency/Group/Organization** | Trinity Habitat for Humanity |
| | **Agency/Group/Organization Type** | Housing<br>Services - Housing<br>Services-Persons with Disabilities |
| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Economic Development |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Attended a HOME program roundtable in relation to HOME program construction cost limits. Information provided and comments made at roundtables were used to guide program staff in adjustment of HOME program rules. |
| 53 | **Agency/Group/Organization** | Lazarus House Initiative, Inc. |

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| | **Agency/Group/Organization Type** | Services - Housing<br>Services-Persons with Disabilities<br>Services-homeless<br>Services-Health<br>Services-Education<br>Services-Employment |
| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Economic Development |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Attended a HOME program roundtable in relation to HOME program construction cost limits. Information provided and comments made at roundtables were used to guide program staff in adjustment of HOME program rules. |
| 54 | **Agency/Group/Organization** | Galilee CDC |
| | **Agency/Group/Organization Type** | Housing<br>Services - Housing |
| | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment<br>Economic Development |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Attended a HOME program roundtable in relation to HOME program construction cost limits. Information provided and comments made at roundtables were used to guide program staff in adjustment of HOME program rules. |
| 55 | **Agency/Group/Organization** | Rio Grande Council of Governments |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |

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| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 56 | **Agency/Group/Organization** | NORTEX Regional Planning Commission |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |
| 57 | **Agency/Group/Organization** | Golden crescent Regional Planning Commission |
| | **Agency/Group/Organization Type** | Regional organization<br>Planning organization |
| | **What section of the Plan was addressed by Consultation?** | CDBG Strategy |
| | **How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?** | Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA. |

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

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

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

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

**Table 3 – Other local / regional / federal planning efforts**

## Narrative

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

If a material amendment of a HUD required fair housing document is needed as described in 24 CFR §5.164, reasonable notice by publication on TDHCA's website will be given, comments will be received for no less than 30 days after notice is given, and any public hearing(s) held (although optional) will be held at a board meeting, or within the public comment period.

**Language needs**

The State conducted an analysis of eligible program participants with Limited English Proficiency (LEP). The analysis was performed for households at or below 200% poverty, roughly equivalent to 80% area median income statewide in Texas. The overwhelming need was for Spanish language translation, which comprised the language of 74% of LEP persons. The state will translate vital documents into Spanish, and

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

# AP-12 Participation - 91.115, 91.300(c)

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

Comprehensive outreach was conducted to gather input on the Plan. The consultations conducted before the creation of the draft Plan, as well as discussion of the participation of local, regional, and statewide institutions, CoCs, and other organizations affected by the Plan are listed in Process Section 10. The Plan, as adopted, any future substantial amendments, and the Consolidated Plan Annual Performance and Evaluation Report (CAPER) will be available to the public online at https://www.tdhca.texas.gov and will have materials accessible to persons with disabilities, upon request.

Public hearings
The Draft Plan was released for a 31-day public comment period from April 17, 2026, to May 17, 2026. One Public Hearing was held, May 6, 2026, in doing so, the State met HUDs requirement of holding, at minimum, one Public Hearing during the comment period. The Department will inform stakeholders of the hearing through a notification on its website, by sending a listserv announcement, and posting in the *Texas Register*. Constituents were encouraged to provide input regarding all programs in writing or at a public hearing.

Public hearing schedules were published in the *Texas Register*, on TDHCA's website at https://www.tdhca.texas.gov/, advertised by opt-in email distribution and during various workgroups and committee meetings. During the public comment period, printed copies of the draft plans were available from TDHCA, and electronic copies were available for download from TDHCA's website. Constituents were encouraged to provide input regarding all programs in writing or at the public hearings. See the Citizen Participation Outreach table below for details of annual outreach. In the case of extenuating circumstances, when there are concerns of public health and safety, TDHCA may host virtual public hearings to allow stakeholders and the public to provide oral comment on Plans and Reports.

Criteria for Amendment to the Consolidated Plan
Substantial amendments will be considered, if needed, when a new activity is developed for any of the funding sources or there is a change in method of distribution. If a substantial amendment is needed, reasonable notice by publication on TDHCA's website at https://www.tdhca.texas.gov/ will be given, and if a substantial amendment, comments will be received for no less than 30 days after notice is given. A public hearing will be optional.

Performance Report
The CAPER will analyze the results of the Plan annually after the end of the state's HUD Program Year. Due to the short 90-day turnaround time between the end of The State of Texas' HUD Program Year (8/31) and the due date of the CAPER (11/30), the public will be given reasonable notice by publication on

TDHCA's website at https://www.tdhca.texas.gov. Comment will be accepted for a minimum of 15 days. A public hearing will be optional.

One-Year Action Plan

The draft 2026 One Year Action Plan (OYAP) was released for public comment prior to HUD's release of actual annual allocation amounts, and the draft 2026 OYAP reflected estimated allocation amounts.

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

For details on the development of or amendments to HUD required Fair Housing document, see the PR-10 Narrative section located in the 2025-2026 State of Texas Consolidated Plan.

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

The Colonia Self-Help Center (CSHC) Program subgrants funds to Cameron/Willacy, El Paso, Hidalgo, Maverick, Nueces, Starr, Val Verde, and Webb counties, and each written agreement includes a four-year term for expenditures and performance. Awards and funding associated with this program are reviewed and recommended by a Colonia Resident Advisory Group (C-RAC), which is a group of colonia residents who live in the specific service area served by the centers. The C-RAC members prioritize housing rehabilitation, reconstruction and new construction development in the targeted colonias served.

TDHCA provides guidance, technical assistance and oversight to the units of local government with which TDHCA has executed CSHC Program contracts. Technical assistance areas include program administration, guidelines, and best practices needed to fulfill contractual requirements in serving colonia residents with CDBG funding. Periodically, TDHCA convenes a meeting with the C-RAC. This grass-roots-style committee considers contract proposals, recommends approval of and amendments to contracts, evaluates county recommendations, and provides TDHCA and the counties guidance on programming and activities in the colonias. Texas colonias have a great need for assistance. The CSHC program focuses primarily in improving the housing stock through rehabilitation, reconstruction, and new construction in the targeted colonias. A percentage of funding is earmarked for public service activities that have a direct and colonia wide impact. Lastly, approximately every two years, TDHCA updates its CSHC Program rules, and initiates this process by first soliciting comment from the public at large.

**Citizen Participation Outreach**

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/ attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|---|---|---|---|---|---|---|
| 1 | Public Meeting – TDHCA Board Meeting | Non-targeted/ broad community | TDHCA's board agenda and information is filed with the Texas Office of the Secretary of State (SOS) in advance of each meeting, in accordance with the Texas Open Meetings Act. The Draft 2026 OYAP will be presented at the TDHCA Board meeting. | Public comments are accepted at each meeting of the TDHCA Board in accordance with §2306.032(f) and §2306.066(d) of the Tex. Gov't Code. | n/a | Board materials will be posted at https://www.tdhca.texas.gov/tdhca-board-meeting-information-center |
| 2 | Public Comment Period | Non-targeted/ broad community | The Draft 2026 OYAP was released for a 31-day public comment period from April 17, 2026 to May 17, 2026. | Public comment was held April 17, 2026 to May 17, 2026. | No comment was received | https://www.tdhca.texas.gov/tdhca-public-comment-center |

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/ attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|---|---|---|---|---|---|---|
| 3 | Public Hearing | Non-targeted/ broad community | A public hearing was held on May 6, 2026<br>Barbara Jordan State Office Building Room 2.006 1601 Congress Ave, Austin, TX 78711 | No public comment was received | n/a | https://www.tdhca.texas.gov/tdhca-public-comment-center |
| 4 | Internet Outreach | Non-targeted/ broad community | TDHCA has a centralized webpage for public comment on all plans, reports, and program rules. | No public comment was received | n/a | https://www.tdhca.texas.gov/tdhca-public-comment-center |

**Table 4 – Citizen Participation Outreach**

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

## Introduction

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

These include:

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

For the programs above, the expected future funding amounts, to the extent known, are in the planning documents governing those programs. These documents are online at https://www.tdhca.texas.gov/ The anticipated resources below focus on CPD Programs.

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

TDHCA is the lead agency for the following workgroups:

C-RAC: C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board. It advises TDHCA regarding the needs of colonia residents and the types of programs and activities, which should

be undertaken by the Colonia Self-Help Centers.

Disability Advisory Workgroup (DAW): The DAW augments TDHCA's formal public comment process, affording staff the opportunity to interact more informally and in greater detail with various stakeholders and to get feedback on designing more successful programs, with a specific focus on gaining insight on issues impacting persons with disabilities.

Housing and Health Services Coordination Council (HHSCC): HHSCC is established by Texas Government Code §2306.1091. Its duties include promoting coordination of efforts to offer Service-Enriched Housing and focusing on other cross-agency efforts.

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

Weatherization Assistance Program Planning Advisory Committee (WAP PAC): The WAP PAC is comprised of a broad representation of organizations and agencies and provides balance and background related to the weatherization and energy conservation programs at TDHCA.

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

**Anticipated Resources**

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Reminder of ConPlan $ | Narrative Description |
|---|---|---|---|---|---|---|---|---|
| | | | Annual Allocation: $ | Program Income: $ | Prior Year Resources: $ | Total: $ | | |
| CDBG | Public Federal | Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services | $64,835,368.20 | $250,000 | 4,932,722 | 70,018,091 | 262,018,091 | TDA's CDBG Program funds community and economic development, including program income collected by the state, and program income retained by local subgrantees, excluding the colonia set-aside. Program Income will be allocated to TDA's State Revolving Loan Fund, which supports economic development. TDHCA administers a portion of the CDBG funding through its Colonia SHCs. |
| CDBG Colonias Set-aside | public - federal | Acquisition Admin and Planning Homeowner rehab Public Improvements Public Services | $7,203,929.80 | 0 | $1,933,067 | 9,136,997 | 30,136,997 | The Colonia Set-Aside is used for goals described in the Strategic Plan Section 45. The Colonia Economically Distressed Areas Program (CEDAP) Legislative Set - Aside leverages funding other federal and state funding programs. |

**Anticipated Resources**

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Reminder of ConPlan $ | Narrative Description |
|---|---|---|---|---|---|---|---|---|
| | | | Annual Allocation: $ | Program Income: $ | Prior Year Resources: $ | Total: $ | | |
| HOME | public - federal | Acquisition Homebuyer assistance Homeowner reconstruction Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA | $34,892,270.78 | 19,798,157.11 | 0 | 54,690,427.89 | 139,569,083.12 | TDHCA's HOME Program goals are described in the Strategic Plan Section 45 for multifamily and single-family activities. Single-family HOME activities may be coordinated with State Housing Trust Fund resources, including Bootstrap Loans and the Amy Young Barrier Removal Program. HOME Multifamily Development Funds can be layered with 4% and 9% HTCs and TDHCA Multifamily Direct Loan funds, including NHTF, TCAP Repayment Funds, and NSP Program Income. TDHCA also develops rules that govern all multifamily programs, including the Multifamily Direct Loan (MFDL) Program Rule and Housing Tax Credit Program Qualified Allocation Plan (QAP). |

**Anticipated Resources**

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Reminder of ConPlan $ | Narrative Description |
|---|---|---|---|---|---|---|---|---|
| | | | Annual Allocation: $ | Program Income: $ | Prior Year Resources: $ | Total: $ | | |
| HOPWA | public - federal | Tenant-Based Rental Assistance; Short-Term Rent, Mortgage, and Utility; Facility-Based Housing Assistance; Permanent Housing Placement; Housing Case Management; Housing Information Services; Resource Identification; Project Sponsor Administration; and Grantee Administration. | $8,661,855 | 0 | $981,206 | 9,643,061 | 26,585,176 | DSHS will reserve $500,000 from the latest allocation for use in the next annual plan and include this amount under Prior Year Resources. DSHS will only use $9,143,061 during this annual plan. Tenant-Based Rental Assistance; Short-Term Rent, Mortgage, and Utility; Facility-Based Housing Assistance; Permanent Housing Placement; Housing Case Management; Housing Information Services; Resource Identification; Project Sponsor Administration; and Grantee Administration. |

**Anticipated Resources**

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Reminder of ConPlan $ | Narrative Description |
|---|---|---|---|---|---|---|---|---|
| | | | Annual Allocation: $ | Program Income: $ | Prior Year Resources: $ | Total: $ | | |
| ESG | public - federal | Financial Assistance<br>Overnight shelter<br>Rapid re-housing (rental assistance)<br>Rental Assistance Services<br>Transitional housing | $10,262,662 | 0 | 0 | $10,262,662 | $41,050,648 | TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems (HMIS) activities. HHSP is Texas state general revenue funding for the nine largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees.<br><br>A set-aside of ESG funds was awarded under the RUSH (ESG RUSH), these funds have been awarded via contract to subrecipients to provide ESG eligible activities under ESG RUSH in the disaster declared areas, as defined in the award letter for the ESG RUSH allocation. |

**Anticipated Resources**

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Reminder of ConPlan $ | Narrative Description |
|---|---|---|---|---|---|---|---|---|
| | | | Annual Allocation: $ | Program Income: $ | Prior Year Resources: $ | Total: $ | | |
| Housing Trust Fund | public - federal | Multifamily rental new construction Multifamily rental rehab | $9,611,392.27 | | 0 | $9,611,392.27 | $9,611,392.27 | TDHCA's NHTF Program goals are described in the Strategic Plan Section 45 for multifamily and single-family activities. NHTF Multifamily Development Funds may be layered with 4% HTCs and 9% HTCs, and TDHCA Multifamily Direct Loan funds, including HOME, HOME-CHDO, NSP Program Income and TCAP Loan Repayment. TDHCA also develops rules that govern all multifamily programs, including the Multifamily Direct Loan (MFDL) Program Rule specifically for the MFDL Program and the Housing Tax Credit Program Qualified Allocation Plan (QAP). NHTF received an allocation amount of $8,605,522.64. The “Annual Allocation” field doesn’t accept cents, therefore numbers in the table below have been entered as whole numbers. |

**Table 5 - Expected Resources – Priority Table**

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

HOME

HOME multifamily development is often used to leverage with the HTC Program, which authorizes 9% low-income housing tax credits of $2.90 per capita for each state, and 4% HTC in amounts linked to the usage of the state's cap for issuance of tax-exempt PABs to finance affordable housing development. In Texas, this equates to approximately $88,000,000 in 9% tax credits available to be awarded annually. These credits may be claimed each year for ten years and represents potential tax credit value on the magnitude of $880,000,000. The credits are usually syndicated to limited partner investors to yield cash for use in eligible development activities. In recent years the syndication rates have dropped significantly to a range between 75-80%. TDHCA's Qualified Allocation Plan (QAP) identifies the criteria used for selection of eligible developments to provide housing for low-income tenants. HOME provides increased leverage, allowing property owners to utilize fewer tax credits and less private debt and local funding, thus providing more efficient use of resources. In addition, HOME is used as a source to fill funding gaps that have occurred in previously-awarded HTC developments due to increased materials costs or interest rates. Other leveraging sources may include United States Department of Agriculture (USDA) operating subsidies and loans, and conventional and FHA-insured loans. Match requirements for the HOME Multifamily Direct Loan Program will in part be met through Rules and NOFAs that establish awardees' requirement to provide up to 7.5% of the award amount, or a higher, or lower amount as reflected in the NOFA. In addition to match provided as part of the developer's obligation, TCAP RF may be utilized as HOME match, and TDHCA calculates to below market interest rates on eligible loans provided to the HOME development which is included in the match funds reported in the CAPER. TDHCA will also use eligible multifamily bonds that are used to finance developments that also receive 4% HTC financing as HOME match. TDHCA requires Subrecipients and state recipients to provide match of up to 15% of the project hard costs for some single-family activities.

ESG

To meet the ESG match requirement, TDHCA requires the commitment of proposed match as part of the ESG application process. TDHCA awards additional points to applicants that commit to provide match in excess of the requirements. Subrecipients that also administer HHSP funds or funds from the EH Fund may utilize those funds as match for ESG, if they are otherwise eligible to be counted as match.

HOPWA

Texas HOPWA does not have a match requirement but leverages funds whenever possible. Project Sponsors leverage available funds from Ryan White and State Services grants, private funding sources, foundations, and local assistance to help clients. DSHS shares grantee administrative costs with AAs. However, AAs leverage much of their administrative expenditures from other funding sources.

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

**If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to**

**address the needs identified in the plan**

CDBG Leverages

Community Development Fund applications award points to encourage local match; a sliding scale allows smaller communities to contribute less match funding than larger communities. The Rural Economic Development Fund requires matching funds for each application. Match funds may be provided by the applicant, by a water or sewer utility benefiting from the project, or other project partner.

NHTF Program Leveraging
NHTF multifamily development may be used to leverage with the HTC Program, which was created by the Tax Reform Act of 1986 and authorizes 9% low-income housing tax credits in the amount of $2.90 per capita for each state, and 4% low-income housing tax credits in amounts linked to the usage of the state's cap for issuance of tax-exempt bond to finance affordable housing development. In Texas, this equates to approximately $80,000,000 in 9% tax credits available to be awarded by TDHCA annually.

These credits may be claimed each year for ten years and this represents potential tax credit value on the magnitude of $880,000,000. The tax credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 88% and 92%. TDHCA must develop a Qualified Allocation Plan (QAP) each year for the selection of eligible developments to provide housing for the low-income tenants. NHTF provides increased leverage, allowing the property owners to utilize fewer tax credits and less private debt and local funding, therefore providing more efficient use of resources. In addition, NHTF is used as a source to fill funding gaps that have occurred in previously-awarded HTC developments due to increased materials costs or interest rates.

State Owned Land
The Texas General Land Office manages state owned lands and mineral rights totaling approximately 13 million acres. Much of this is leased for the benefit of the Permanent School Fund, an endowment fund established in 1876 for the benefit of Texas public school education. Generally, state owned land is not utilized for affordable housing or community development goals; however, local jurisdictions occasionally donate land or property in support of activities designed to address the needs identified in the plan as part of their contribution to locally administered programs.

**Discussion**

HOPWA

Continuing with the discussion of collaboration begun in the introduction of this section,

DSHS HIV initiatives strive to reduce the number of undiagnosed persons and increase the number of virally suppressed PLWH. DSHS works with community partners, stakeholders, and health care providers statewide to strengthen services that prevent HIV transmission, improve diagnosis rates, and fill gaps in clinical treatment and related support services. The Texas HIV Syndicate serves as the Texas integrated HIV prevention and care planning group and facilitates this collaboration. The Syndicate includes representation from PLWH, HIV prevention and care organizational leaders, and

other community stakeholders, many of which provide HOPWA services. The Texas HIV Syndicate produced Achieving Together, a community plan to end the HIV epidemic in Texas. This plan reflects the ideas, recommendations, and guidance of the Texas HIV Syndicate and Achieving Together Partners, as well as statewide community engagement efforts with PLWH, people impacted by HIV, clinicians, and researchers. The plan has six focus areas, one of which addresses mental health, substance use, housing, and criminal justice. Within DSHS, the HIV/STD/HCV Epidemiology and Surveillance Unit collects and reports data on HIV in Texas, which includes data submission to the Centers for Disease Control and Prevention (CDC). Subsequently, HUD uses this data to determine HOPWA formula allocations, while other federal agencies use it to plan, develop, implement, and evaluate HIV service programs, including HOPWA.

Finally, TDA and/or TDHCA participate in the following workgroups:

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

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

Texas Joint Housing Solutions Workgroup. The Texas Joint Housing Solutions Workgroup is a collection of state and federal agencies and organizations who work to identify resources that can address temporary unmet housing needs and solutions that allow disaster survivors to transition to permanent housing.

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

With the block grants and the layering resources listed above, there are also CDBG Disaster Recovery (DR) funds for disasters that have affected that State of Texas. More details and action plans for the various disasters CDBG-DR have been awarded for can be found at https://www.glo.texas.gov/disaster-recovery/action-plan

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

## Goals Summary Information

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **1** | Homeless Goals | 2026 | 2027 | Homeless | State of Texas | Emergency Shelter and Transitional Housing<br>Rapid Re-housing<br>Homeless Prevention | ESG:<br><br>$10,262,662 | Tenant-based rental assistance / Rapid Rehousing: 1,223<br><br>Households Assisted<br>Homeless Person Overnight Shelter: 17,552 Persons Assisted<br>Homelessness Prevention: 2,758 Persons Assisted |
| **2** | Acquisition & Construction of Single-Family Housing | 2026 | 2027 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Production of New Units | HOME: $3,000,000 | Homeowner Housing Added: 12 Household Housing Unit |
| **3** | Reconstruction of Single-Family Housing | 2026 | 2027 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Reconstruction of Housing | HOME: $22,852,355.25 | Homeowner Housing Reconstructed: 113 Household Housing Unit |
| **4** | Tenant Based Rental Assistance with HOME Funding | 2026 | 2027 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Rental Assistance | HOME: $18,391,215.56 | Tenant-based rental assistance : 783 Households Assisted |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **5** | Households in New/Rehabilitated Multifamily Units | 2027 | 2027 | Affordable Housing Non-Homeless Special Needs | State of Texas | Production of New Units Rehabilitation of Housing | HOME: $ $5,383,840.62 | Rental units constructed: 27 Household Housing Unit<br>Rental units rehabilitated: 3 Household Housing Units |
| **6** | NHTF Households in New/Rehabbed Multifamily Units | 2026 | 2027 | Affordable Housing Non-Homeless Special Needs | State of Texas | Production of New Units Rehabilitation of Housing | Housing Trust Fund: $ 9,485,871.74 | Rental units constructed: 40 Household Housing Units<br>Rental units rehabilitated: 15 Household Housing Units |
| **7** | HOPWA Tenant-Based Rental Assistance | 2026 | 2027 | Affordable Housing Non-Homeless Special Needs | State of Texas | Rental Assistance Homeless Prevention | HOPWA: $5,762,219 | Tenant-based rental assistance / Rapid Rehousing: 702 Households Assisted.<br><br>DSHS will reserve $298,775 from the latest allocation for use in the next annual plan and include this amount under Funding. |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **8** | HOPWA Short-Term Rent, Mortgage & Utilities Asst. | 2026 | 2027 | Affordable Housing Non-Homeless Special Needs | State of Texas | Homeless Prevention | HOPWA: $1,019,398 | Homelessness Prevention: 442 Persons Assisted.<br><br>DSHS will reserve $52,857 from the latest allocation for use in the next annual plan and include this amount under Funding. |
| **9** | HOPWA Facility-Based Housing Subsidy Assistance | 2026 | 2027 | Affordable Housing Homeless Non-Homeless Special Needs | State of Texas | Rental Assistance Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention | HOPWA: $200,524 | Homelessness Prevention: 93 Persons Assisted. DSHS will reserve $10,397 from the latest allocation for use in the next annual plan and include this amount under Funding. |
| **10** | HOPWA Permanent Housing Placement Assistance | 2026 | 2027 | Affordable Housing Homeless Non-Homeless Special Needs | State of Texas | Rental Assistance Rapid Re-housing Homeless Prevention | HOPWA: $259,023 | Public service activities other than Low/Moderate Income Housing Benefit: 175 Persons Assisted.<br><br>DSHS will reserve $13,431 from the latest allocation for use in the next annual plan and include this amount under Funding. |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **11** | HOPWA Funded Supportive Services | 2026 | 2027 | Affordable Housing<br>Homeless<br>Non-Homeless Special Needs | State of Texas | Supportive Services for Persons with HIV/AIDS | HOPWA: $1,605,534 | Public service activities other than Low/Moderate Income Housing Benefit: 1,215 Persons Assisted.<br><br>DSHS will reserve $83,248 from the latest allocation for use in the next annual plan and include this amount under Funding. |
| **12** | HOPWA Housing Information Services | 2065 | 2027 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Supportive Services for Persons with HIV/AIDS | HOPWA: $2,964 | Public service activities other than Low/Moderate Income Housing Benefit: 23 Persons Assisted.<br><br>DSHS will reserve $154 from the latest allocation for use in the next annual plan and include this amount under Funding. |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **13** | HOPWA Resource Identification | 2026 | 2027 | Affordable Housing<br>Homeless<br>Non-Homeless Special Needs | State of Texas | Rental Assistance<br>Supportive Services for Persons with HIV/AIDS<br>Emergency Shelter and Transitional Housing<br>Homeless Prevention | HOPWA: $96,096 | Other: 0 Other.<br>Activities that establish, coordinate, and develop housing assistance resources for eligible households (including preliminary research and expenditures necessary to determine the feasibility of specific housing-related initiatives).<br>DSHS will reserve $4,983 from the latest allocation for use in the next annual plan and include this amount under Funding. |
| **14** | CDBG Public Improvements and Facilities | 2026 | 202s | Non-Housing Community Development | State of Texas | Public Improvements and Infrastructure<br>Public Facilities<br>Public Services | CDBG: $55,373,207 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 200,000 Persons Assisted |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **15** | CDBG Economic Development | 2026 | 2027 | Non-Housing Community Development Economic Development | State of Texas | Public Improvements and Infrastructure Economic Development Public Facilities Public Services | CDBG: $ $10,388,363 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 100,000 Persons Assisted |
| **16** | CDBG Urgent Need | 2026 | 2027 | Non-Housing Community Development | State of Texas | Public Improvements and Infrastructure Public Facilities | CDBG: $0 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 9,010 Persons Assisted |
| **17** | CDBG Colonia Set-Aside | 2026 | 2027 | Affordable Housing Non-Housing Community Development | State of Texas | Production of New Units Acquisition of existing units Rehabilitation of Housing Public Improvements and Infrastructure Public Facilities Public Services | CDBG Colonias Set-aside: $9,136,997 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 2,175 Persons Assisted |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **18** | CDBG Colonia Self-Help Centers | 2026 | 2027 | Self-Help Centers | State of Texas | Production of New Units<br>Acquisition of existing units<br>Rehabilitation of Housing<br>Public Services | CDBG: $<br><br>$1,995,342 | Other: 4533 Other |
| **19** | CDBG Administration | 2026 | 2027 | Administration /Technical Assistance | State of Texas | Rehabilitation of Housing<br>Public Improvements and Infrastructure<br>Economic Development<br>Public Facilities<br>Public Services | CDBG: $<br><br>$2,261,179 | Other: 0 Other |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **20** | HOME Administration | 2026 | 2027 | HOME Administration | State of Texas | Rental Assistance Production of New Units Acquisition of existing units Rehabilitation of Housing | HOME: $5,063,016.46 | Other: 0 Other |
| **22** | NHTF Administration | 2026 | 2027 | NHTF Administration | State of Texas | Production of New Units Rehabilitation of Housing | Housing Trust Fund: $1,053,979.75 | Other: 0 Other |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **23** | HOPWA Project Sponsor Administration | 2026 | 2026 | Non-Homeless Special Needs | State of Texas | Rental Assistance Supportive Services for Persons with HIV/AIDS Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention | HOPWA: $431,107 | Other: 0 Other.<br><br>DSHS will reserve $22,353 from the latest allocation for use in the next annual plan and include this amount under Funding. |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **24** | HOPWA Grantee Administration | 2026 | 2026 | Non-Homeless Special Needs | State of Texas | Rental Assistance Supportive Services for Persons with HIV/AIDS Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention | HOPWA: $266,196 | Other: 0 Other.<br><br>DSHS will reserve $13,802 from the latest allocation for use in the next annual plan and include this amount under Funding. |

**Table 6 – Goals Summary**

## Goal Descriptions

| | | |
|---|---|---|
| 1 | **Goal Name** | Homeless Goals |
| | **Goal Description** | Funds will be utilized to provide Administration, HMIS services, emergency shelter, rapid re-housing, homeless prevention and street outreach to eligible persons who are experiencing homelessness or at-risk of homelessness. Actual funding amounts will be determined based on the requested funds by component. The estimates for the funding amount per activity type and number of persons served are extrapolated from data collected over the prior three years. TDHCA limits the amount of funding available for street outreach and emergency shelter to not more than 60% of the total ESG funding available. Likewise, funds for administration and HMIS are limited proportionate to the funds made available in each service component to ensure that the regulatory caps for these expenditures are not exceeded.<br><br>Special allocations under the ESG Program, such as the ESG RUSH funding, will be utilized to provide short-term disaster response assistance for the needs of persons who are experiencing homelessness or at-risk of homelessness residing in disaster areas, and will be subject to the limitations set forth for the funding source, including restrictions on use of funds or flexibilities offered by the funds. |
| 2 | **Goal Name** | Acquisition & Construction of Single Family Housing |
| | **Goal Description** | TDHCA will utilize a portion of its HOME funds for the implementation of Homebuyer Assistance with New Construction (HANC) and/or Single Family Development (SFD). HANC allows homebuyers to work with Subrecipients to select lots for purchase and provide financing for construction of a new unit of housing on the selected lot. SFD allows for development of single family housing for homeownership, and may be performed under the CHDO set-aside if the developer is eligible for CHDO certification. SFD may otherwise be performed by non-profit or for-profit developers in accordance with the priorities established in its funding announcement for SFD. TDHCA may utilize its program income, or use deobligated funding or other available HOME funding for these activities. The goal for the HOME Program is to add 12 new units of homeowner housing. |
| 3 | **Goal Name** | Reconstruction of Single Family Housing |
| | **Goal Description** | The goal for HOME Program reconstruction activities is to provide assistance to a minimum of 95 households through units of general local governments, and nonprofit organizations. These entities qualify applicants to receive assistance for the repairs and reconstruction necessary to make their homes decent, safe, sanitary, and accessible. |

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| 4 | **Goal Name** | Tenant Based Rental Assistance with HOME Funding |
| | **Goal Description** | The goal for HOME Program TBRA activity is to provide on-going rental assistance or stand-alone rental security deposit assistance (which may include utility deposit assistance) to an estimated 1,401 households. |
| 5 | **Goal Name** | Households in New/Rehabilitated Multifamily Units |
| | **Goal Description** | The 2026 goal for HOME Multifamily Program is creating/rehabilitating over 60 multifamily rental units. TDHCA's HOME Multifamily Development Programs awards HOME funds as low-interest loans to CHDOs, for-profit, and nonprofit developers. These loans leverage other public and private financing including housing tax credits, United States Department of Agriculture (USDA) operating subsidies and loans, and conventional and Federal Housing Administration-insured loans. The result is safe, decent, and affordable multifamily rental housing. |
| 6 | **Goal Name** | NHTF Households in New/Rehabbed Multifamily Units |
| | **Goal Description** | The 2026 goal for Housing Trust Fund is creating and/or rehabilitating 30 multifamily rental units based on the performance period of the previous Program Year, September 1, 2025 – August 31, 2026. **Amount shown is an estimate due to 2026 NHTF Allocations not yet being released** |
| 7 | **Goal Name** | HOPWA Tenant-Based Rental Assistance |
| | **Goal Description** | The number of households that received TBRA services during the program year. TBRA provides an ongoing and portable rental subsidy that helps households obtain or maintain permanent housing, including assistance for shared housing arrangements, in the private rental housing market until they can enroll in the Housing Choice Voucher Program (HCVP) or other affordable housing programs. DSHS set an annual goal of assisting 702 households. The estimated funding and number of individuals served may fluctuate depending on HUD’s final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| 8 | **Goal Name** | HOPWA Short-Term Rent, Mortgage & Utilities Asst. |
| | **Goal Description** | The number of households that received STRMU services during the program year. STRMU provides short-term, rent, mortgage, and utility payments for households experiencing a financial crisis related to their HIV health condition or a change in their economic circumstances. STRMU helps prevent homelessness by enabling households to remain in their own homes DSHS set an annual goal of assisting 442 persons. The estimated funding and number of individuals served may fluctuate depending on HUD’s final allocation amounts and based on the target percentages identified in Action Plan Section 25. |

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| 9 | **Goal Name** | HOPWA Facility-Based Housing Subsidy Assistance |
| | **Goal Description** | The number of households that received FBHA services during the program year. HOPWA Facility-Based Housing Assistance (FBHA) activities include Short-Term Supportive Housing (STSH) and Transitional Supportive Housing (TSH). STSH provides temporary shelter for households experiencing homelessness. Services allow households to develop individualized housing plans that address both short- and long-term needs and culminate in permanent housing. TSH provides up to 24 cumulative months of non-portable facility-based rental assistance to households that are homeless or at risk of homelessness, including assistance for shared housing arrangements. Services allow households to prepare for permanent housing and develop individualized housing plans that culminate in permanent housing. DSHS set an annual goal of assisting 93 households. The estimated funding and number of individuals served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| 10 | **Goal Name** | HOPWA Permanent Housing Placement Assistance |
| | **Goal Description** | The number of households that received PHP services during the program year. PHP helps households access, secure, and establish a permanent residence, maintained either on their own or with the help of ongoing rental assistance. Eligible costs include, , application fees, related credit checks, utility hookup fees and deposits, and reasonable security deposits necessary to move persons into permanent housing. DSHS set an annual goal of assisting 175 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| 11 | **Goal Name** | HOPWA Funded Supportive Services |
| | **Goal Description** | The number of households that received Housing Case Management services during the program year. The DSHS HOPWA Program currently limits the use of Supportive Service funds to Housing Case Management. Project Sponsors may provide Supportive Services with HOPWA housing assistance services or as a standalone service. The core functions of Housing Case Management include engagement, assessment, goal-setting, service coordination, and discharge planning. The intensity or level of housing case management that a Project Sponsor provides will depend upon the household's assessed level of need. DSHS set an annual goal of assisting 1,215 persons. The estimated funding and number of households served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |

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| 12 | **Goal Name** | HOPWA Housing Information Services |
| | **Goal Description** | The number of households that received Housing Information Services during the program year. Housing Information Services include, but are not limited to, counseling, information, and referral services to assist households with locating, acquiring, financing, and maintaining housing. This may also include fair housing guidance for households that have encountered discrimination based on race, color, religion, sex, age, national origin, familial status, or disability. DSHS set an annual goal of assisting 20 persons. The estimated funding and number of households served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| 13 | **Goal Name** | HOPWA Resource Identification |
| | **Goal Description** | The work products, deliverables, and other activities of projects that used Resource Identification funds. Resource Identification encompasses activities that establish, coordinate, and develop housing assistance resources for eligible households (including preliminary research and expenditures necessary to determine the feasibility of specific housing-related initiatives). The estimated funding may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| 14 | **Goal Name** | CDBG Public Improvements and Facilities |
| | **Goal Description** | Public Improvements and Facilities includes community grants for basic infrastructure, public facilities, planning activities, public services, and other community needs.<br><br>The Texas CDBG encourages the use of funds not only to improve existing locations but to provide facilities in other areas to accommodate residential opportunities that will benefit low- and moderate-income persons. Funding allocated includes annual allocation in addition to previously deobligated funds. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |

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| **15** | **Goal Name** | CDBG Economic Development |
| | **Goal Description** | This economic development funding is used for projects that will create or retain permanent employment opportunities, primarily for low to moderate income persons, for downtown revitalization activities, and for other economic development activities for rural communities. Funding allocated includes annual allocation in addition to previously deobligated funds and program income. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| **16** | **Goal Name** | CDBG Urgent Need |
| | **Goal Description** | Urgent Need assistance is available through the SUN fund as needed for eligible activities in relief of natural disasters and other emergency situations. Funding allocated includes previously deobligated funds. The estimated funding and number of persons served may fluctuate depending on actual natural disaster events, HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| **17** | **Goal Name** | CDBG Colonia Set-Aside |
| | **Goal Description** | This fund is available to eligible county applicants for projects in severely distressed unincorporated areas which meet the definition of a "colonia" under this fund. Funding allocated includes annual allocation. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| **18** | **Goal Name** | CDBG Colonia Self-Help Centers |
| | **Goal Description** | Colonia residents receiving direct assistance through Colonia Self-Help Centers. Assistance includes residential rehabilitation, reconstruction, new construction, utility connections, solid waste removal, and access to a technology center, tool lending library, and educational classes. |
| **19** | **Goal Name** | CDBG Administration |
| | **Goal Description** | CDBG Administrative costs including Technical Assistance and indirect costs. |
| **20** | **Goal Name** | HOME Administration |
| | **Goal Description** | HOME Administrative expenses based on HOME allocation and program income received in PY 2025 that is being programmed in the 2026 Action Plan. |

| | | |
|---|---|---|
| **21** | **Goal Name** | NHTF Administration |
| | **Goal Description** | NHTF Administrative funds for PY 2026. |
| **22** | **Goal Name** | HOPWA Project Sponsor Administration |
| | **Goal Description** | Funds for Project Sponsor Administration. |
| **23** | **Goal Name** | HOPWA Grantee Administration |
| | **Goal Description** | Funds for Grantee Administration |

## Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)

Based on the goal descriptions for HOME in the table above, it is estimated that the State will provide affordable housing to 734 extremely low-income, low-income, and moderate-income families.

# AP-25 Allocation Priorities – 91.320(d)

**Introduction:**

The CPD Programs serve special needs populations and meet the 13 Priority Needs found in Strategic Plan 25 of the 2025-2029 Consolidated Plan. These Needs in Strategic Plan 25 are correlated with Goals in Action Plan 20 to show which activities will serve which priority needs. The goals from Action Plan 20 are listed below with allocation percentages. Percentages in the chart below are estimated and may change depending on funding received from HUD, legislative priorities, and funding requests from administrators or subrecipients. Due to software restrictions, allocations are rounded to the nearest whole number and do not reflect precise percentages.

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

HOME Serves Special Needs

TDHCA has determined that TDHCA may have and TDHCA administrators may request to establish a preference to serve the following special needs populations: persons with disabilities, persons with substance use disorders, persons living with HIV/AIDS (PLWH), persons with Violence Against Woman Act (VAWA) protections, colonia residents, farmworkers, homeless populations, veterans, (including wounded warriors as defined by the Caring for Wounded Warriors Act of 2008), public housing residents, persons transitioning out of incarceration, persons impacted by a state or federally declared disaster, and persons transitioning out of foster care and nursing facilities.

For administrators with programs that are designed to limit assistance to certain populations, TDHCA will only approve program designs that limit assistance to households that include a member within the following populations if necessary to provide as effective housing, aid, benefit, or services as those provided to others in accordance with 24 CFR §8.4(b)(1)(iv): PLWH, mental illness, substance use disorders, or households that would qualify under the TDHCA's Project Access program as defined in 10 TAC §5.801. Otherwise, administrators may only request a preference for populations described in the special needs section. TDHCA may limit assistance of directly administered HOME funds for TBRA for security and utility deposits to persons that have been issued vouchers through its PHA, so long as the assistance is not duplicative. TDHCA may also limit TBRA assistance administered directly through TDHCA to any population for which an administrator may establish a preference, so long as the limitation has been evaluated for compliance with fair housing requirements. TDHCA may initiate a set-aside of funds

for direct administration of TBRA by the Department for persons transitioning out of jail or incarceration.

For HOME or NHTF rental housing, TDHCA will allow development of housing that meets requirements under the Housing for Older Persons Act. TDHCA may also consider permitting rental housing owners to give a preference or limitation as indicated in this section and may allow a preference or limitation that is not described in this section to encourage leveraging of federal or state funding, provided that another federal or state funding source for the rental housing requires a limitation or preference. TDHCA may put further guidelines on development of specific types of rental housing by rule or NOFA. In order to have consistent requirements for Developments with 100% Single Room Occupancy Units, the Department will utilize the HOME definition in 24 CFR §92.2 for HOME and NHTF, in addition to the Department's definition of Single Room Occupancy at 10 TAC §11.1(d)(121) and the definition of Unit at 10 TAC §11.1(d)(137).

## Funding Allocation Priorities

| | Homeless Goals (%) | Acquisition &Construction of Single Family Housing (%) | Reconstruction of Single Family Housing (%) | Tenant Based Rental Assistance with HOME Funding (%) | Households in New/Rehabilitated Multifamily Units (%) | NHTF Households in New/Rehabbed Multifamily Units | HOPWA Tenant-Based Rental Assistance (%) | HOPWA Short-Term Rent, Mortgage & Utilities Asst. (%) | HOPWA Facility-Based Housing Subsidy Assistance (%) | HOPWA Permanent Housing Placement Assistance (%) | HOPWA Funded Supportive Services (%) | HOPWA Housing Information Services (%) | HOPWA Resource Identification (%) | CDBG Public Improvements and Facilities (%) | CDBG Economic Development (%) | CDBG Urgent Need (%) | CDBG Colonia Set-Aside (%) | CDBG Colonia Self-Help Centers (%) | CDBG Administration (%) | HOME Administration (%) | NHTF Administration (%) | HOPWA Project Sponsor Administration (%) | HOPWA Grantee Administration (%) | Colonias Set-Aside (%) | Total (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CDBG | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 79 | 15 | 0 | | 3 | 3 | 0 | 0 | 0 | 0 | 0 | **100** |
| CDBG Colonias Set-aside | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 100 | **100** |
| HOME | 0 | 6 | 45 | 24 | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 0 | 0 | 0 | 0 | **100** |
| HOPWA | 0 | 0 | 0 | 0 | 0 | 0 | 59 | 11 | 2 | 3 | 17 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 3 | 0 | **100** |
| ESG | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **100** |
| Housing Trust Fund | 0 | 0 | 0 | 0 | 0 | 90 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 0 | 0 | 0 | **100** |

**Table 7 – Funding Allocation Priorities**

## Reason for Allocation Priorities

**Disaster Recovery**

With the block grants and the layering resources listed above, there are also CDBG Disaster Recovery (DR) funds for disasters that have affected that State of Texas. More details and action plans for the various disasters CDBG-DR have been awarded for can be found at https://www.glo.texas.gov/disaster-recovery/action-plans

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

ESG Serves Special Needs

ESG does not have funding allocation priorities for special needs populations, but the Department's subrecipient selection criteria include prioritization for homeless subpopulations as defined in the most recent Point in Time data collection guidance. ESG RUSH funding, a special allocation under the ESG Program, is limited to serving populations residing within disaster declared areas. ESG RUSH assistance to individuals and organizations will be evaluated for duplication of benefits as required by 42 U.S.C. 11364a and the ESG RUSH implementation guidelines and regulations prior to provision of assistance. These resources may include private insurance, other federal resources, such as FEMA Transitional Shelter Assistance (TSA), Shelter and Services Program (SSP), Emergency Non-Congregate Shelter (NCS) or CDBG-DR funds. The Department may prioritize RUSH funding to areas with proportionately fewer resources to respond to the disaster.

TDHCA requires ESG subrecipients to comply with the Violence Against Women Reauthorization Act of 2022 (VAWA). Forms and information are required to be distributed to applicants and program participants for short- and medium-term rental assistance in accordance with 24 CFR §5.2005(e). Also pursuant to 24 CFR §5.2005(e), ESG Subrecipients are required to develop and follow an Emergency Transfer Plan.

HOPWA Serves Special Needs

HOPWA serves as the only federal program dedicated to addressing the housing needs of low-income PLWH and their households. It helps them establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. Stable housing helps PLWH adhere to HIV treatment and achieve viral suppression. The proposed distribution of funds by HOPWA activity category reflects local needs with historical expenditure outputs. The program reallocates funding within and between HIV Service Delivery Areas (HSDAs) throughout the program year to meet changing needs

CDBG Serves Special Needs

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

The Office of Colonia Initiative (OCI) at TDHCA is charged with the responsibility of administering the Colonia Self-Help Center (CSHC) Program, with the goal of improving the living conditions and lives of border and colonia residents. As part of its plan to improve the living conditions in colonias, OCI assigns specific employees to focus on supporting and providing technical assistance to border counties which maintain Colonia Self-Help Centers funded under the CSHC Program.

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

### Introduction:

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

### Distribution Methods

**Table 8 - Distribution Methods by State Program**

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|---|---|---|
| 1 | **State Program Name:** | Colonia Economically Distressed Areas Program |
| | **Funding Sources:** | CDBG<br>CDBG Colonias Set-aside |
| | **Describe the state program addressed by the Method of Distribution.** | Colonia Economically Distressed Areas Program (CEDAP) Legislative Set-Aside fund provides funding to eligible cities and counties to assist colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB Economically Distressed Area Program or similar water or sewer system improvement project. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The TDA will evaluate the following factors prior to awarding CEDAP funds:<br>• The proposed use of the CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through Economically Distressed Area Program or similar program;<br>• The ability of the applicant to utilize the grant funds in a timely manner;<br>• The availability of funds to the applicant for project financing from other sources;<br>• The applicant's past performance on previously awarded CDBG contracts;<br>• Cost per beneficiary or household; and<br>• Proximity of project site to entitlement cities or metropolitan statistical areas (MSAs). |

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| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation are available upon request once mainline construction has been confirmed. |
| | **Describe how resources will be allocated among funding categories.** | The Texas Legislature has set aside 3.5% of the State CDBG allocation for the CEDAP program.<br>The allocation is distributed on an as-needed basis. In order to fully obligate the annual Colonia Funds to benefit colonia residents, funds not requested for the CEDAP activities may be transferred to other Colonia Fund programs. |
| | **Describe threshold factors and grant size limits.** | Maximum $1,000,000/Minimum $250,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefitting LMI Persons |
| **2** | **State Program Name:** | Colonia Fund and Construction Program |
| | **Funding Sources:** | CDBG<br>CDBG Colonias Set-aside |
| | **Describe the state program addressed by the Method of Distribution.** | The goal of the Colonia Fund: Construction (CFC) program is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons residing within a community or area that meets the definition of a colonia. An eligible county applicant may submit an application for eligible construction activities, prioritizing access to public utilities and other basic human needs for colonia residents. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | While the Colonia Planning and Needs Assessment is underway, the selection criteria for the Colonia Fund: and Construction Program will focus upon the following factors: number of colonia communities identified in the county, and previous funding. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | Of the State CDBG allocation 6.5% (approximately) is allocated to the Colonia Fund Construction Program. After the initial awarding of funds, any portion of the CFC allocation that is unable to be awarded may be used to fund additional eligible applications under any other Colonia Fund Set-aside program. |
| | **Describe threshold factors and grant size limits.** | Maximum $1,000,000/Minimum $250,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| **3** | **State Program Name:** | Colonia Fund Planning & Needs Assessment Program |
| | **Funding Sources:** | CDBG<br>CDBG Colonias Set-aside |

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| | **Describe the state program addressed by the Method of Distribution.** | The Colonia Fund Planning Program is designed to provide needs assessments for colonia communities on a county-by county basis. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The Colonia Fund Planning Program funds assess the conditions and current needs of colonia communities in to each county within 150 miles of the Texas-Mexico border on a rotating basis. All counties eligible to participate in the colonia set-aside have been offered an opportunity to receive planning and needs assessment services coordinated through a CFP grant to a designated Planning Zone. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | As planning activities are currently funded for all eligible counties, no funds are allocated to the Colonia Fund Planning Program for this Program Year. |
| | **Describe threshold factors and grant size limits.** | Not applicable for Program Year 2026 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| **4** | **State Program Name:** | Colonia SHC Legislative Set-Aside (administered by TDHCA) |
| | **Funding Sources:** | CDBG |

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| | **Describe the state program addressed by the Method of Distribution.** | Administered by TDHCA and funded through CDBG, the Colonia Self-Help Center (CSHC) Program serves colonias along the Texas-Mexico border. Colonia Self-Help Centers (Centers) provide concentrated on-site technical assistance to low- and very low-income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach and education. Key services include: housing rehabilitation; reconstruction; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; grant writing; infrastructure construction and access; contract-for-deed conversions; and capital access for mortgages. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Approximately 35,979 residents live in the targeted colonias served by the CSHC Program. The Centers process applications from income eligible households using a selection criteria established by each Center. Eligible households must reside in a targeted colonia, which has been preselected by each county and approved by C-RAC. Households must earn less than 80% of AMI. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | The CSHC Program is statutorily required to be provided in Cameron/Willacy, El Paso, Hidalgo, Nueces, Starr, and Webb counties. Statute allows for additional Centers to be established in any other county if TDHCA deems it necessary and appropriate and if the county is designated an economically distressed area under statute. TDHCA established additional Centers in Maverick and Val Verde counties. Each Center must serve five targeted colonias within the county it serves. The Centers conduct outreach activities throughout the contract period to inform colonia residents of program benefits and eligibility criteria and to provide application assistance. |

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| | **Describe how resources will be allocated among funding categories.** | The Texas Legislature has set aside 2.5% of the State CDBG allocation for the CSHC program.<br><br>Resources are allocated after analysis and input from each community. Counties that are statutorily designated to participate in the CSHC Program conduct a needs assessment before proposing which target colonias should receive concentrated attention and the scope of program activities and funding. Each county designs a proposal unique to the needs of a specific community. After the C-RAC, composed of colonia residents, reviews and discusses the proposals from the counties, the proposals are then reviewed and approved by the TDHCA Governing Board for implementation. Funds deobligated from prior CSHC Program grant years and any program income recovered from CSHC funds shall be used by TDHCA for the CSHC Program. |
| | **Describe threshold factors and grant size limits.** | Maximum $1,000,000/Minimum $500,000<br>If there are insufficient funds available to fully fund an application, the Administrator may accept the amount available and wait for remaining funds to be committed the next program year. Each program activity, such as new construction, rehabilitation, and tool library operation, for example, are limited to specific dollar amounts. TDHCA, at its discretion and in coordination with the county, may amend a contract to increase the budget amount based on performance and other factors. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Outcomes include the number of colonia residents assisted and housing units assisted or created. In general, these are Activities Benefiting LMI Persons. |
| **5** | **State Program Name:** | Colonias to Cities Initiative Program |
| | **Funding Sources:** | CDBG<br>CDBG Colonias Set-aside |

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| | **Describe the state program addressed by the Method of Distribution.** | The Colonia to Cities Initiative (CCIP) provides funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority is given to colonias that have received prior CDBG funding. The city's application must include documentation that annexation procedures have begun and a firm commitment from the city to annex the colonia upon completion of the project. Failure to annex the colonia may result in a requirement to repay the CDBG funding to TDA. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The TDA will evaluate the following factors prior to awarding CCIP funds:<br>• the proposed use of the TxCDBG funds including the eligibility of the proposed activities;<br>• the ability of the community to utilize the grant funds in a timely manner;<br>• the availability of funds to the community for project financing from other sources;<br>• The support of colonia residents for the proposed annexation;<br>• the applicant's past performance on previously awarded TxCDBG contracts, if applicable;<br>• cost per beneficiary or household; and<br>• commitment by the city to annex the colonia area within one year of project completion.<br>If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation are available upon request. |

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| | **Describe how resources will be allocated among funding categories.** | If there are an insufficient number of projects ready for CEDAP or CFC funding, the available Colonia funds may be transferred to the Colonias to Cities Initiative. |
| | **Describe threshold factors and grant size limits.** | Maximum $1,000,000/Minimum $250,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting Low and Moderate Income (LMI) Persons |
| **6** | **State Program Name:** | Community Development Fund |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | The Community Development (CD) Fund is available on a biennial basis through a competition based on of the State's 24 planning regions. The goal of the CD Fund is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons of low to moderate income.<br>Applicants are encouraged to provide for infrastructure and housing activities that will improve opportunities for LMI persons. When considering and designing projects, applicants must continue to consider project activities that will affirmatively further fair housing, which includes project activities that provide basic infrastructure (such as water, sewer, and roads) that will benefit residential housing and other housing activities. Planning activities, fire protection and emergency response activities, and all other eligible CDBG activities are available under this program. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | CD applicants are scored using a shared system with 25% of the final score determined by regional project priorities; 65% of the final score determined scoring factors identified by the Unified Scoring Committee, and 10% of the final score determined by state scoring factors. The USC is made up of one representative from each of the 24 geographic regions. The USC is responsible for determining objective scoring criteria for all regions for the CD Fund in accordance with the requirements in this Action Plan, including the numerical value of the points assigned to each scoring factor, during a public meeting. The USC may not adopt scoring factors that directly negate or offset the State's scoring factors. The state scoring will be based on past performance– including timely submission of closeout reports, timeliness of environmental clearance, maximum utilization of funds, and timeliness of completing projects |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | 72.35% (approximately) of the State CDBG allocation is allocated to this fund. In addition, deobligated funds may be allocated to the CD Fund according to the procedures described in the Additional Detail on Method of Distribution section following this table. |
| | **Describe threshold factors and grant size limits.** | Maximum $750,000/Minimum $350,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |

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| 7 | **State Program Name:** | Downtown Revitalization Programs |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | The Downtown Revitalization awards grant funds for public infrastructure to foster and stimulate economic development in rural downtown areas. This program is considered one of the Rural Economic Development (RED) programs. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The selection criteria for the Downtown will focus upon the following factors:<br>a. Applicant Need criteria, including median income, previous funding, and benefit to LMI persons.<br>b. Project criteria, including match ratio, , consistency with Main Street program or other community strategic plan (if applicable), and other HUD or TDA programmatic priorities; and<br>c. Past performance on previously awarded TxCDBG contracts, if applicable.<br>The department may set aside funds within this Downtown Revitalization Program specifically for Main Street communities. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | Approximately 12% of the State CDBG allocation is allocated to the Downtown Revitalization Program,; in addition, deobligated funds, program income funds, and other RED program funds may be allocated for the DRP programs if such funds have not been utilized by other RED programs (if available). |
| | **Describe threshold factors and grant size limits.** | Maximum $1,000,000/Minimum $350,000 |

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| | **What are the outcome measures expected as a result of the method of distribution?** | Eliminate or prevent slum and blight conditions. |
| **8** | **State Program Name:** | Fire, Ambulance, & Services Truck (FAST) Fund |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | The Fire, Ambulance, & Services Truck (FAST) Fund provides funds for eligible vehicles to provide emergency response and special services to rural communities. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Funding for the FAST Fund is dependent on availability of deobligated funds that can be awarded and expended prior to the grant origin year expiration date. TDA may announce limited funding opportunities developed in coordination with the State Office of Rural Health as funds allow. Selection criteria will be based on the limited purpose identified in the application guide for each funding opportunity. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | Funding for the FAST Fund is dependent on availability of deobligated funds that can be awarded and expended prior to the grant origin year expiration date. No funds will be made available for the FAST Fund on the first day of the program year; if additional funds are deobligated during the program year, funds may be made available according to the procedures described in the Additional Detail on Method of Distribution section following this table. |

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| | **Describe threshold factors and grant size limits.** | Maximum $1,000,,000/Minimum $100,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| **9** | **State Program Name:** | General HOME Funds for Single-Family Activities |
| | **Funding Sources:** | HOME |
| | **Describe the state program addressed by the Method of Distribution.** | TDHCA awards single-family activity funds as grants and loans through a network of local administrators for Homeowner Reconstruction Assistance (HRA), Tenant Based Rental Assistance (TBRA), and Homebuyer Assistance with New Construction (HANC), and Single Family Development (SFD). Assistance length and term depends on the type of activity. Non set-aside funds are initially made available on a regional basis in accordance with state statute (unless waived by the Governor in response to a state of federally declared disaster or is program income). Remaining funds are made available statewide through a first-come, first-served Reservation System, a contract-based system or some combination of these two methods. The method will be described in NOFAs and is informed by needs analysis, oversubscription for the activities, and public input. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Applicants must comply with requirements stated in NOFAs, the Single-Family Programs Umbrella Rule, and State HOME Program Rules in effect at the time they receive their award.<br><br>Review of Applications:<br>All programs will be operated through direct administration by TDHCA, reallocation of deobligated funding and program income, or through the release of a NOFA with an emphasis on geographic dispersion of funds, particularly in rural areas of the state, using a Regional Allocation Formula (RAF) which uses objective measures to determine rural housing needs such as poverty and substandard housing. For NOFAs, applicants must submit a complete application to be considered for funding or eligibility to access the Reservation System. Applications received by TDHCA will be reviewed for applicable threshold, eligibility and/or scoring criteria in accordance with the Department's rules and application review procedures published in the NOFA and/or application materials. Information related to NOFAs, application requirements and fees, and application review procedures and materials is available at https://www.tdhca.texas.gov/home-application-materialsSelection Process:<br>Qualifying applications for funding are recommended to TDHCA's Board based on the Department's rules and any additional requirements established in the NOFA. Applications for participation in the Reservation System are not submitted to the TDHCA Board for approval but are subject to all other review requirements. Should TDHCA reprogram unutilized HOME funds for development activities, applications submitted for development activities will also receive a review for financial feasibility, underwriting, and compliance under the HOME Final Rule as well as the Department's existing previous participation review process.<br><br>The state may select subrecipients or state recipients as described in program rules and NOFAs, or may conduct a portion of HOME activities directly in accordance with §92.201.<br>When administrators have not successfully expended the HOME funds within their contract period, TDHCA de-obligates the funds and pools the dollars for redistribution according to TDHCA's Reallocation of Financial Assistance rule at 10 TAC §1.19, and consistent with the reservation system and any open NOFAs. TDHCA may also reallocate |

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| | | these funds through a competitive NOFA process resulting in an award of funds. |
| | **Describe how resources will be allocated among funding categories.** | TDHCA announces the annual allocation of HOME Single-Family funds through a NOFA and specifies that an amount at least equal to the annual allocation will initially be made available using a Regional Allocation Formula (RAF) which divides funds among 26 sub-regions as required by state statute. The allocation method is developed based on a formula which considers need and funding availability. After a period of time established in the NOFA, regional allocations collapse. Following the release of the annual allocation through the RAF, TDHCA periodically adds HOME program income and de-obligated funds to the funds available via the Reservation System and either allocates a specific amount of funds per activity based on funding priorities or may allow HOME administrator's requests for funding through the system to determine how the funds are finally allocated among fund categories. TDHCA may specify the maximum amount of funds that will be released for each activity type and may allocate funds via a first come, first served Reservation System or alternate method based on public comment. All NOFAs can be found on TDHCA's NOFA page on the website at https://www.tdhca.texas.gov/notices-funding-availability-nofas. |
| | **Describe threshold factors and grant size limits.** | Applicants must comply with requirements stated in the HOME NOFA and State HOME Program Rules in effect the year they receive their award. These sources provide threshold limits and grant size limits per activity type. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Assistance to LMI households. |
| **10** | **State Program Name:** | HOME Multifamily Development |
| | **Funding Sources:** | HOME |

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| | **Describe the state program addressed by the Method of Distribution.** | The Multifamily Direct Loan Program awards HOME loans to for-profit and nonprofit multifamily developers to construct and rehabilitate affordable rental housing. These loans typically carry a 3% interest rate (or higher/lower if reflected in the NOFA) and have terms ranging from 15 years to 40 years. The vast majority of the loans are made to developments that also have awards of 4% or 9% HTCs. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | TDHCA's Texas Administrative Code Chapters 10, 11, and 13 set forth the minimum requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, appropriate zoning for the site, and a market and environmental study. Additionally, the development must also meet financial feasibility and subsidy layering requirements. After a period of Regional Allocation, HOME funds are typically awarded on a first-come, first-served basis, as long as the criteria above are met, although the NOFA may specify other priorities used to rank applications, such as giving priority to requests for larger amounts of funding. After a certain date, for HOME Multifamily Development applications layered with 9% HTCs, the highest scoring applications in the 9% cycle that also request HOME funds are prioritized according to 9% criteria. |
| | **Describe how resources will be allocated among funding categories.** | A maximum of 85% of HOME Multifamily Funds, are available for general activities and at least 15% for Community Housing Development Organizations (CHDOs). The HOME Multifamily Direct Loan Program may make funds available annually or through a special purpose NOFA under the General, Supportive Housing/Soft Repayment, or CHDO Set-Asides, or specifically to previously-awarded developments that have experienced cost increases since initial award. |

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| | **Describe threshold factors and grant size limits.** | TDHCA's Qualified Allocation Plan set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. The development must also meet financial feasibility and subsidy layering requirements. Awards of HOME Multifamily Direct Loan Program funds range from approximately $4,000,000 to $8,197,611.50 per application typically in the form of a loan, but these amounts may change, and the caps may be lower or higher if so reflected in a published NOFA. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Assistance to LMI households. |
| **11** | **State Program Name:** | Local Revolving Loan Funds |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | TxCDBG allows communities that received Texas Capital Fund awards to support job creation or retention, and that created a local revolving loan fund, prior to implementation of the interim rule published November 12, 2015, to retain the program income generated by the economic development activities and to reinvest the funds to support job creation/retention activities. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Criteria are established by local subrecipients, with guidance from the TxCDBG Revolving Loan Fund Information Guide provided by TDA. |

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| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | The TxCDBG Revolving Loan Fund Information Guide is provided directly to subrecipients that have established revolving loan funds. |
| | **Describe how resources will be allocated among funding categories.** | Program Income generated by a local RLF is retained by that community or returned to TDA for distribution according to the Action Plan. See "Grantee Unique Appendices" for table of local revolving loan funds. |
| | **Describe threshold factors and grant size limits.** | Parameters for minimum or maximum loan amounts may be established by the subrecipient. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefitting LMI Persons<br>Activities Benefitting LMI Persons through Job Creation/Retention |
| **12** | **State Program Name:** | National Housing Trust Fund |
| | **Funding Sources:** | Housing Trust Fund |

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| | **Describe the state program addressed by the Method of Distribution.** | The NHTF Program awards loans to for-profit and nonprofit multifamily developers to construct/rehabilitate multifamily affordable housing. Because the NHTF is required to benefit ELI households at or below the greater of 30% of AMI or the poverty rate, the units will likely not be able to service a debt payment. The constraints on NHTF dictate that the funds typically be available as construction only loans, generally up to 2% interest rate permanent loans with fixed monthly payments, deferred payment, deferred forgivable permanent loans, partially amortizing loans (with the amount not in a fixed payment due at sale, refinance, or at the end of the loan term), or 75% cash flow loans (FHA only) if required, to leverage with tax credits or other financing mechanisms. Loan types may be further limited by NOFA. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | TDHCA's Texas Administrative Code Chapters 11 and 13 set forth a minimum set of requirements that document a project owner's readiness to proceed with the development. The Development must also meet financial feasibility requirements. After an applied period of regional distribution, the funds are awarded on a first-come, first-served basis, as long as the criteria above are met, although the NOFA may specify other priorities used to rank applications, such as giving priority to requests for larger amounts of funding. In the event that multiple qualifying applications are submitted on the same date and insufficient funding exists to award all of them, applications will be scored according to the criteria specified in the NOFA. 10 TAC §13.6 establishes criteria that may be used for scoring; however, staff may identify within a given NOFA that additional scoring criteria are necessary to meet current needs.<br><br>Remaining NHTF may then be made available statewide in the annual NOFA in other set-asides, or transferred to a special purpose NOFA. |
| | **Describe how resources will be allocated among funding categories.** | NHTF will not be allocated among funding categories. The NHTF funds are provided for multiple uses, to meet the requirement to serve ELI households. |

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| | **Describe threshold factors and grant size limits.** | TDHCA's Texas Administrative Code Chapters 10, 11, and 13 set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. Additionally, the development must have certain unit amenities and common development amenities. Developments must also meet financial feasibility requirements. Award funds typically range from $4,000,000 to $8,197,611.50 per application in the form of a loan for this program, but which may be capped at a lower or higher amount in the NOFA. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Assistance to ELI households. |
| **13** | **State Program Name:** | State Mandated Contract for Deed Set-Aside |
| | **Funding Sources:** | HOME |
| | **Describe the state program addressed by the Method of Distribution.** | Rider 6 of the TDHCA bill pattern within the General Appropriations Act for Fiscal Years 2024-2025 requires TDHCA to identify funding sources and estimated funding levels for contract for deed conversions and other activities for families that reside in a colonia and earn 60 percent or less of the applicable area median family income (AMFI) and the home converted must be their primary residence. Funds are set-aside for households at or below 60 percent AMFI and who reside in a colonia for a period of not less than 60 days before being made available statewide, excluding Participating Jurisdictions, to those at or below 80% AMFI. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Administrators must meet HOME Program threshold requirements to access funding. Funding is made available to contract for deed administrators on a first-come, first-served basis, in addition to threshold requirements outlined in the State HOME Program Rule, through the Reservation System. |

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| | **Describe how resources will be allocated among funding categories.** | TDHCA will set aside $1,000,000 for Contract for Deed activities annually and will release the funds through the reservation system as a method of distribution. |
| | **Describe threshold factors and grant size limits.** | Applicants must meet the thresholds provided in the NOFA and State HOME Program Rules in effect the year in which they receive their award. Administrators are not awarded a grant following a successful application. Rather funds are awarded on a household by household basis. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Assistance to households with incomes at or below 60% AMFI. |
| **14** | **State Program Name:** | State Revolving Fund |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | TxCDBG retains the program income generated by economic development activities and reinvests the funds to continue supporting economic development activities.<br>In accordance with 24 CFR 570.479(e)(ii), the State has determined that program income generated by TCF beginning PY 2017 must be returned to the State for redistribution to new economic development activities. TCF awards are made for a specific project, based on the minimum necessary work to support the creation or retention of specific jobs, which must be completed prior to close out of the TCF contract. Therefore the community is unlikely to continue funding the same activity in the near future as described in the regulation. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Application Guides for the Rural Economic Development programs can be found on the TDA website. |

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| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Application Guides for the Rural Economic Development programs can be found on the TDA website. |
| | **Describe how resources will be allocated among funding categories.** | Program Income generated by the State Revolving Fund in prior Program Years will be allocated to the Rural Economic Development programs. Program Income collected during the current Program Year will be made available through the State Revolving Fund in subsequent Program Year(s). |
| | **Describe threshold factors and grant size limits.** | The amount of program income generated will determine the amount of funds available. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities benefitting LMI Persons and the elimination of slum and blight conditions. |
| **15** | **State Program Name:** | State Urgent Need Fund |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | The State Urgent Need Fund is available following natural disasters and events that are not eligible for federal disaster assistance. The SUN program provides financial assistance to address disaster-related damage to public infrastructure and utilities, including repair, replacement, and mitigation measures. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The State Urgent Need Fund is available as needed following events that receive a proclamation or other formal request for state agency assistance from the Governor (or designee), for which the Governor has not requested federal assistance.<br>• Priority will be given to projects that address safe drinking water, clearance of debris creating unsafe conditions, and other priorities as announced by the Commissioner of Agriculture.<br>• The situation addressed by the applicant must be both unanticipated and beyond the control of the local government.<br>• The problem being addressed must be of recent origin. For SUN APP assistance, this means that the application for assistance must be submitted no later than six months from the date of the state disaster declaration.<br>• The applicant must demonstrate that adequate local funds are not available. For SUN assistance, this generally means the applicant has less than twelve months of unencumbered general operations funds available in its balance as evidenced by the last available audit required by state statute, and funds from other state or federal sources are not available to completely address the problem.<br>TDA may consider whether funds under an existing CDBG contract are available to be reallocated to address the situation. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |

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| | **Describe how resources will be allocated among funding categories.** | Of the State CDBG allocation, $0 is allocated initially. However, a maximum $3 million may be transferred from other fund categories for either State Urgent Need Fund or Water Crisis Assistance Fund projects as needed. |
| | **Describe threshold factors and grant size limits.** | Maximum: $500,000 for projects benefitting a single jurisdiction. For projects benefitting multiple counties, up to $500,000 per county with a maximum total award of $2 million per project.<br>Minimum: $100,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefitting LMI Persons<br>Activities Addressing an Urgent Need |
| **16** | **State Program Name:** | Texas ESG Program |
| | **Funding Sources:** | ESG and special allocations of ESG Funding |

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| | **Describe the state program addressed by the Method of Distribution.** | The ESG Program awarded contracts in PY2025 by making a portion of the funds available to prior subrecipients who have demonstrated effective performance under their prior award, with the remainder of funds offered under a competitive funding application. This process will carry over to the PY2026 funds, and some portion of the allocation may be set aside for direct awards to Subrecipients receiving funds for development of non-congregate shelter under HOME-ARP or awarded to nonprofit legal services providers who will accept referrals from subrecipients of ESG funds. ESG funds are awarded to private nonprofit organizations, cities, and counties in the State of Texas to provide the services necessary to help persons who are experiencing or at-risk of homelessness quickly regain stability in permanent housing. To prioritize geographic dispersion of funds, funding is allocated to each CoC based on an allocation formula that includes population and other data as described in the State ESG rules. Special allocations made under the ESG Program, such as ESG RUSH funding, may be awarded to existing Subrecipients whose record demonstrates high performance of their ESG award, or under a competitive Notice of Funding Availability. ESG RUSH funding is geographically restricted for use within disaster declared areas, therefore ESG RUSH is exempt from the regional distribution formula noted in 10 TAC §7.33. Award authority for all ESG funds remains with TDHCA's Board, and TDHCA contracts directly with all subrecipients.<br><br>Any funds returned to the Department from prior year ESG allocations will be redistributed in accordance with the 10 TAC §7.41, or as otherwise approved by the TDHCA Board or as required by HUD. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | TDHCA will review the performance of existing subrecipients to determine whether they meet criteria, including timely expenditure of funds and acceptable monitoring history, prior to making a determination about the suitability of the subrecipient to be offered a new award of funding. In a competitive process with TDHCA, applications will be selected for an award based on requirements stated in the ESG NOFA and State ESG Program Rules in effect the year they receive their award. These sources provide threshold requirements, which must be met prior to an application being considered for an award, and selection criteria, which are utilized to rank applications and determine the order in which applications may be funded. ESG Subrecipients that are awarded ESG funds will be required to maintain the terms of the contract under which they were competitively awarded, including the performance targets that were a condition of the award.<br><br>Threshold requirements: information necessary to conduct a previous participation review (including review of single audit compliance), and documentation sufficient to determine that the subrecipient has adequate capacity to administer the ESG funds, including but not limited to timely reporting.<br><br>Selection criteria include items related to program design, including the type and quality of services offered and performance outcomes.<br><br>Selection criteria is not applicable for ESG RUSH funding directly awarded to existing ESG subrecipients, however TDHCA will review the prior performance of existing Subrecipients prior to making an award recommendation. In addition to the scoring criteria for the regular ESG awards, ESG RUSH that is competitively awarded will consider other available resources in the service area of the application to assist with evaluation of unmet need. |

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| | **Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)** | TDHCA may retain some portion of the allocation of funds and offer this portion for direct awards to certain subrecipients that have either successfully administered a prior ESG award or have an existing HOME-ARP funded non-congregate shelter, or will provide legal services to clients referred by other ESG subrecipients. In addition, TDHCA will provide special allocations, such as ESG RUSH funding, as direct awards to existing Subrecipients who show high performance in their existing ESG award. For a competitive process, TDHCA will release a NOFA prior to receipt of ESG funding. The NOFA will include both threshold and selection criteria, and awards will be made to eligible applicants based on the application rank within their CoC region.<br><br>Eligible applicant organizations are Units of General-Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may be eligible and should seek guidance from TDHCA to determine if they may apply. Governmental organizations such as Public Housing Authorities (PHAs) and housing finance agencies are not eligible and cannot apply directly for ESG funds.<br><br>Eligible applicants also include private nonprofit organizations that are secular or religious organizations described in section 501(c) of the Internal Revenue Code of 1986, are exempt from taxation under subtitle A of the Code, have an acceptable accounting system and a voluntary board, and practice non-discrimination in the provision of assistance. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion. |

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| | **Describe how resources will be allocated among funding categories.** | ESG funds, inclusive of special allocations, may be used for four service components: street outreach, emergency shelter, homelessness prevention, and rapid re-housing assistance. Funds may also be utilized for HMIS/HMIS comparable database and administration in proportion to funding utilized for service components. In order for TDHCA to meet the requirement of no more than 60% of funds expended in street outreach and emergency shelter per 24 CFR §576.100(b), TDHCA reserves the right to remove applications proposing street outreach and emergency shelter from competition when 60% of ESG funds have been awarded to higher raking applications proposing these activities. |
| | **Describe threshold factors and grant size limits.** | While applications for TDHCA ESG funds may request funds for multiple service components, each service type proposed in an application is individually considered for an award of funds. Applicants will be awarded an amount not to exceed an amount set forth in the program rules or NOFA for street outreach activities, rapid re-housing, homeless prevention, and emergency shelter activities. Funds for HMIS are limited to 12% of the amount awarded for Street Outreach, Emergency Shelter, Rapid Rehousing, and Homeless Prevention, and funds for administration are limited to 3% of these amounts.<br><br>Threshold requirements: information necessary to conduct a previous participation review (inclusive of single audit requirements), and documentation sufficient to determine that the subrecipient has adequate capacity to administer the ESG funds, including but not limited to timely reporting. |
| | **What are the outcome measures expected as a result of the method of distribution?** | The expected outcome is that funds will be awarded to organizations that have the administrative and performance capacity to provide the services needed in their communities, with a broad distribution of funding to reach as many areas of the state with quality services as possible. |
| **17** | **State Program Name:** | Texas HOPWA Program |
| | **Funding Sources:** | HOPWA |

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| | **Describe the state program addressed by the Method of Distribution.** | The DSHS HIV Care and Medications Unit administers the State of Texas HOPWA formula grant from HUD. The DSHS HOPWA Program serves all 254 counties in Texas, prioritizing those outside the six HOPWA-funded Metropolitan Statistical Areas: Austin, Dallas, El Paso, Fort Worth, Houston, and San Antonio. Therefore, the program targets less urbanized areas of Texas. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Visit the DSHS website for information on grant applications, available funding opportunities, application criteria, etc. http://www.dshs.texas.gov/fic/default.shtm. The Texas Health and Human Services Procurement and Contracting Services (PCS) Division oversees procurement and contracting services for DSHS. This division handles solicitations, contract development, contract execution, and serves as the office of record for DSHS' contracting needs. |
| | **Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)** | DSHS contracts with AAs in six Ryan White Part B HIV planning areas encompassing 26 HSDAs. AAs subcontract with Project Sponsors in each HSDA for statewide service delivery. DSHS selects AAs through a combination of competitive requests for applications (RFAs) and intergovernmental contracts. AAs act as an administrative arm for DSHS, with DSHS oversight, by administering the HOPWA program locally for a five-year project period. A Project Sponsor is a nonprofit organization or governmental housing agency that receives funds under a contract with the AA to provide eligible housing and other support services or administrative services. Historically, many of the nonprofit Project Sponsors that provide HOPWA services have met the definitions of grassroots, faith-based, or community-based organizations |
| | **Describe how resources will be allocated among funding categories.** | Project Sponsors propose funding allocations and submit them to their respective AA and DSHS for approval. Project Sponsors base allocations on many factors, including but not limited to, number of households projected to continue into the next year, local unmet need, housing costs, prior number of households served, average expenditures per household, changes in the number of PLWH in poverty, etc. During the program year, DSHS reallocates funds within and between HSDAs throughout each planning region as needed.<br><br>DSHS will reserve $500,00 from the latest allocation for use in the next annual plan and include this amount under Prior Year Resources. DSHS will only use $9,143,061 during this annual plan. |

| | | |
|---|---|---|
| | **Describe threshold factors and grant size limits.** | DSHS uses a formula to determine allocations by HSDA. The formula uses the number of PLWH by county with adjustments for overlapping HOPWA formula jurisdictions, poverty rates, and housing costs DSHS reserves the right to adjust formula allocations when accounting for local factors, including unmet need, prior performance and expenditures, and any other relevant metrics. The formula does not provide a minimum or maximum grant size limit. |
| | **What are the outcome measures expected as a result of the method of distribution?** | PLWH and their households will establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. Stable housing helps PLWH adhere to HIV treatment and achieve viral suppression. |
| **18** | **State Program Name:** | Utility U Job Training Program |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | Utility U provides funds to cities and counties, in coordination with water and wastewater utilities, to provide job training opportunities in the utility field. Both classroom and on-site training methods provided by a community based development organization (CBDO) or similar organization shall provide critical utility industry skills to current and newly hired employees to create or enhance job opportunity. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The Utility U Program will be available to cities and counties only upon recommendation by two or more state or federal regulatory or funding agencies. These agencies are expected to evaluate the need for job training for a specific utility or group of utilities prior to making a recommendation to TDA. The utility must agree to employ the trainee for a minimum of two years following completion of the training. |

| | | |
|---|---|---|
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation are available upon request. |
| | **Describe how resources will be allocated among funding categories.** | $0 of allocation is made available for the Utility U Program on the first day of the program year. If an eligible project is recommended for funding, up to $200,000 may be transferred from other fund categories as needed. |
| | **Describe threshold factors and grant size limits.** | Maximum $100,000/Minimum $30,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| **19** | **State Program Name:** | Water Crisis Assistance Fund |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | The Water Crisis Assistance Fund is available to assist communities where the utility system has been placed under alternative management by state regulators. The WCA Fund provides financial assistance following appointment of a Receiver and/or temporary Manager, and may be used to address system deficiencies needed to return the system to regular operations. |

| | | |
|---|---|---|
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The Water Crisis Assistance Fund is available as needed following state appointment of a utility district or other political subdivision to serve as a Receiver or Temporary Manager, pursuant to Texas Water Code §13.412. Projects must address critical system deficiencies, such as those identified in a Notice of Violation issued by the Texas Commission on Environmental Quality (TCEQ).<br>Once a utility receives a Water Crisis Assistance Fund project, that utility is no longer eligible to apply for future WCA funding. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | Of the State CDBG allocation, $0 is allocated initially. However, a maximum $3 million may be transferred from other fund categories for either State Urgent Need Fund or Water Crisis Assistance Fund projects as needed. |
| | **Describe threshold factors and grant size limits.** | Maximum $500,000/Minimum $50,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefitting LMI Persons |

**Discussion:**

The distribution process for 4% HTC Program, 9% HTC Program, HHSP, State Housing Trust Fund Program, MCC Program, My First Texas Home Program, NSP PI Program, Section 8 HCV Program, Section 811 PRA Program, and TCAP RF can be found in the documents that govern these programs, all available at

https://www.tdhca.texas.gov The CDBG Colonia Set-Aside Methods of Distribution will be included in Action Plan Section 48, which is specifically about colonias.

Along with selecting appropriate entities to administer funding, the State must ensure that these entities appropriately expend their funds. For example, in addition to tracking the number of households supported by HOPWA, AAs routinely monitor Project Sponsors for compliance and performance. DSHS annually compiles program progress reports, reviewing household and expenditure outputs as well as housing stability outcomes. Strategic Plan Section 80, Monitoring, provides additional information on CPD Programs monitoring efforts.

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

# AP-35 Projects – (Optional)

**Introduction:**

Per the IDIS Desk Guide, Project-level detail is not required for a state grantee's Annual Action Plan. Once a state grantee has allocated funding via its Method of Distribution, the state grantee will use the Projects sub-menu in IDIS Online to add its projects for the program year.

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

Because no projects have been entered to date in this section, this section is not applicable. Allocation priorities are discussed in Action Plan Section 25, which also includes meeting special needs. Actions to meeting underserved needs are found in Action Plan Section 85. CDBG-DR allocation priorities can be found in the CDBG-DR Action Plans at: https://www.glo.texas.gov/disaster-recovery/action-plans

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

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

No

**Available Grant Amounts**

Not applicable

**Acceptance process of applications**

Not applicable

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

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

Yes

**State's Process and Criteria for approving local government revitalization strategies**

TDA's CDBG program operates with a principle of "local control" – supporting locally identified projects that primarily benefit LMI persons, prevent/eliminate slum and blight conditions, and support community planning efforts.

The Community Development Fund provides funds to meet needs identified at both the local and regional level, including utility infrastructure, road reconstruction, community facilities, fire protection, and community or utility planning activities.

The Downtown Revitalization Program is intended to stimulate economic growth through the funding of pedestrian-center public infrastructure improvements to aid in the elimination of slum and blight conditions in the historic downtown areas of rural communities; the Main Street set aside is available to communities designated as an official Texas Main Street City by the Texas Historical Commission. Awarded cities receive funds to make public infrastructure improvements in the designated historic, downtown business district. TDA consistently receives more applications than can be funded through this popular program.

The Colonia Fund offers housing and utility infrastructure improvements to disadvantaged communities near the Texas-Mexico border that have been identified by the county as colonia communities.

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

**Introduction:**

**Distribution Methods**

| | | |
|---|---|---|
| 1 | **State Program Name:** | Colonia Economically Distressed Areas Program |
| | **Funding Sources:** | CDBG<br>CDBG Colonias Set-aside |
| | **Describe the state program addressed by the Method of Distribution.** | Colonia Economically Distressed Areas Program (CEDAP) Legislative Set-Aside fund provides funding to eligible cities and counties to assist colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB Economically Distressed Area Program or similar water or sewer system improvement project. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The TDA will evaluate the following factors prior to awarding CEDAP funds:<br>• The proposed use of the CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through Economically Distressed Area Program or similar program;<br>• The ability of the applicant to utilize the grant funds in a timely manner;<br>• The availability of funds to the applicant for project financing from other sources;<br>• The applicant's past performance on previously awarded CDBG contracts;<br>• Cost per beneficiary or household; and<br>• Proximity of project site to entitlement cities or metropolitan statistical areas (MSAs). |

| | | |
|---|---|---|
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation are available upon request once mainline construction has been confirmed. |
| | **Describe how resources will be allocated among funding categories.** | The Texas Legislature has set aside 3.5% of the State CDBG allocation for the CEDAP program.<br>The allocation is distributed on an as-needed basis. In order to fully obligate the annual Colonia Funds to benefit colonia residents, funds not requested for the CEDAP activities may be transferred to other Colonia Fund programs. |
| | **Describe threshold factors and grant size limits.** | Maximum $1,000,000/Minimum $75,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefitting LMI Persons |
| **2** | **State Program Name:** | Colonia Fund Construction Program |
| | **Funding Sources:** | CDBG<br>CDBG Colonias Set-aside |
| | **Describe the state program addressed by the Method of Distribution.** | The goal of the Colonia Fund: Construction (CFC) program is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons residing within a community or area that meets the definition of a colonia. An eligible county applicant may submit an application for eligible construction activities, prioritizing access to public utilities and other basic human needs for colonia residents. |

| | | |
|---|---|---|
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | While the Colonia Planning and Needs Assessment is underway, the selection criteria for the Colonia Fund: Construction will focus upon the following factors: number of colonia communities identified in the county, and previous funding. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | Of the State CDBG allocation 6.5% (approximately) is allocated to the Colonia Fund Construction Program. Subsequent to awarding funds, any portion of the CFP allocation that is unable to be awarded may be used to fund additional eligible applications under any other Colonia Fund Set-aside program. |
| | **Describe threshold factors and grant size limits.** | Maximum $1,000,000/Minimum $150,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| **3** | **State Program Name:** | Colonia Fund Planning & Needs Assessment Program |
| | **Funding Sources:** | CDBG<br>CDBG Colonias Set-aside |
| | **Describe the state program addressed by the Method of Distribution.** | The Colonia Fund Planning Program is designed to provide needs assessments for colonia communities on a county-by county basis. |

| | | |
|---|---|---|
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The Colonia Fund Planning Program funds assess the conditions and current needs of colonia communities in each county within 150 miles of the Texas-Mexico border on a rotating basis. All counties eligible to participate in the colonia set-aside have been offered an opportunity to receive planning and needs assessment services coordinated through a CFP grant to a designated Planning Zone. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | As planning activities are currently funded for all eligible counties, no funds are allocated to the Colonia Fund Planning Program for this Program Year. |
| | **Describe threshold factors and grant size limits.** | Not applicable for Program year 2026. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| **.4** | **State Program Name:** | Colonia Self-Help Center Legislative Set-Aside (administered by TDHCA) |
| | **Funding Sources:** | CDBG |

| | | |
|---|---|---|
| | **Describe the state program addressed by the Method of Distribution.** | Administered by TDHCA and funded through CDBG, the Colonia Self-Help Center (CSHC) Program serves colonias along the Texas-Mexico border. Colonia Self-Help Centers (Centers) provide concentrated on-site technical assistance to low- and very low-income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach and education. Key services include: housing rehabilitation; reconstruction; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; grant writing; infrastructure construction and access; contract for deed conversions; and capital access for mortgages. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Approximately 35,979 residents live in the targeted colonias served by the CSHC Program. The Centers process applications from income eligible households using a selection criterion established by each Center. Eligible households must reside in a targeted colonia, which has been preselected by each county and approved by C-RAC. Households must earn less than 80% of AMI. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | The CSHC Program is statutorily required to be provided in Cameron/Willacy, El Paso, Hidalgo, Nueces, Starr, and Webb counties. Statute allows for additional Centers to be established in any other county if TDHCA deems it necessary and appropriate and if the county is designated an economically distressed area under statute. TDHCA established additional Centers in Maverick and Val Verde counties. Each Center must serve five targeted colonias within the county it serves. The Centers conduct outreach activities throughout the contract period to inform colonia residents of program benefits and eligibility criteria and to provide application assistance. |

| | | |
|---|---|---|
| | **Describe how resources will be allocated among funding categories.** | The Texas Legislature has set aside 2.5% of the State CDBG allocation for the Colonia SHC program.<br>Resources are allocated after analysis and input from each community. Counties that are statutorily designated to participate in the CSHC Program conduct a needs assessment before proposing which target colonias should receive concentrated attention and the scope of program activities and funding. Each county designs a proposal unique to the needs of a specific community. After the C-RAC, composed of colonia residents, review and discuss the proposals from the counties, the proposals are then reviewed and approved by the TDHCA Governing Board for implementation. Funds de-obligated from prior CSHC Program grant years and any program income recovered from CSHC Program funds shall be used by TDHCA for the CSHC Program. |
| | **Describe threshold factors and grant size limits.** | Maximum $1,000,000/Minimum $500,000<br>CSHC program rules limit the assistance to up to $1,000,000 per CSHC per contract period. If there are insufficient funds available to fully fund an application, the Administrator may accept the amount available and wait for remaining funds to be committed the next program year. Each program activity, such as new construction, rehabilitation, reconstruction, and tool library operation, for example, are limited to specific dollar amounts. TDHCA, at its discretion and in coordination with the county, may amend a contract to increase the budget amount, based on performance and other factors. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Outcomes include: colonia residents assisted; housing units assisted or created; instances of technical assistance provided; and instances of information delivered. In general, these are Activities Benefiting LMI Persons. |
| **5** | **State Program Name:** | Colonias to Cities Initiative Program |
| | **Funding Sources:** | CDBG<br>CDBG Colonias Set-aside |

| | | |
|---|---|---|
| | **Describe the state program addressed by the Method of Distribution.** | The Colonia to Cities Initiative (CCIP) provides funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority is given to colonias that have received prior CDBG funding The city's application must include documentation that annexation procedures have begun and a firm commitment from the city to annex the colonia upon completion of the project. Failure to annex the colonia may result in a requirement to repay the CDBG funding to TDA. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The TDA will evaluate the following factors prior to awarding CCIP funds:<br>• the proposed use of the TxCDBG funds including the eligibility of the proposed activities;<br>• the ability of the community to utilize the grant funds in a timely manner;<br>• the availability of funds to the community for project financing from other sources;<br>• The support of colonia residents for the proposed annexation;<br>• The applicant's past performance on previously awarded TxCDBG contracts, if applicable;<br>• cost per beneficiary; and<br>• commitment by the city to annex the colonia area within one year of project completion.<br>If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation are available upon request. |
| | **Describe how resources will be allocated among funding categories.** | If there are an insufficient number of projects ready for CEDAP or CFC funding, the available Colonia funds may be transferred to the Colonias to Cities Initiative. |

| | | |
|---|---|---|
| | **Describe threshold factors and grant size limits.** | Minimum $100,000/Maximum $1,000,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting Low and Moderate Income (LMI) Persons |

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

### Outcome Measures expected as results of Distribution Method

Activities Benefiting LMI Persons

### Discussion

Texas has the largest number of colonias and the largest colonia population of all the Border States. The method of distribution for funds set aside to serve colonias relies on subgrantees along the Texas-Mexico border as well as interagency cooperation between TDHCA, TDA, TWDB, the Office of the Attorney General, and others. The majority of the funding that assists colonias is through infrastructure development, but funds are also available to address housing, community planning, economic revitalization and disaster relief. TDA administers the 10% CDBG colonia set-aside. TDHCA's role in administering colonia funding is limited to the Colonia Self-Help Center (CSHC) Program (2.5% set-aside of all Texas' CDBG funds, in addition to the 10% federal set aside) and HOME Contract for Deed set-aside. TDHCA focuses efforts of the OCI to counties along the Texas-Mexico Border that include a Colonia Self-Help Center (Center) funded by the Colonia SHC Program and support Center staff and counties with problem solving and training.

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

# AP-50 Geographic Distribution – 91.320(f)

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

HOME/NHTF Addresses Geographic Areas for Assistance

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

HOME/NHTF funds used for multifamily development are typically paired with tax-exempt bond and/or HTC. TDHCA rules that govern the HTC Program include incentives for developments utilizing the competitive 9% HTC in high opportunity areas, which are defined as high-income and low-poverty areas, with multiple community amenities in close proximity to the development. It also provides competitive incentive to develop in colonias or economically distressed areas. Developments using tax-exempt bond financing and 4% HTCs are more frequently located in qualified census tracts due to federal guidelines that cause these to be more financially viable.

ESG Addresses Geographic Areas for Assistance

Assistance provided by ESG funds will be directed statewide, according to the 12 HUD-designated CoC regions. TDHCA does not provide priorities for allocating investment geographically to areas of minority concentration, as described in 24 CFR §91.320(f). Assistance provided by ESG RUSH funds will be directed to areas within the declared disaster areas.

HOPWA Addresses Geographic Areas for Assistance

The DSHS HOPWA Program serves all 254 counties in Texas, prioritizing those outside the six HOPWA-funded Metropolitan Statistical Areas: Austin, Dallas, El Paso, Fort Worth, Houston, and San Antonio. Therefore, the program targets less urbanized areas of Texas. DSHS contracts with AAs in six Ryan White Part B HIV planning areas encompassing 26 HSDAs. AAs subcontract with Project Sponsors in each HSDA for statewide service delivery.

CDBG Addresses Geographic Areas for Assistance

TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f). CDBG funds are allocated across the state in three ways.

1. The CD Fund assigns a percentage of the annual allocation to each of the 24 Regional COGs, ensuring that each region of the state receives a portion of the funds. The allocation formula is found in the Texas

Administrative Code, Title 4 Section 30.3.

2. The Colonia Fund directs funding to communities within 150 miles of the Texas-Mexico border. All remaining funds are distributed through state-wide competitions without geographic priorities.

3. The Colonia Self-Help Center (CSHC) Program is offered along the Texas-Mexico border in Cameron/Willacy, El Paso, Hidalgo, Maverick, Nueces, Starr, Val Verde, and Webb counties. The CSHC Program serves approximately 40 colonias in eight border counties, which are comprised of primarily Hispanic households and have concentrations of very low-income households.

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

## Geographic Distribution

| Target Area | Percentage of Funds |
|---|---|
| State of Texas | **100** |

**Table 10 - Geographic Distribution**

## Rationale for the priorities for allocating investments geographically

HOME Addresses Geographic Investments
HOME funds received in the annual allocation of funds from HUD, which excludes HOME Program Income, are allocated geographically using a regional allocation formula (RAF), as described in Strategic Plan Section 10, of the 2025-2029 State of Texas Consolidated Plan. This process directs funds to areas of the State that demonstrate high need. Unless waived by the Governor in the event of a disaster, at least 95% of HOME funds from the annual allocation are used in areas that are not Participating Jurisdictions (PJs) per statute. This results in more HOME funds in smaller communities than in larger Metropolitan Statistical Areas (MSAs) that receive HOME funds directly from HUD. The current RAF is online at https://www.tdhca.texas.gov/housing-resource-center-annual-or-biennial-plans-and-reports Program income does not have this geographic limitation and may be used anywhere in the state.

ESG Addresses Geographic Investments
ESG allocates ESG funds to each CoC region based on an allocation formula. This formula includes factors such as homeless population, people living in poverty, cost burden of renters, point in time counts and ESG funds available from federal and state sources. ESG RUSH funds and funds that have been deobligated from a prior ESG award are not subject to the allocation formula. ESG-RUSH funds have a geographic restriction as a condition of the grant, and ESG funds that have been deobligated from a prior year allocation will be awarded as described in the method of distribution, regardless of geography.

HOPWA Addresses Geographic Investments
DSHS uses a formula to determine HSDA allocations. The formula uses the number of PLWH by county with adjustments for overlapping HOPWA formula jurisdictions, poverty rates, and housing costs. DSHS

reserves the right to adjust formula allocations to account for local factors, including unmet need, prior performance and expenditures, and other relevant metrics.

CDBG Addresses Geographic Investments

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

State statute mandates designation of six Colonia Self-Help Centers (Centers) along the Texas-Mexico border in Cameron/Willacy, El Paso, Hidalgo, Nueces, Starr, and Webb counties to address the long history of poverty and lack of institutional resources. In 2001, TDHCA added two additional Centers in Maverick and Val Verde counties. These eight counties collectively have approximately 35,979 colonia residents who may qualify to access Center services.

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

**Discussion**

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

NHTF Geographic Priorities

The Texas NHTF will distribute NHTF funds through a competitive NOFA process. The funds will initially be available geographically, based on the proportion of Extremely Low Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen, and available competitively within the grouping described in the NOFA, at least four groups of regions will be created prior to collapse into a statewide competition, unless the state's annual allocation is $4 million or less, in which case there may be fewer regions to allow each region to have at least $1 million in its initial allocation.

NHTF Addresses Geographic Investments

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

purposes. Any such grouping will be specified in the NOFA, but in no circumstance will fewer than four groups of regions be created.

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

### Introduction:

Affordable Housing goals for PY 2026 are indicated in the table below for the number of homeless, non-homeless, and special needs households, and for the number of affordable housing units that will be provided by program type, including rental assistance, production of new units, reconstruction of existing units, or acquisition of existing units. Note that goals entered for ESG are only for Rapid Re-housing. The HOME goals include multifamily and single-family activities.

| One Year Goals for the Number of Households to be Supported | |
|---|---|
| Homeless | 1223 |
| Non-Homeless | 993 |
| Special-Needs | 702 |
| Total | 2,918 |

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

| One Year Goals for the Number of Households Supported Through | |
|---|---|
| Rental Assistance | 2708 |
| The Production of New Units | 79 |
| Rehab of Existing Units | 131 |
| Acquisition of Existing Units | 0 |
| Total | 2,918 |

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

### Discussion:

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

The one-year goals for TDHCA's NHTF program include construction of new/rehabilitated multifamily units.

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

outreach, but as this does not directly equate to affordable housing, it is not counted above.

DSHS' HOPWA Program provides TBRA, STRMU, FBHA, PHP, HCM, and HIS to assist eligible PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. Stable housing helps PLWH adhere to HIV treatment and achieve viral suppression.

Currently, Texas CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides cost savings for housing when used to install water and sewer yard lines and pay impact and connection fees for qualifying residents. Housing rehabilitation projects are prioritized in several fund categories. CDBG funds also help communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. CDBG provides approximately 100 to 200 utility connections per year, which are not reflected in the chart above, but could prove essential to obtaining or maintaining housing.

Colonia residents are considered “Special Needs” households who are supported through the production, rehab or acquisition of units. The Colonia Self-Help Center (CSHC) Program continues to address affordable housing needs in border counties by assisting qualifying colonia residents in improvement or maintenance of a safe home in suitable areas, with the contribution of the residents’ self-help construction. In addition, the CSHC Program provides other development opportunities that support the creation of affordable housing for beneficiaries, such as tool lending and training in home construction and repair, financial literacy, and homeownership skills.

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

**Introduction:**

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

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

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

HOME/NHTF Addresses PHA Needs
TDHCA provides NOFAs under the HOME Program to interested parties around the State, including PHAs. TDHCA may utilize HOME funds through Tenant-Based Rental Assistance to pay security and utility deposits for Section 8 voucher holders, when other sources are not available. Furthermore, staff of PHAs, especially those receiving HOME funds and those with Section 8 Homeownership programs, are targeted by TDHCA's Texas Statewide Homebuyer Education Program for training to provide homebuyer education opportunities and self-sufficiency tools for PHA residents. PHAs may also administer HOME TBRA funds, for either on-going rental assistance or as a stand-alone program which provides security deposits with TBRA funds, enabling them to provide households with rental assistance and services to increase self-sufficiency.

Regarding HOME/NHTF Multifamily Developments that are financed with the HTC Program, PHAs are

incentivized in the QAP to use HTCs for Rental Housing Assistance conversion of PHA properties.

ESG Addresses PHA Needs
PHA residents are eligible to receive assistance and services from ESG Subrecipients, as long as the assistance does not violate 24 CFR §576.105(d) of HUD's ESG rules regarding use of funds with other subsidies. Fostering public housing resident initiatives is not an initiative for which TDHCA provides funding or that TDHCA tracks for the ESG Program.

HOPWA Addresses PHA Needs
The DSHS HOPWA Program does not provide public housing assistance. However, Project Sponsors interface with local public housing agencies to coordinate housing assistance and supportive services efforts. Project Sponsors share HOPWA program information and eligibility criteria with local housing authorities and other affordable housing programs in their HSDA. While households that participate in HCV or public housing programs do not qualify for HOPWA-funded housing assistance services, Project Sponsors may provide PHP services to secure a subsidized unit. Additionally, Project Sponsors may provide Housing Case Management services to public housing residents and they may receive core medical and support services through the Ryan White HIV/AIDS Program.

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

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

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

HOME, ESG, HOPWA, NHTF, and CDBG are subject to 24 CFR Part 75 which requires that HUD funds invested in housing and community development construction contribute to employment opportunities for low-income persons living in or near the HUD-funded project. These requirements, called Section 3 requirements, are covered at trainings for Subrecipients; persons who may benefit from employment opportunities include PHA residents.

HOME Addresses Public Housing Resident Initiatives
PHAs are eligible to apply to administer HOME funds to provide homebuyer assistance with new construction in their areas. PHAs also provide services to increase self-sufficiency, which may include homebuyer education services. In addition, TDHCA targets its Texas Statewide Homebuyer Education Program to PHAs, among other groups, which provide homebuyer education training opportunities and

self-sufficiency tools for PHA residents.

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

HOPWA Addresses Public Housing Resident Initiatives
The DSHS HOPWA Program does not provide public housing assistance. However, Project Sponsors interface with local public housing agencies to coordinate housing assistance and supportive services efforts.

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

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

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

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

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

of serving special needs populations.

**Discussion:**

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

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

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

## Introduction

TDHCA will address requirements in 24 CFR §91.320 by using funds to reduce and end homelessness. Each ESG Applicant is required to coordinate with the lead agency of the CoC, which provides services and follows a centralized or coordinated assessment process; has written policies and procedures in place as described by 24 CFR §578.7(a)(8) and (9); and follows a written standard to provide street outreach, emergency shelter, rapid re-housing, and homelessness prevention assistance. To assist low-income individuals and families to avoid becoming homeless, TDHCA requires each ESG Subrecipient to set performance targets that are part of its scoring criteria for the NOFA, and these targets will be maintained for any offer of a direct award in the future. A Subrecipient must address the housing and supportive service needs of individuals assisted with ESG funds in a plan to move the client toward housing stability. Due to the nature of ESG RUSH funds being utilized to address emergent needs due to declared disasters, selection of Subrecipients may not include scoring criteria. When funds are directly awarded or awarded under a competitive Notice of Funding Availability, past performance of existing ESG Subrecipients will be evaluated prior to making an award.

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

## Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

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

ESG Subrecipients are required to describe how they provide outreach to sheltered and unsheltered homeless persons in their ESG application.

For clients receiving emergency shelter, rapid re-housing, or homelessness prevention, clients will be

required to receive case management services with exceptions pursuant to the VAWA and the Family Violence Prevention and Services Act (FVPSA). Subrecipients are required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends.

### Addressing the emergency shelter and transitional housing needs of homeless persons

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

ESG Subrecipients are required to describe how they provide outreach to sheltered and unsheltered homeless persons in the ESG application.

For clients receiving emergency shelter, rapid re-housing, or homelessness prevention, clients will be required to receive case management services with exceptions pursuant to the VAWA and the Family Violence Prevention and Services Act (FVPSA). Subrecipients are required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends.

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

ESG funds may be utilized for short-term and medium-term rental assistance (24 CFR §576.106, unless otherwise waived) and for a variety of housing relocation and stabilization services such as rental application fees, security deposits, utility deposits, utility payments, and moving costs for homeless individuals or persons at risk of homelessness (24 CFR §576.106). Funds may also be utilized for housing service costs related to housing search and placement, housing stability case management, mediation, legal services, and credit repair. ESG funds can also be used to pay for essential service costs including case management, childcare, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and costs related to serving special populations. It should be noted that, while

the assistance listed above are eligible under ESG, an ESG Subrecipient may choose to not provide all the assistance listed. Applicants for ESG funds are incentivized thought the application scoring process to provide a wide array of services. ESG Subrecipients specify in their written standards which services they will provide.

Subrecipients that request an award of funds must set targets within their application for funding intended to reduce the length of time from program intake to placement in permanent housing and positive housing destination for persons experiencing homelessness, as well as targets for the percentage of persons served that maintain housing for three or more months after existing the program. These targets will be evaluated and will be a factor in funding decisions.

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

ESG funds promote coordination with community providers and integration with mainstream services to gather available resources. One possible performance measure for Subrecipients is their ability to help increase non-cash benefits for program participants; the Subrecipients help program participants obtain non-ESG resources, such as veterans benefits or food stamps.

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

TDHCA has contracts for more than $31 million for the Section 811 PRA Program, which is providing approximately 500 integrated supportive housing units in eight areas of the state for extremely low-income individuals with disabilities and their families. The target population includes individuals transitioning out of institutions, people with serious mental illness, and youth and young adults with disabilities transitioning out of the state's foster care system. Individuals in the Section 811 PRA Target Population are eligible for assistance from Texas Health and Human Services or the Department of Family and Protective Services, are Medicaid-eligible, and are between the ages of 18 and 62.

TDHCA has received a preliminary award letter from HUD providing notification that TDHCA has been selected for an award of $6,982,087 that could create an additional 140-assisted Section 811 PRA Program

units.

Coordination between housing and the Health and Human Services (HHS) agencies is exemplified by the Project Access and Money Follows the Person programs. Project Access uses Section 8 Housing Choice Vouchers administered by TDHCA to assist low-income persons with disabilities transitioning from nursing homes and Intermediate Care Facilities (ICFs) to the community while using the Money Follows the Person Program to provide services by HHS agencies. The TDHCA Governing Board has approved changes to Project Access since it began in 2002 based on input from advocates and the HHS agencies including incremental increases to vouchers from 35 to 140 and creation of a pilot program with DSHS for persons with disabilities transitioning out of State Psychiatric Hospitals. In September 2018, TDHCA received an additional 50 vouchers, awarded by HUD through the Mainstream Voucher Program (MVP), for the Project Access program. An additional 15 MVP vouchers were awarded to TDHCA through the CARES Act also directed toward Project Access recipients.

TDHCA offers TBRA to individuals on the Project Access Wait List, allowing them to live in the community until they can utilize a Project Access voucher. TDHCA conducted outreach and technical assistance to Texas Health and Human Services (HHS) Relocation Specialists and HOME TBRA administrators to help them serve individuals on the Project Access waitlist. TDHCA may also offer TBRA administered directly by the Department for individuals transition from jail and prison and establish partnerships with state and local agencies or organizations to assist persons eligible for assistance in securing suitable rental housing.

To further address the needs of individuals transitioning from institutions, HHSCC seeks to increase coordination of housing and health services by supporting agencies to pursue funding, such as Relocation Contractor services for people with behavioral health challenges and Intellectual and Developmental Disabilities; Medicaid waiver programs; vouchers from PHAs for people with disabilities and aging Texans; housing resources from the Texas Department of Criminal Justice for people with criminal histories transitioning to the community; and DSHS' rental assistance program.

### Discussion

The Texas ESG Program is designed to assist, assess and, where possible, shelter the unsheltered homeless; to quickly re-house persons who have become homeless and provide support to help them maintain housing; and to provide support that helps persons at risk of becoming homeless maintain their current housing. ESG RUSH funding allocated to Texas may also be prioritized for gap funding for rehabilitation of emergency shelter in the disaster area and damaged by the disaster Other special needs populations are described in Action Plan Section 25.

# AP-70 HOPWA Goals – 91.320(k)(4)

| **One year goals for the number of households to be provided housing through the use of HOPWA for:** | |
|---|---|
| | |
| Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family | 442 |
| Tenant-based rental assistance | 702 |
| Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds | 0 |
| Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds | 93 |
| Total | 1,237 |

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

**Introduction:**

The Analysis of Impediments to Fair Housing Choice (AI) identifies impediments to fair housing choice in the State of Texas and action steps that the State intends to take to address identified impediments. The State of Texas is currently operating under the 2024 AI. The 2024 AI describes state and local regulatory and land use barriers in detail and may be accessed at https://www.tdhca.texas.gov/state-texas-analysis-impediments-ai-fair-housing-choice.

TDHCA and the Texas Workforce Commission Civil Rights Division (TWC CRD) annually collaborate on a Fair Housing webinar series. The series includes training sessions providing general fair housing information and specific sessions on HUD's guidance, how to respond to reasonable accommodation requests, and best practices in fair housing. TDHCA also conducts training webinars every November on special topics in fair housing. The webinars are available for free 24/7 on TDHCA's website at: https://www.tdhca.texas.gov/fair-housing-training-presentations, a GoToStage channel, and the Department's YouTube channel.

In May 2020, TDHCA was awarded a 1-year grant under HUD's Fair Housing Initiatives Program – Education and Outreach Initiative and has created a library of training presentations, designed a Fair Housing rights brochure distributed statewide to community organizations, and created short form webinar videos, based on the longer presentations, to provide training, education, and outreach on Fair Housing related issues. In March 2023, TDHCA was awarded another Fair Housing Initiatives Program – Education and Outreach Initiative grant for $124,913 to produce and distribute professional short form videos to provide education on fair housing issues and direct viewers to more detailed information sources.

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

TDHCA reviews all guiding documents, rules, and practices internally to determine if known barriers or impediments to fair housing choice can be addressed through actions within TDHCA's authority. TDHCA's Fair Housing Team collaborates with TDHCA Division Directors to develop and improve tools, rules, and other initiatives to address possible barriers to housing choice. TDHCA has been making and will continue to make a concerted effort to increase staff and subrecipient education to ensure that all programs are providing best practices guidance to recipients and the general public. In January of 2025, TDHCA's Fair Housing Team released a new, modernized multifamily affirmative marketing tool to make it easier for TDHCA program participants to complete the affirmative marketing planning process. This tool provided a safe harbor process for participants to identify least likely to apply populations for additional marketing outreach. In late 2025, TDHCA's Fair Housing Team also released a simplified affirmative marketing form

to go along with the modernized tool. Additionally, staff have updated and improved the website that lists TDHCA's approved fair housing trainers for the 10% Test for Housing Tax Credits. The Request for Qualifications to find these trainers was also updated to account for the increased use of online learning management systems for training and webinars.

**Discussion:**

For its Single-Family programs, TDHCA has promulgated a rule relating to Fair Housing, Requirements, Waitlist Policies, Affirmative Marketing Plans, Homebuyer Counseling, Reasonable Accommodations, and Limited English Proficiency. This rule exists under TDHCA's Single-Family programs umbrella rule. The rule, which reflects federal requirements, requires administrators of federal funds to have an affirmative marketing plan, which identifies the least likely to apply populations and methods of affirmative marketing. Further, the rule requires all TDHCA Single-Family administrators to accept applications for a 21-day calendar period and select applications via a neutral, random selection process, unless the administrator is providing TBRA to assist in the event of a declared disaster. This selection process helps to level the playing field and provide equal access for all households, regardless of disability status or language proficiency. Also included in the rule are specific provisions related to Limited English Proficiency to provide meaningful access and an equal opportunity to participate in services, activities, programs, and other benefits.

For its Multifamily programs, TDHCA consolidated rules for Affirmative Fair Housing Marketing Plans (AFHMP) and Tenant Selection Criteria (TSC), also known as Written Policies and Procedures, and placed them under the purview of Fair Housing staff. When Fair Housing staff provides a review of the AFHMP and TSC of a Multifamily property, additional training, tools, and technical assistance is provided to owners, property staff, and management company on Fair Housing issues and policies in order to provide meaningful access for applicants and residents to enjoy Multifamily housing opportunities.

TDHCA maintains and regularly updates a memorandum of understanding with the Texas Workforce Commission's Civil Rights Division that increases communication and information sharing, while also providing a mechanism for TDHCA to refer complaints directly to TWC if they contain suspected fair housing violations.

Finally, the State has a Fair Housing website available at https://www.tdhca.texas.gov/fair-housing that includes fair housing information for a variety of audiences (renters and homebuyers, owners and administrators, real estate agents, and local governments and elected officials) and includes fair housing toolkits and resources, updated multifamily affirmative marketing tool, marketing checklists, written policies and procedures checklists, and links to the Fair Housing email list and community events calendar. Through this education and outreach, the State is hoping to make its best practices guidance widely known and to integrate such guidance with other state resource information.

# AP-80 Colonias Actions – 91.320(j)

**Introduction:**

Based on a 2014 assessment by the Texas Office of the Secretary of State's Colonia Initiatives Program, an estimated 500,000 people live in 2,294 colonias in Texas. Eight Texas counties (El Paso, Maverick, Webb, Starr, Hidalgo, Nueces, Val Verde and Cameron) have the largest population of colonias and are home to an estimated 369,500 people. Texas' colonias lie outside of city limits in the rural areas of their respective counties, where few to no local building codes exist to protect the households that seek affordable and sanitary housing solutions. Egregious housing conditions persist while residents also endure substandard infrastructure, inadequate potable water and wastewater systems, and a host of public health, environmental and employment risks. TDA's redesigned Colonia Fund Planning and Needs Assessment Program is intended to provide updated needs assessments across the colonia-eligible area of the state.

As discussed in Action Plan Section 48, the majority of the funding that assists colonias is through the CDBG Program, which funds both state agencies working to develop infrastructure and water services, as well as subgrantees at the local government level who work in concert with nonprofit service providers for housing, community affairs, and economic development. TDHCA's Office of Colonia Initiatives offer technical assistance in applying for and administering the Colonia Self-Help Center (CSHC) Program. The HOME Program also has a specific Contract for Deed set-to improve the housing affordability and quality of housing for colonia residents.

**Actions planned to address obstacles to meeting underserved needs**

The State dedicates 12.5% of CDBG funds annually for colonia areas– 10% through the Colonia set-aside and an additional 2.5% set-aside by the State legislature. Additional funds are also awarded for colonia projects through other competitive fund categories. Basic human needs, including water and sewer infrastructure and housing rehabilitation, are prioritized for colonia set-aside funding, with a particular emphasis on connecting colonia households to public utilities. Colonia set-aside funds are not able to effectively address other local priorities for colonia communities, including road reconstruction and drainage improvements that are also important for daily activities. Colonia planning funds are available to research and document characteristics and needs for colonia communities.

The Colonia Self-Help Centers (Centers) experience the obstacle of wavering capacity to meet the needs of extremely under resourced colonia residents. The typical challenges that nonprofits face, such as high turnover, lack of succession planning, lack of long-term funding opportunities, limited access to high quality training, and limited access to continuing education resources, are all exacerbated for subgrantees serving border colonias. In response, TDHCA has an Office of Colonia Initiatives (OCI), with designated employees that are focused on the needs of Centers along the border. The OCI is tasked with providing

support to Center staff with problem solving and training.

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

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

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

The CSHC Program provides 40 targeted colonias in eight border counties with a multitude of opportunities to create a one-stop shop for low-income colonia families to gain a foothold out of poverty. The Centers prioritize housing services in the form of new construction, reconstruction, rehabilitation, tool lending, construction skills training, and utility connections. CSHC Program community development activities include homeownership education, access to and training in computers/technology, consumer rights education and financial literacy, and solid waste disposal assistance. While the above listed services are limited only to residents of pre-identified colonias in the CSHC Program, the Centers themselves are open to all who wish to use the meeting space for activities beneficial to the community or simply to seek information on locating other services. By creating an accessible and consistent manner for which services and information are disseminated among colonias, more households can become beneficiaries of multiple kinds of assistance that build their self-sufficiency over time.

### Actions the state plans to take to develop the institutional structure

TDHCA and TDA are committed to working with other state and federal regulatory and funding agencies. Agency coordination continues through the Texas Water Infrastructure Coordinating Committee (TWICC), which addresses concerns in colonias and other areas throughout the state. The information sharing within the group facilitates delivery for multiple programs besides affordable housing and proactively addresses potential obstacles that could affect large areas of the state, including the Texas–Mexico border.

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

### Specific actions the state plans to take to enhance coordination between public and private

**house and social service agencies**

In addition to the cooperation among various state agencies that help to support and develop colonias, TDHCA focuses efforts of the OCI on counties administering the CSHC Program. The OCI supports administrators, disseminates funding information, and problem solves with administrators and the Colonia Resident Advisory Committee (C-RAC), which is comprised of colonia residents appointed by the counties with a Center. This requires facilitating communication related to administration of the CSHC Program with other service providers, the private sector (such as colonia landowners, title companies, lenders), and other government agencies. The OCI increases the efficiency with which TDHCA can apply solutions and build institutional knowledge in the community.

TDA has an ongoing working relationship with each of the state planning regions, many of which provide services such as workforce development, aging and disability resources, and emergency management services. In addition, TDA field representatives are available to provide general information on potential resources to communities and residents.

# AP-85 Other Actions – 91.320(j)

## Introduction:

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

## Actions planned to address obstacles to meeting underserved needs

HOME Addresses Underserved Needs
Obstacles to meeting underserved needs with HOME funds, particularly multifamily activities, include NIMBYism and a lack of understanding of federal requirements surrounding the use of HOME funds. TDHCA works to overcome these obstacles by educating developers and the communities where affordable housing is being proposed.

ESG Addresses Underserved Needs
Lack of facilities and services for homeless persons in rural areas is ESG's greatest underserved need. To help meet this need, TDHCA has used Community Services Block Grant discretionary funds to provide training and technical support to organizations in the Balance of State CoC. Shelters in the Balance of State CoC have limited funds for operations and maintenance, with little access to federal funds which often require substantial organizational capacity less common in smaller organizations. ESG and TDHCAs HHSP, which is state funded only in some urban areas, may supplement federal funds in operational support. ESG RUSH allocations will also assist with supporting otherwise eligible clients that resided in the disaster area(s) for which ESG RUSH funds are allocated. ESG RUSH may be prioritized first for areas that do not receive an allocation of ESG RUSH and do not directly administer ESG funding, and then for areas that did not receive an allocation of ESG RUSH, but do directly administer ESG funding.

HOPWA Addresses Underserved Needs
Some PLWH face significant obstacles to obtaining and maintaining medical insurance, income, and employment. Rising costs of living (rent, deposits, utilities, food, transportation, and so on) and limited available affordable housing contribute to hardships for many PLWH.

DSHS's HOPWA program addresses the needs of this underserved population by integrating with the administrative structure of the Texas Ryan White Part B HIV/AIDS Program and the larger, multi-sectoral system for delivering treatment and care to PLWH in Texas. This helps PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. The program reallocates funding within and between HSDAs

throughout the program year to meet changing needs.

CDBG Addresses Underserved Needs
TDA encourages projects addressing underserved community development needs. In the current Program Year, CDBG funds will be available through multiple grant categories to provide water or sewer services on private property for low- and moderate-income households by installing yard lines and paying connection fees. Regional priorities for funding allow each area of the state to determine its highest priority needs, which may vary from first-time water service to drought relief to drainage projects.

Since the first legislative reforms in the 1990s, service providers in colonias have made gains in their capacity to address colonia issues, but unmet needs still exist, and the Texas-Mexico border population growth is still increasing. OCI's main obstacle in addressing colonia housing needs is the varying capacities of subrecipients to administer assistance. The OCI staff provides technical assistance and on-going training to organizations and local governments that use the CSHC Program to serve colonia residents.

## Actions planned to foster and maintain affordable housing

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

In addition, tax credits awarded through the HTC program can be layered with awarded funds from the HOME Multifamily Development program. When more than one source of funds is used in an affordable housing project, the State is able to provide more units of affordable housing than with one funding source alone.

ESG Addresses Affordable Housing
While TDHCA encourages the use of ESG funds to provide affordable transitional housing, the majority of funds are utilized to provide emergency shelter. Fostering affordable housing is not an initiative for which TDHCA provides ESG funding or that TDHCA monitors in relation to the ESG Program.

HOPWA Addresses Affordable Housing
The shortage of available affordable housing persists. Rising housing costs price eligible households out of the market while household incomes remain the same or decrease. Rent-to-income-ratio requirements prevent households from accessing housing. Many households have poor credit, rental, and criminal

histories that affect housing access. Corporate owners regularly exclude applicants with minor infractions. In response to these market characteristics, the DSHS HOPWA Program provides TBRA, an ongoing and portable rental subsidy that helps households obtain or maintain permanent housing, including assistance for shared housing arrangements, in the private rental housing market until they can enroll in the Housing Choice Voucher Program (HCVP) or other affordable housing programs.

CDBG Addresses Affordable Housing

Currently, CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides cost savings for housing when used to install water and sewer yard lines and pay connection fees for qualifying residents. Housing rehabilitation projects are also prioritized in colonia areas.

CDBG funds can help communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. The Colonia SHCs continue to address affordable housing needs in border counties by assisting qualifying colonia residents to improve or maintain a safe, suitable home in suitable areas.

The OCI provides training and technical assistance to the Centers to assist with carrying out activities, such as housing rehabilitation, new construction, reconstruction, low-interest mortgages, grants for self-help programs, revolving loan funds for septic tanks, and tool lending.

## Actions planned to reduce lead-based paint hazards

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

ESG Addresses Lead-based Paint
For ESG, TDHCA requires Subrecipients to evaluate and reduce lead-based paint hazards as part of its habitability review. During the annual contract implementation training, TDHCA will provide ESG Subrecipients with information related to lead-based paint regulations and TDHCA's requirements related to such. TDHCA will require ESG-funded Subrecipients to determine if a housing unit was built prior to 1978, for households seeking ESG funded rent or rent deposit assistance whose household has a family member(s) six years of age or younger. If the housing unit is built prior to 1978, the ESG Subrecipient will

notify the household of the hazards of lead-based paint.

While currently not offered under administrative rule, if TDHCA were to program funds for ESG to be used for renovation, rehabilitation, or conversion Subrecipients must comply with the Lead-Based Paint Poisoning and Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992. Through renovation, rehabilitation or conversion, ESG increases access to shelter without lead-based paint hazards. TDHCA evaluates, tracks, and reduces lead-based hazards for conversion, renovation, leasing or rehabilitation projects.

NHTF Addresses Lead-Based Paint
The Multifamily Direct Loan Program evaluates the potential for the presence of lead-based paint for NHTF assisted activities and takes appropriate steps in accordance with 24 CFR §93.351 and the applicable provisions in 24 CFR Part 35, as provided in TDHCA's NHTF Minimum Rehabilitation Standards. The aforementioned include notification of potential lead-based paint hazards to households residing in housing units that pre-date 1978. Furthermore, multifamily development and reconstruction activities with NHTF increase the access to lead-based-paint-free housing because they create new housing.

HOPWA Addresses Lead-Based Paint
The regulations for lead-based paint require specific responses to potential lead-based paint hazards. While the DSHS HOPWA Program does not undertake lead-based paint abatement activities, Project Sponsors perform Housing Quality Standards certifications for each assisted unit to assess for lead-based paint health risks.

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

## Actions planned to reduce the number of poverty-level families

HOME Addresses Poverty-Level Households
Through the HOME TBRA Program, TDHCA assists households with rental subsidy, and security and utility deposit assistance for an initial term not to exceed 24 months. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training, General Education Development (GED) classes, or drug dependency classes. The HOME Program enables households to receive rental assistance while participating in programs that will enable them to improve employment options and increase their economic independence and self-sufficiency. Additionally, TDHCA allocates funding toward the construction of affordable housing, incentivizing units to assist very low-income households, and assists very low-income households along the international border of Texas and

Mexico by promoting the conversion of contract for deed arrangements to traditional mortgages.

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

For individuals threatened with homelessness, homelessness prevention funds may be utilized for short-term subsidies to defray rent and utility arrearages for households receiving late notices, and security deposits.

HOPWA Addresses Poverty-Level Households
The DSHS HOPWA Program helps eligible PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. Stable housing helps PLWH adhere to HIV treatment and achieve viral suppression. HOPWA activities benefit low-income PLWH and their households. The DSHS HOPWA Program does not specifically target households with incomes at or below the Federal poverty level. Nevertheless, over 80 percent of assisted households consistently fall within 0 to 30 percent of the AMI each year. CDBG Addresses Poverty-Level Households

A substantial majority of TDA's CDBG funds, over 90% in Program Year 2026, are awarded to principally benefit low- and moderate-income persons. In addition, the formula used to distribute CD funds among regions includes a variable for poverty/income to target funding to the greatest need, scoring criteria in the CD Fund, DRP Program, and Colonia Fund also direct funding toward communities with the greatest need. Economic development activities improve local opportunities for jobs and entrepreneurship.

## Actions planned to develop institutional structure

HOME Addresses Institutional Structure
The HOME Program encourages partnerships in order to improve the provision of affordable housing. Organizations administering programs that require a federal affordability period resulting in a mortgage loan are required to ensure that participating household receive HUD approved housing counseling prior to loan closing. In addition, organizations receiving TBRA funds must provide self-sufficiency services directly, or coordinate with a local organization that will provide the services. Finally, partnerships with CHDOs and nonprofit and private-sector organizations facilitate the development of quality rental housing

developments and assist in the reconstruction of owner-occupied housing.

ESG Addresses Institutional Structure
TDHCA encourages ESG subrecipients to coordinate services with housing and other service agencies. Likewise, the CoCs funded with ESG funds are required to coordinate services and their local funded organizations to provide services as part of the local CoC. TDHCA reviews ESG subrecipients' coordination efforts during on-site and desk monitoring. A map of local CoCs can be found online at: https://www.thn.org/texas-balance-state-continuum-care/.

HOPWA Addresses Institutional Structure
DSHS contracts with AAs in six Ryan White Part B HIV planning areas encompassing 26 HSDAs. AAs subcontract with Project Sponsors in each HSDA for statewide service delivery. AAs act as an administrative arm for DSHS, with DSHS oversight, by administering the HOPWA program locally for a five-year project period. AAs also administer funding for other HIV medical and support services, including the Ryan White HIV/AIDS Program funds. This structure ensures the coordination of all agencies serving PLWH, avoids duplication, saves dollars, and provides comprehensive core medical and support services for PLWH in each local community.

CDBG Addresses Institutional Structure
Each CDBG applicant must invite local housing organizations to provide input into the project selection process. TDA coordinates with state and federal agencies, state planning regions, and other partners to further its mission in community and economic development.

TDA also uses conference calls and webinars to provide training and technical assistance throughout the state. On-site project reviews may be conducted based on risk and other factors.

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

TDHCA has staff members that participate in several State advisory workgroups and committees. The workgroups and committees which TDHCA leads are listed in Action Plan Section 15. The groups in which TDHCA participates include, but are not limited to, the Community Resource Coordination Groups, led by the Health and Human Services Commission (HHSC); the Council for Advising and Planning for the Prevention and Treatment of Mental and Substance Use Disorders, led by DSHS; Reentry Task Force, led by Texas Department of Criminal Justice; Interagency Workgroup on Border Issues, led by Secretary of State; Texas Foreclosure Prevention Task Force, led by Texas State Affordable Housing Corporation; Money Follows the Person Demonstration Project, led by HHSC; and Texas State Independent Living Council, led by the HHSC.

TDHCA's participation in HUD's Section 811 PRA Program requires linkages between housing and services through a partnership with TDHCA, the State Medicaid Agency (i.e., HHSC), and the Texas Department of

Family and Protective Services (DFPS). Because the program is designed so that an individual can access both affordable housing and services in the community, TDHCA staff and HHSC/DFPS staff work closely to ensure both housing and services are coordinated for the program. TDHCA and HHSC/DFPS have responsibilities to execute the program. TDHCA uses units in multifamily housing financed by TDHCA and a network of local service providers coordinated by the HHSC enterprise agencies provides the services.

HHSCC, established by Texas Government Code §2306.1091, seeks to improve interagency understanding and increase the number of staff in state housing and health services agencies that are conversant in both housing and services.

Other coordination efforts for HHSCC involving people leaving institutions are in Action Plan Section 65.

Senate Bill 7 passed during the 83rd Legislative session directed further cooperation. Texas Government Code §533.03551 directs the commissioner of HHSC to work in cooperation with TDHCA, TDA, Texas State Affordable Housing Corporation (TSAHC), and other federal, state, and local housing entities to develop housing supports for people with disabilities, including individuals with intellectual and developmental disabilities.

Finally, HHSC provides Money Follows the Person Demonstration funds to TDHCA to support two full-time employees to increase affordable housing options for individuals with disabilities who currently reside in institutions and choose to relocate into the community and to support a unit damages fund and a barrier busting fund. These enhanced coordination efforts further the implementation of many programs included in the Consolidated Plan, including the Section 811 PRA Program, Section 8 Project Access, and HOME Single-family activities.

**Discussion:**

In addition to the program actions mentioned above, TDHCA strives to meet underserved needs by closely monitoring affordable housing trends and issues as well as conducting its own research. TDHCA also makes adjustments to address community input gathered through roundtable discussions, webinars and public hearings held throughout the State.

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

For lead-based paint hazard mitigation, DSHS has been charged with oversight of the Texas Environmental Lead Reduction Rules (TELRR). TELRR cover areas of lead-based paint activities in target housing (housing constructed prior to 1978) and child-occupied facilities, including the training and certification of persons conducting lead inspections, risk assessments, abatements, and project design. For all projects receiving over $25,000 in federal assistance, contractors need to follow inspections and abatements standards

overseen by DSHS. By following these standards, the State is increasing the access to housing without lead-based paint hazards. The adherence to inspection and abatement standards is related to the extent of lead-based paint in that a majority of the housing in need of rehabilitation is likely housing built before 1978.

Furthermore, TDHCA, DSHS, and TDA's programs are aimed at reducing the number of Texans living in poverty, thereby providing a better quality of life for all Texans. The departments provide long-term solutions to the problems facing people in poverty and focus resources to those with the greatest need.

Regarding institutional structure, TDHCA, DSHS, and TDA are primarily pass-through funding agencies and distribute federal funds to local entities that in turn provide assistance to households. Because of this, the agencies provide housing and social services through work with many partners, including consumer groups, community based organizations, neighborhood associations, community development corporations, councils of governments, community housing development organizations, community action agencies, real estate developers, social service providers, local lenders, investor-owned electric utilities, local government, nonprofits, faith-based organizations, property managers, state and local elected officials, and other state and federal agencies. Because the agencies typically do not fund individuals directly, coordination with outside entities is essential to the success of their programs. By structuring its operations this way, the State allows local providers to focus on local needs.

# AP-90 Program Specific Requirements

**Introduction:**

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

For the CDBG Program, it is expected that the total amount of program income collected in PY 2026 and made available for programming in PY 2026 will be approximately $250,000, including program income collected by the state and program income retained by local subgrantees. The amount of CDBG urgent need activities is not expected to exceed $3,000,000. The 85% of CDBG funds anticipated to benefit persons of low to moderate income includes PY 2024-2026.

**Community Development Block Grant Program (CDBG)**
**Reference 24 CFR 91.320(k)(1)**

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

| | |
|---|---|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed | 1,350,000 |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan | 0 |
| 3. The amount of surplus funds from urban renewal settlements | 0 |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan. | 0 |
| 5. The amount of income from float-funded activities | 0 |
| **Total Program Income** | **1,350,000** |

**Other CDBG Requirements**

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

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

1. A description of other forms of investment being used beyond those identified in Section

92.205 is as follows:

The State is not proposing to use any form of investment in its HOME Program that is not already listed as eligible for investment in 24 CFR §92.205(b).

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

TDHCA has elected to utilize the recapture provision under 24 CFR §92.254(a)(5)(ii) as its primary method of recapturing HOME funds under any program the State administers that is subject to this provision. The following methods of recapture would be acceptable to TDHCA and will be identified in the note prior to closing.

A. Recapture the amount of the HOME investment reduced on a pro rata share based on the time the homeowner has owned and occupied the unit measured against the required affordability period. The amount subject to recapture will be calculated by determining number of complete years that the affordability requirements were met regardless of any additional months and deducting that number from the number of years in the affordability period. The total HOME subsidy will be divided by the number of years of the affordability period; the result will then be multiplied by the number of years resulting from the calculation above. The calculation would appear as follows:

(Number of years in affordability period-Number of complete years affordability was met) X (Total HOME subsidy/Number of years in affordability period) = Amount subject to recapture

B. The recapture amount is subject to available net proceeds in the event of sale or foreclosure of the housing unit. In the event of sale or foreclosure of the housing unit, if the net proceeds (i.e., the sales price minus closing costs; any other necessary transaction costs; and loan repayment, other than HOME funds) are less than the HOME investment that is subject to recapture, then the Department will recapture the available amount of net proceeds. If there are no net proceeds from the sale, no repayment will be required of the homebuyer and the balance of the loan shall be forgiven. TDHCA will not recapture more than the amount available through net proceeds.

C. The household can sell the unit to any willing buyer at any price.

D. In the event that the ownership of assisted property is not transferred, and the assisted property is rented or leased, or otherwise ceases to be the principal residence of the initial household prior to the end of the affordability period, the entire HOME investment is subject to recapture.

E. In the event of sale to a subsequent low-income purchaser of a HOME-assisted homeownership unit, the low-income purchaser may assume the existing HOME loan and recapture obligation entered

into by the original buyer if no additional HOME assistance is provided to the subsequent homebuyer. In cases in which the subsequent homebuyer needs HOME assistance in excess of the balance of the original HOME loan, the HOME subsidy (the direct subsidy as described in §92.254) to the original homebuyer must be recaptured. A separate HOME subsidy must be provided to the new homebuyer, and a new affordability period must be established based on that assistance to the buyer.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds are as follows:

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

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

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

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

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

total amount of HOME funds invested in the housing.

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

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

TDHCA may use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds as described in 24 CFR §92.206(b)(2). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 TAC, Chapter 11 and 13, for refinanced properties in accordance with its administrative rules. TDHCA may allow for lower per-unit rehabilitation costs than those required in 10 TAC §11.101(b)(3), potentially allowing rehabilitation costs as low as $1,000 per unit provided (1) those minimal rehabilitation costs can be supported in a Scope and Cost Review, (2) the request is in accordance with this plan, TDHCA's rules, and the applicable NOFA, and (3) TDHCA's Board agrees to waive the minimum rehabilitation costs in 10 TAC §11.101(b)(3). At a minimum, this requires the following:

1. That rehabilitation is the primary eligible activity for developments involving refinancing of existing debt by requiring that the HOME eligible rehabilitation costs – whether funded entirely or partially by TDHCA's HOME funds – are greater than the refinancing costs (i.e. payoff amount plus closing and title costs);
2. That a minimum funding level – minimal rehabilitation costs as described above, or the applicable per unit costs in 10 TAC §11.101(b)(3) – is set for rehabilitation on a per unit basis;
3. That a review of management practices is required to demonstrate that disinvestments in the property has not occurred;
4. That long-term needs of the project can be met;
5. That the financial feasibility of the development will be maintained over an extended affordability period;
6. That whether new investment is being made to maintain current affordable units and/or creates additional affordable units is stated;
7. That the required period of affordability is specified;
8. That the HOME funds may be used throughout the entire jurisdiction (except as TDHCA may be limited by the Texas Government Code) is specified; and

9. That HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG, is stated.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

HOME TBRA is a planned activity for Texas, but TDHCA does not generally administer this program directly. TBRA is primarily offered through a network of Administrators, who may select to utilize a preference in administration of the TBRA locally. These preferences are limited to those special populations listed in AP-25, and establishment of a preference by an Administrator must be included on their application for funding, which is reviewed by TDHCA. The available preferences include: persons with disabilities, persons with substance use disorders, persons living with HIV/AIDS (PLWH), persons with Violence Against Woman Act (VAWA) protections, colonia residents, farmworkers, homeless populations, veterans, (including wounded warriors as defined by the Caring for Wounded Warriors Act of 2008), public housing residents, persons transitioning out of incarceration, persons impacted by a state or federally declared disaster, and persons transitioning out of foster care and nursing facilities.

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

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

The allowable preferences established that may be selected by administrators in their local TBRA Programs are necessary to increase affordability and accessibility to meaningful housing subsidy. These populations are shown to be at increased risk of being cost burdened or at risk of homelessness as shown in the Needs Assessment in the Consolidated Plan. TBRA typically has a shorter waiting list for subsidy that other tenant-based voucher program, and reduces their rent to 30% of their income, assuming that they select a unit that is at or below the Fair Market Rent for their area.

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)).
   Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

   Not applicable

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

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

   ESG Written Standards are evaluated based on questions that are Included as an attachment.

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

   Each of the 12 CoCs in Texas has a different centralized or coordinated assessment system. TDHCA ensures that its Subrecipients participate in the local CoC's coordinated assessment. Applicants for ESG funding are required to certify their participation in the CoC centralized or coordinated assessment system. ESG Subrecipients are required to use this process per 24 CFR §576.400(d), with an exception for victim service providers. ESG Subrecipients are also required to certify that they have written standards that are consistent with the CoC's screening, assessment and referral of ESG program participants, or to certify that the Subrecipient is a victim services provider and not required to participate in coordinated assessment/entry.

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

   ESG funds, including special allocations, such as ESG RUSH, may be offered to eligible prior subrecipients who have demonstrated effective performance under their prior award or may be offered under a competitive funding application. Some portion of the allocation may be set aside for direct awards to Subrecipients receiving funds for development of non-congregate shelter under HOME-ARP. The allocation amounts available in each CoC region are established by formula.

   Eligible applicant organizations include Units of General Purpose Local Government, including cities, counties and metropolitan cities; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may have been eligible and were advised to seek guidance from TDHCA to determine their eligibility for application. Governmental organizations such as Public Housing Authorities (PHAs) and housing finance agencies are not eligible subrecipients and applications from such agencies would not

be awarded ESG funds.

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

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

As a State recipient, TDHCA is not required to provide for the participation of a homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity. However, TDHCA may prioritize funding for Subrecipients by allocating points if they have participation of homeless or formerly homeless individuals in their programs.

*5.* Describe performance standards for evaluating ESG.

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

Subrecipients providing street outreach will be required to meet contractual performance targets for the percentage of assisted persons placed in temporary or transitional housing.
Subrecipients providing emergency shelter and transitional shelter will be required to meet contractual performance targets for the provision of essential services and the percentage of assisted persons who will exit to temporary, transitional, positive, or permanent housing destinations.

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

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

1. **How will the grantee distribute its HTF funds? Select all that apply:**
   ☑ Applications submitted by eligible recipients
   ☐ Subgrantees that are HUD-CPD entitlement grantees

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

   N/A

3. **If distributing HTF funds by selecting applications submitted by eligible recipients,**

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

Selection criteria typically only apply when funds are oversubscribed; in cases where the application is layered concurrently with 9% Housing Tax Credits and submitted during the competitive HTC cycle, for instance, scoring in 10 TAC §11.9 would be applicable. To the extent that two or more applications for NHTF have the same received by date and the funds are oversubscribed, the criteria listed in the Multifamily Direct Loan Rule (10 TAC Chapter 13), found in the attachments, will apply, unless alternative scoring or prioritization criteria has been specified in the NOFA. If applications for NHTF are not combined with 9% HTC or do not need to be prioritized in a regional allocation formula, they will be prioritized based on the Application Acceptance Date and reviewed according to the priorities established in the NOFA to ensure they meet the Department's threshold criteria, which takes into account all of the selection criteria in 24 CFR §91.320(k)(5)(i).

The Texas Department of Housing and Community Affairs' Multifamily Division awards or allocates more than $1 billion annually of debt and equity in an efficient and compliant manner. Processes for Application selection are comprehensive and assure that the resulting Developments satisfy strong standards for financial feasibility and long-term stability. TDHCA's Compliance Monitoring Division assures that all properties meet these standards for the duration of their affordability period and is frequently cited as one of the best Compliance divisions nationally.

Program requirements are outlined in the Texas Administrative Code the Qualified Allocation Plan and Multifamily Direct Loan Rule are updated annually through an open and transparent public input process. Additionally, the QAP is approved annually by the Governor. All of the selection criteria described in 24 CFR §91.320(k)(5)(i) are addressed by the rules, although not necessarily contained in one rule dedicated

solely to NHTF. TDHCA holds all Applications for multifamily funds to the same standards through the application of consistent requirements across all fund sources.

All Applications for NHTF funds must meet threshold criteria in 10 TAC Chapter 11, Subchapters A through D, and the Multifamily Direct Loan Rule, which address Definitions, Site and Development requirements, Applicant and Application requirements, and loan structure and underwriting requirements.

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

Texas' application requirements can be found in 10 TAC Chapter 11, Subchapter C: Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules; as well as 10 TAC Chapter 13 (Multifamily Direct Loan Rule). See link in attachments to rules.

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

Selection criteria typically only apply when funds are oversubscribed; in cases where the application is layered concurrently with 9% Housing Tax Credits and submitted during the competitive HTC cycle, for instance, scoring in 10 TAC §11.9 would be applicable. To the extent that two or more applications for NHTF have the same received by date and the funds are oversubscribed, the scoring criteria listed in the linked Multifamily Direct Loan Rule (10 TAC Chapter 13) in the attachments, will apply, unless alternative priorities or scoring criteria are established in the applicable NOFA.

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

Please see response to 3a for additional detail on selection criteria.

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

As described in SP-10 Geographic Priorities the Texas NHTF will distribute NHTF funds through a competitive NOFA process. As reflected in 10 TAC §13.4(b) the funds will initially be available geographically, based on the proportion of Extremely Low Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated

for each region as a ratio of the available allocation divided by thirteen and made available competitively for at least the first 30 days after a NOFA is published prior to being collapsed into a statewide competition. Regions may be combined within the NOFA, but in no case will there be fewer than four geographic groups for distribution unless the state's annual allocation is $4 million or less, in which case there may be fewer regions to allow each region to have at least $1 million in its initial allocation.

Thereafter, consideration of geographic diversity will not be a factor in evaluating applications. Please see attached Multifamily Direct Loan Rule for text of 10 TAC §13.4(b).

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

Applicants must provide evidence of their experience in developing and managing multifamily developments as required under 10 TAC §11.204(6) if layered with other fund sources, or 10 TAC §13.5(h)(1) if MFDL only. Both 10 TAC §11.204(6) or 10 TAC §13.5(d)(1) are mentioned in the table HTF Funding Priorities Question 3a.

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

Furthermore, 10 TAC §13.11(c)(3) through (4) states:

"(3) After a Development receives environmental clearance (if applicable), the Department will draft a Contract to be emailed to the Direct Loan awardee. Direct Loan awardees must execute and return a Contract to the Department within 30 calendar days after receipt of the Contract.

(4) Loan closing must occur and construction must begin on or before the date described in the Contract. If construction has not commenced within 12 months of the Contract Effective Date, the award may be terminated."

Execution of a Contract fulfills the Commitment definition in 24 CFR §93.2 in that the Contract is the "legally binding written agreement (that includes the date of the signature of each person signing the agreement) with an eligible recipient for a project that meets the definition of 'commit to a specific local project.'" Additionally, 10 TAC §13.11(c)(13) states: "Termination of the Direct Loan award and repayment of all disbursed funds will be required for any Development that is not completed within four years of the effective date of a Direct Loan Contract." Finally, the Department may impose a two-year ban on applying for MFDL for any applicant that fails to meet commitment and/or expenditure requirements in accordance with 10 TAC §13.11(a) and (b), which states: "Direct Loan awardees must satisfactorily complete the following Post-Award Requirements after the Board approval date. If a Direct Loan award is declined by the Direct Loan awardee and returned after Board approval, or if the Direct Loan awardee or affiliates fail

to timely enter into the Contract, close the loan, begin and complete construction, or leave a portion of the Direct Loan award unexpended, penalties may apply under 10 TAC §11.9(f)(relating to Competitive HTC Selection Criteria), and/or the Department may prohibit the Applicant and all Affiliates from applying for MFDL funds for a period of two years." See attachments for full text of referenced TDHCA 10 TAC rules.

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

While the availability of project-based rental assistance will be considered, only applications that demonstrate the ability to meet Underwriting requirements will be funded.

The State of Texas will consider project based rental assistance to the extent that the existence of it allows or the lack of it does not allow an application to meet TDHCA's underwriting requirements. A development that would otherwise be characterized as infeasible may be deemed feasible if the criteria, as described in 10 TAC §11.302(i)(6)(B) are applicable. See link in the attachments for 10 TAC Chapter 11. For Applications layered with 9% credits, leveraging is a scoring item under 10 TAC §11.9(e)(4). See link in the attachments for 10 TAC Chapter 11. If an application is not layered with 9% credits, it must have other sources of funding, such as project based vouchers, in order to be viable over the affordability period.

10 TAC §13.8 from the Multifamily Direct Loan Rule and 10 TAC §§11.301 through .306 of the Uniform Multifamily Rule will comprise TDHCA's underwriting requirements.

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

No priority for funding based on the feasibility of the project beyond the required 30-year period will be given except in instances where a first-lien loan ahead of an NHTF loan or grant has a term greater than 30 years that would result in the NHTF loan or grant having a term greater than 30 years. Texas Government Code §2306.185(c) further limits the length of the affordability period that the State can impose, stating: "The department shall require that a recipient of funding maintains the affordability of the multifamily housing development for households of extremely low, very low, low, and moderate incomes for the greater of a 30-year period from the date the recipient takes legal possession of the housing or the remaining term of the existing federal government assistance. In addition, the agreement between the department and the recipient shall require the renewal of rental subsidies if available and if the subsidies are sufficient to maintain the economic viability of the multifamily development." In other words, absent scoring considerations, unless an FHA-insured loan or similar type of federal government-insured loan with a term greater than 30 years is part of the financing, the longest NHTF affordability

period that the State will impose is 30 years. Additionally, for bond layered transactions the NHTF state affordability period will match the length of the affordability period required for the bonds.

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

Threshold requirements for all multifamily projects are found in 10 TAC Chapter 11 Subchapter B, which include criteria such as Mandatory Development Amenities, Common Amenities, Unit Requirements, Tenant Supportive Services requirements, and Development Accessibility Requirements. 10 TAC Chapter 11 Subchapter B also includes threshold requirements such as Undesirable Site Features and Undesirable Neighborhood Characteristics. Additionally, Applications layered with 9% Tax Credits are scored on proximity to desirable community features, as are Direct Loan Applications if the fund source or set-aside is over-subscribed.

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

It is anticipated that Applications for NHTF will require multiple funding sources in order to meet threshold feasibility requirements.

Without other fund sources, this range of subsidy level will not be possible, so other funding sources – whether owner equity if NHTF is the only source of Department funding or, more likely, Housing Tax Credits since NHTF works best as gap financing – are required. Finally, although not federally required, 10 TAC §11.204(7)(E) discusses documentation requirements for HOME Match funds of requested Direct Loan funds. See link in attachments for text of 10 TAC Chapter 11.

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

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

funding; or

(ii) If the Housing Tax Credit funding request is less than seven 9% of the Total Housing Development Cost (3 points); or

(iii) If the Housing Tax Credit funding request is less than eight 10% of the Total Housing Development Cost (2 points); or

(iv) If the Housing Tax Credit funding request is less than nine 11% of the Total Housing Development Cost (1 point).

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

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

Yes

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

Yes

6. **Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR §91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

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

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

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

TDHCA adopted the Section 234 Condominium Housing Basic Mortgage Limits (Section 234 Condo Limits) published by HUD, subject to the High Cost Adjustment as allowed for all jurisdictions in Fort Worth HUB, for 2021, 2022, 2023, and 2024 PY awards made through the Multifamily 2021, 2022, 2023, 2024 and 2025 NOFAs. It plans to do the same with 2026 awards. While TDHCA does not make any FHA-insured loans, the Department has adopted the per unit limits for substantial rehab for Direct Loans (HOME, NHTF, TCAP RF, NSP1 PI) for 2026. The attached limits do not vary based on geographic location in Texas since the limits were approved by HUD for use throughout the state. They will be used statewide for ease of use both for applicants and TDHCA staff.

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

Funds from the HOME-American Rescue Plan Program will not be included when evaluating subsidy layering.

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

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

**In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; National Standards for the Physical Inspection of Real Estate; Scope and Cost Review; and Capital Needs Assessments (if applicable).**

Rehabilitation Standards are attached.

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

N/A

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

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

N/A

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

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

The State will limit beneficiaries and/or give preferences to the segments of the extremely low-income population in accordance with AP-25 of the 2026 One-Year Action Plan.

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

TDHCA may use NHTF funds to refinance existing debt secured by multifamily housing that is being rehabilitated with NHTF funds as described in 24 CFR §93.201(b). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 TAC Chapters 11 and 13, for refinanced properties in accordance with its administrative rules. The NOFA may allow for lower per unit rehabilitation costs than those described at 10 TAC §13.7(c), and the Board may waive the rehabilitation minimums at 10 TAC §11.101(b)(3). At a minimum:

- Rehabilitation costs must be the primary eligible activity for developments involving refinancing of existing debt so the NHTF eligible rehabilitation costs – whether funded entirely or partially by TDHCA's NHTF funds – are greater than the total refinancing costs (i.e. payoff amount plus closing and title costs);
- The proportional rehabilitation cost per NHTF unit must be greater than the proportional amount of debt per NHTF unit that is being refinanced; and
- The proposed NHTF rent on a unit at application must be less than the greater of actual rent being collected from tenants at application or the tenant's portion of the rent payment, as restricted by any entity through a project-based contract, operating subsidy, or by a use agreement.

**Discussion:**

The State is not proposing to use any form of investment in its NHTF Program that is not already listed as eligible for investment in 24 CFR §93.201(b). As described above, TDHCA may use NHTF funds to refinance existing debt secured by multifamily housing that is being rehabilitated as described in 24 CFR §93.201. TDHCA will use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 Texas Administrative Code, Chapters 11 and 13, for refinanced properties in accordance with its administrative rules.

For HOME, the State is not proposing to use any form of investment in its HOME Program that is not already listed as eligible for investment in 24 CFR §92.205(b). As described above, TDHCA may use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated as described in 24 CFR §92.206(b). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 Texas Administrative Code, Chapters 1, 10, 11, and 13, for refinanced properties in accordance with its administrative rules. For any HOME funds utilized for homebuyer assistance or for rehabilitation of owner-occupied single family

housing TDHCA utilizes HUDs homeownership limits for the area provided by HUD.

## Attachments

**General OYAP Attachments:**

CDBG Allocation of CDBG program income and deobligated funds

ESG Written Standards

**AP-90 NHTF Attachments:**

- 2026 Multifamily Rules
    - 10 TAC Chapter 1, Administration (Link)
    - 10 TAC Chapter 11, Qualified Allocation Plan (Link)
    - 10 TAC Chapter 13, Multifamily Direct Loan Rule (Link)
- 2026 Multifamily Direct Loan Certification
- AP-90 Question 3a – Table of Corresponding Requirements in 24 CFR §93.2 and State Rules
- AP-90 Question 3d –Estimated Allocation Amounts and Map of the State Service Regions
- NHTF Rehabilitation Maximum Subsidy Limits
- NHTF Rehabilitation Standards

**Public Comment:**

- No Public Comment was received on the 2026 State of Texas One-Year Action Plan

# 2026 One Year Action Plan

# CDBG Method of Distribution Attachment

**Attachment: Allocation of CDBG program income and deobligated funds**

**Deobligated Funds**: Deobligated funds may be used to fully fund pending applications in any fund category for which only partial funding is available, or to fund additional grants in categories experiencing high demand. At the discretion of the Department, TDA may open an application cycle for the FAST Fund, SUN Fund, or other appropriate fund category in order to effectively utilize deobligated funds available.

**Program Income:**

Program income is defined as gross income received by a state, a unit of general local government, or a subrecipient of a unit of general local government that was generated from the use of CDBG funds. When program income is generated by an activity that is only partially funded with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. Any remaining program income must be returned to the State.

The State may use up to the maximum allowable percentage of the amount recaptured and reportable to HUD each year for administrative expenses under the CDBG Program. This amount will be matched by the State on a dollar-for-dollar basis.

TCF, RED Programs and Revolving Loan Fund ("RLF") Program Income
Funds retained in any existing local RLF must be committed within three years of the original CDBG contract programmatic close date. At least one eligible loan/award from the local RLF must be made every three years. Every award from the RLF must be used to fund the same type of activity from which such income was derived. A local RLF may retain a cash balance not greater than 33% of its total cash and outstanding loan balance. All activities funded with RLF funds must comply with CDBG regulations and rules and guidelines. If a local government does not comply with the RLF requirements, all program income retained in the local RLF and any future program income received from the proceeds of the RLF must be returned to the State.

To the extent there are eligible applications, program income derived from the Texas Capital Fund real estate and/or infrastructure projects (from prior Program Years) will be used to fund awards under the Rural Economic Development Programs. Other available program income shall be allocated based on the methodology used to allocate Deobligated Funds.

**Additional detail for Geographic Allocation:**

Funds for projects under the CD Fund are allocated among the 24 State planning regions based on the following: The original CD formula is used to allocate 45% of the annual State CDBG allocation.

1) Original CD formula (45%) factors:

a. Non-Entitlement Population 30%
b. Number of Persons in Poverty 25%
c. Percentage of Poverty Persons 25%
d. Number of Unemployed Persons 10%
e. Percentage of Unemployed Persons 10%

To the extent possible, the information used to calculate the regional allocations through these factors will be based on the eligible non-entitlement applicants within each region. The population and poverty information used is from the current available decennial census data. The unemployment information used is the current available annual average information. TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f).

2) The HUD formula is used to allocate 27.35% of the annual State CDBG allocation.

The formula is the same methodology that HUD uses to allocate CDBG funds among the States for use in non-entitlement areas. The HUD factors, percentages, and methodology are specified in 42 USC. §5306(d). TDA will use available data to calculate the allocations to each region.

Using the HUD methodology, the allocation for each region shall be the greater of an amount that bears the same ratio to the allocation for all 24 regions available as either:

(A) the average of the ratios between:
- the population of the non-entitlement counties in that region and the population of the nonentitlement counties of all 24 regions (counted one time - 25% weight);
- the extent of poverty in the non-entitlement counties in that region and the extent of poverty in the non- entitlement counties of all 24 regions (counted two times - 50% weight); and
- the extent of housing overcrowding in the non-entitlement counties in that region and the extent of housing overcrowding in the non-entitlement counties of all 24 regions (counted one time - 25% weight);

OR

(B) the average of the ratios between:

o the age of housing in the non-entitlement counties in that region and the age of housing in the nonentitlement counties in all 24 regions (counted two and one half times - 50% weight);

o the extent of poverty in the non-entitlement counties in that region and the extent of poverty in the non- entitlement counties of all 24 regions (counted one and one half times - 30% weight); and

o the population of the non-entitlement counties in that region and the population of the nonentitlement counties of all 24 regions (counted one time - 20% weight).

Once allocations have been calculated and applications selected within the funding range based on the published application funding amount, any funds remaining not assigned to a fully funded application are considered Marginal Funds and may be allocated among regions with eligible, unfunded applications. The next eligible applicant in each region not fully funded through the regional allocation is considered the Marginal Applicant.

Marginal Funds from all regions are pooled and the regions ordered by the total Marginal Funds contributed to the pool from greatest to least. The Marginal Applicant from each region is ordered and selected for funding based on 1) any region with less than two fully funded applications, and 2) the regional order for the Marginal Pool.

If funding remains after all Marginal Applicants are funded, the remaining funds are considered a Reallocation Pool. The regions are ordered based on the total regional allocation amount, from smallest to largest. The next eligible applicant not fully funded in each region shall be selected for funding based on this ranking until all Reallocation Pool funds are exhausted.

At the Department's discretion, an award less than the requested amount of funding may be offered to the next highest ranked applicant as long as the amount of funds still available exceeds the minimum CD Fund grant amount.

| | **Summary of CD Fund Regional Allocation Funding Process** | | |
|---|---|---|---|
| **Process** | **Funding Available** | **Applications Considered** | **Methodology** |
| Regional Allocation | All funds assigned to the CD Fund in this One Year Action Plan | All applications submitted to the CD Fund | Formulae 1 and 2 |
| Marginal Pool | Marginal Funds remaining from each region after fully funding applications | One application per region, for which the regional allocation would provide less than full funding | Ensure minimum of two applications per region, regions ordered by total Marginal Funds contributed to the pool |
| Reallocation Pool | Funds remaining after all Marginal Applicants are fully funded | Remaining unfunded applications by region | Regions ordered by total regional allocation amount; continue rotation until all funds exhausted |

**Unobligated Funds**

For an application that is invited to the full Project Application phase and is subsequently withdrawn with sufficient time for another applicant to complete the Project Application phase prior to the grant award date, the following procedures will apply based on the fund category:

1. The CD Fund – funds from the withdrawal of an application shall be offered to the next highest ranked applicant from that region that was not recommended to receive an award due to depletion of the region's allocation.

2. RED Programs – funds from the withdrawal of a Downtown Revitalization/ Main Street Program shall be offered to the next highest ranked application that was not recommended to receive an award due to depletion the program's allocation. Any unallocated RED funds are then subject to the procedures used to allocate Deobligated Funds.

3. The Colonia Funds – funds from the withdrawal of any Colonia Fund award remain available to potential Colonia Fund applicants during that program year. If unallocated within the Colonia Fund, funds then may be used for other CDBG fund categories to fund eligible projects or activities that assist colonia residents. Remaining unallocated funds are then subject to the procedures used to allocate Deobligated Funds.

4. SUN Funds - funds from the withdrawal of a SUN award shall be returned to the fund category from which the funds were previously transferred, consistent with the procedures used to allocate Deobligated Funds.

Procedures used to allocate Deobligated Funds will apply to:

1) a grant agreement that is executed and subsequently terminated;
2) an award that is announced and subsequently declined or withdrawn from an applicant prior to execution of a grant agreement; or
3) an application that is invited to the full Project Application phase and subsequently withdraws from competition on or after a date determined by the Department to not allow sufficient time for invitation to another applicant prior to the grant award date.

## ESG Written Standards

TDHCA requires that its Subrecipients establish and implement written standards for providing ESG assistance. TDHCA reviews the standards to ensure they answer the following questions.

1. **Evaluation {24 CFR §576.400{e)(3)(i))**
   a) Are the definitions of homeless or at-risk of homelessness included in the evaluation?
   b) Are there standard policies and procedures for evaluating individual and household eligibility for ESG?
   c) Are priority populations listed?
   d) Are the priority populations listed the same as the Continuum of Care priority populations?

2. **Targeting - 24 CFR §S76.400{e)(3)(ii),(iv)**
   a) Are there standards for targeting and providing essential services related to street outreach?
   b) Are there standards determining how providers will assess, prioritize, and reassess participant's needs for essential services related to emergency shelter?

3. **Evaluation for Emergency Shelter - 24 CFR §576.400{e)(3)(iii)**
   a) Is there a description of:
      i. Clients that will be admitted?
      ii. Clients that will be diverted?
      iii. Clients that will be referred?
      iv. Clients will be discharged?
   a) Are there safeguards to secure safety (if applicable)?
   b) Are reasonable accommodations for persons with disabilities included?

4. **Coordination - 24 CFR §S76.400{e)(3)(v)**
   a) Are there policies and procedures for coordination among:
      i. Emergency shelter providers?
      ii. Essential service providers?
      iii. Homelessness prevention providers?
      iv. Rapid re-housing assistance providers?
      v. Other homeless assistance providers?
      vi. Mainstream services and housing providers?

5. **Assistance Levels - 24 CFR §576.400{e)(3)(vi)**

a) Is there a description of:
    i. Which clients will receive rapid re-housing or homelessness prevention?
    ii. Whether a percentage or amount of rent will be paid by client?
    iii. Whether a percentage or amount of utilities will be paid by client?
    iv. How long will client receive rental assistance?
    v. How or if rental assistance be adjusted over time?
    vi. What is amount of assistance will be provided?
    vii. How will the duration of assistance be determined?
    viii. What happens after a break in service (i.e., Program participant stops receiving assistance one month)?
    ix. What unit sizes are appropriate for rapid re-housing?
    x. What data sources/formats are used for rent reasonableness?

**6. Housing Stability Case Management/Relocation Services - 24 CFR §576.400{e)(3)(ix)**

a) Is there a description of:
    i. What types of services offered and not offered?
    ii. What amounts are offered for the services?
    iii. How long will case management/relocation services last?
b) Does case management include monthly meetings to assist with housing stability? (n/a for Domestic Violence providers)
c) Does case management include development for participant to retain permanent housing once ESG assistance ends? (n/a for Domestic Violence providers)
d) Does case management include assistance for program participants' access supportive services for which they may be eligible? (n/a for Domestic Violence providers)

**7. Relocation Services: Financial- 24 CFR §576.l0S(a)**

a) Do the written standards specify when the following financial assistance is offered or not offered:
    i. Rental application fees
    ii. Security deposits/Last month's rent
    iii. Utility deposits/payments
    iv. Moving costs
    v. Storage fees (3 months maximum)

**8. Service Costs {Include if services are offered and which community organizations can act as a referral source, if applicable) - 24 CFR §576.10S(b)(3)-(S)**

a) Do the written standards specify when the following services are offered or not offered, and which community resources can be used?
    i. Mediation
    ii. Legal Services
    iii. Credit Repair

**9. Denials 24 CFR §576.402**

a) Are there policies and procedures for terminating assistance?
b) Does the appeal process include notification of denial?
c) Does the appeal process include the household's process to appeal the decision?
d) Does the appeal process include recordkeeping process for denial requests?

# Multifamily Direct Loan Certification

I (We) hereby make application to the Texas Department of Housing and Community Affairs (the "Department") for an award of Multifamily Direct Loan funds, which may be composed of HOME Investment Partnerships Program ("HOME"), HOME American Rescue Plan ("HOME-ARP"), Emergency Rental Funds ("ERA"), Tax Credit Assistance Program Repayment Funds ("TCAP RF"), and/or national Housing Trust Fund ("NHTF"). The undersigned hereby acknowledges that an award by the Department does not warrant that the Development is deemed qualified to receive such award. I (We) agree that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the Multifamily Direct Loan; therefore, I (We) assume the risk of all damages, losses, costs, and expenses related thereto and agree to indemnify and save harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decision concerning this application for Multifamily Direct Loan funds or the use of information concerning the Multifamily Direct Loan.

On behalf of the Applicant and all affiliates of the Applicant (hereinafter "Applicant"), I (We) hereby certify that the Applicant is familiar with the state Rules, as published in 10 TAC Chapters 1, 2, 10, 11, and 13, as well as Chapter 12 as applicable. I (We) hereby acknowledge that this Application is subject to disclosure under Tex. Gov't Code Chapter 552, the Texas Public Information Act, unless a valid exception exists.

I (We) hereby assert that the information contained in this Application as required or deemed necessary by the materials governing the Multifamily Direct Loan program are true and correct and that I (We) have undergone sufficient investigation to affirm the validity of the statements made and the Department may rely on any such statements.

Further, I (We) hereby assert that I (We) have read and understand all the information contained in the application. By signing this document, I (We) affirm that all statements made in this government document are true and correct under penalty of Tex. Penal Code Chapter 37 titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas.

I (We) understand and agree that if false information is provided in this Application which has the effect of increasing the Applicant's competitive advantage, the Department will disqualify the Applicant and may hold the Applicant ineligible to apply for Multifamily Direct Loan funds or until any issue of restitution is resolved. If false information is discovered after the award of Multifamily Direct Loan funds, the Department may terminate the Applicant's written agreement and recapture all Multifamily Direct Loan funds expended.

I (We) shall not, in the provision of services, or in any other manner discriminate against any person on the basis of age, race, color, religion, sex, national origin, familial status, or disability. Verification of any of the information contained in this application may be obtained from any source named herein.

I (We) have written below the name of the individual authorized to execute the Multifamily Direct Loan agreement and any and all future Multifamily Direct Loan commitments and contracts related to this application. This individual is named in the Application as able to exercise Control over the Application and proposed Development. If this individual is replaced by the organization, I (We) must inform the Department within 30 days of the person authorized to execute agreements, commitment and/or contracts on behalf of the Applicant.

I (We) certify that no person or entity that would benefit from the award of Multifamily Direct Loan funds has committed to providing a source of match.

I (We) certify that I (We) will meet, Texas Minimum Construction Standards, 2010 ADA Standards for Accessible Design, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973, as further detailed in 10 TAC Chapter 1, Subchapter B. I (We) certify that the Development will meet all local building codes or standards that may apply as well as the Uniform Physical Conditions Standards in 24 CFR §5.705

I (We) certify that if refinancing is a component of the proposed development the Applicant must confirm that Multifamily Direct Loan funds will not be used to replace loans, grants or other financing provided or insured by any other Federal program, or in violation of the provisions of 10 TAC Chapter 13.

I (We) certify that if federal, governmental, or any other assistance is used in the financing of this development I (We) will notify the Texas Department of Housing and Community Affairs.

I (We) certify that I (We) do not and will not knowingly employ an undocumented worker, where "undocumented worker" means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.

If, after receiving a public subsidy, I (We), am convicted of a violation under 8 U.S.C Section 1324a (f), I (We) shall repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Tex. Gov't Code Section 2264.053, not later than the 120th day after the date TDHCA notifies Applicant of the violation.

If applying for HOME, HOME-ARP, or TCAP-RF funds, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of the federal HOME Final Rule, as

published in 24 CFR Part 92, and other related administrative rules and regulations and court rulings issued by the Federal government or State of Texas with respect to the HOME Investment Partnerships Program and all Developments eligible to receive these funds will comply with such rules during the application process and, in the event of award of these funds, for the duration of the proposed Development. HOME-ARP Applicants also certify familiarity with CPD Notice 21-10.

If applying for NHTF funds, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of the interim Housing Trust Fund rule, as published in 24 CFR Part 93, and other related administrative rules and regulations and court rulings issued by the Federal government or State of Texas with respect to the NHTF and all Developments eligible to receive NHTF funds will comply with such rules during the application process and, in the event of award of NHTF funds, for the duration of the proposed Development.

If applying for ERA funds, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of Section 3201(a) of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021), U.S. Department of the Treasury Emergency Rental Assistance Frequently Asked Questions, and other related administrative rules, regulations, and guidance (and related court rulings) issued by the Federal government or the State of Texas with respect to the ERA; and all Developments eligible to receive ERA funds with comply with such rules during the application process and, in the event of award of ERA funds, for the duration of the proposed Development.

**Threshold Certification**

On behalf of the Applicant and all affiliates of the Applicant (hereinafter "Applicant"), I (We) hereby certify that the Applicant is familiar with the provisions and requirements of the applicable Multifamily Direct Loan Notice of Funding Availability (NOFA) approved by the Department's Governing Board for which I (We) am applying.

I (We) understand that housing units subsidized by Multifamily Direct Loan funds must be affordable to low, very low or extremely low-income persons. I (We) understand that mixed income rental developments may only receive funds for units that meet the Multifamily Direct Loan affordability standards. I (We) understand that all Applications intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.

I (We) understand that, all contractors, consulting firms, Borrowers, Development Owners and Contract Administrators must sign and submit the appropriate documentation with each draw to attest that each request for payment of Multifamily Direct Loan funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions in the

Texas Grant Management Standards, 2 CFR Part 200, 24 CFR Part 92, or 24 CFR Part 93, as applicable.

I (We) certify that I (We) am eligible to apply for funds or any other assistance from the Department. I (We) certify that all audits are current at the time of application. I (We) certify that any Audit Certification Forms have been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance pursuant to 10 TAC §1.403.

I (We) certify that, the Development will meet the broadband infrastructure requirements of 81 FR 92626, and that these costs are included in the Application.

**Applications for Developments Previously Awarded Department Funds**

This Development proposed in this Application has _____ /has not _____ previously received Department funds. (check one)

If the Development proposed in this Application has previously received Department funds and construction has already started or been completed, and acquisition and rehabilitation is not being proposed, a letter from the Applicant that seeks to explain why this Application should be found eligible is provided behind this tab, except if applying in the COVID-Impacted Set-Aside or HOME-ARP. I (we) understand that such funding from federal sources may not be eligible, and depending on the fund sources available in the applicable NOFA, the proposed Development may not be eligible for assistance.

***All applicants applying under a Multifamily Direct Loan Notice of Funding Availability (NOFA) must read and initial after each of the following sections regarding federal cross cutting requirements in the boxes below.***

**HUD Section 3**

I (We) hereby agree that the work to be performed in connection with any award of HOME or NHTF funds is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. These regulations were updated in 2021.

I (We) agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. I (We) agree to put the Department's Section 3 clause in all applicable construction contracts. For more information about HUD Section 3, please reference the TDHCA website dedicated to Section 3 at: http://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm

(initial)

**Environmental**

I (We) understand that the environmental effects of each activity carried out with an award of HOME or HOME-ARP funds must be assessed in accordance with the applicable provisions of National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. §4321 et seq.) and the related activities listed in HUD's implementing regulations at 24 CFR Parts 50, 51, 55, and 58 (NEPA regulations). Each such activity must have an environmental review completed and support documentation prepared complying with the NEPA and NEPA regulations. **No loan may close or funds be committed to an activity before the completion of the environmental review process, including the requirements of 24 CFR Part 58, and the Department has provided written clearance.**

The Department as the Responsible Entity must ensure that environmental effects of the property are assessed in accordance with the provisions of the National Environmental Policy Act of 1969 and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58.

I (We) certify that all parties involved in any aspect of the development process began the project with no intention of using Federal assistance.

I (We) certify that as of the date of the Multifamily Direct Loan application all project work, other than as allowed in 24 CFR Part 58, has ceased.

I (We) understand that the environmental effects of each activity carried out with an award of NHTF funds must be assessed in accordance with the provisions of CPD Notice 16-14.

I (We) certify that I (we) have read and understand the requirements in 24 CFR §58.22 or CPD Notice 16-14, and I (we) understand that **acquisition of the site, even with non-HUD funds, prior to completion of the environmental review process will jeopardize any federal funding.**

I (We) certify that we will not engage in any choice limiting actions until the site has achieved Environmental Clearance as required in CPD Notice 16-14 or 24 CFR Part 58, as applicable.

**Choice-limiting activities include but are not limited to these examples:**

- Acquisition of land, except through the use of an option agreement, regardless of funding source;
- Closing on loans including loans for interim financing;
- Signing a construction contract.

(initial)

**Relocation and Anti-Displacement**

The property proposed for this Application is _____ /is not _____ occupied. (check one)

If occupied, the occupant(s) are owners _____/ tenants (residential) _____/ tenants (commercial inclusive of businesses, nonprofit organizations, and farms) ____ (check all that apply).

The property will have a transfer of federal assistance from an existing multifamily development _____ yes/ _____ no.

**Displacement of Existing Tenants**

I (We) certify that that the work to be performed in connection with any award of federal funds is subject to Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), as amended, and implementing regulations at 49 CFR Part 24. HOME and HOME ARP also subject to the relocation requirements of 24 CFR Part 42. Consistent with the goals and objectives of activities assisted under the Act and HUD Handbook 1378, if the Development is eligible for federal funds the Applicant must prepare and submit the following to TDHCA with the Multifamily Uniform Application, in accordance with the TDHCA Relocation Handbook https://www.tdhca.texas.gov/sites/default/files/program-services/docs/ura/docs/TDHCA-RelocationHandbook_0.pdf:

1) A detailed explanation of the reasons for displacement relocation;
2) A detailed plan of the relocation, including evidence of comparable replacement housing or commercial space;
3) Copies of the General Information Notices (signed by the tenant or sent Certified Mail, return recipient requested) sent to all residential and commercial tenants on the Rent Roll listed with the Multifamily Direct Loan Application, and
4) Estimated costs and funding sources available to complete the permanent relocation.

(initial)

**Demolition and Conversion**

I (We) certify that when the work is to be performed in connection with any award of federal funds that are subject to 24 CFR Part 42 (CDBG, HOME, and as revised for HOME ARP), then Development Owner will replace all occupied and vacant occupiable low-income housing that is demolished or converted to a use other than low-income housing as a direct result of the project. All replacement housing will be provided within three (3) years after the commencement of the demolition or conversion. Before receiving a commitment of federal funds for a project that will directly result in demolition or conversion, the project owner will make the information public in accordance with 24 CFR Part 42 and submit the information to TDHCA along with the following information in writing at application:

1) The location map, address, and number of commercial or dwelling units by bedroom size of lower income housing that will be demolished or converted to use other than as lower income housing as a direct result of the project;
2) A time schedule for the commencement and completion of the demolition and conversion;
3) To the extent known, the location, map, address, and number of dwelling units by bedroom size of the replacement housing or commercial space that has been or will be provided;
4) The amount and source of funding and a time schedule for the provision of the replacement housing;
5) The basis for concluding that the replacement housing will remain lower income housing beyond the date of initial occupancy;
6) Information demonstrating that any proposed replacement of housing units with similar dwelling units (e.g. a 2-bedroom unit with two 1-bedroom units) or any proposed replacement of efficiency or SRO units with units of a different size is appropriate and consistent with the housing needs of the community; and

7) The name and title of the person or persons responsible for tracking the replacement of lower income housing and the name and title of the person responsible for providing relocation payments and other relocation assistance to any lower-income person displaced by the demolition of any housing or the conversion of lower-income housing to another use.

(initial)

**Lead Based Paint**

I (We) certify that documentation of compliance with the Texas Environmental Lead Reduction Rules in 25 TAC Chapter 295, Subchapter I and 24 CFR Part 35 (Lead Safe Housing Rule), as applicable, will be maintained in project files. I (We) understand that for Developments subject to 24 CFR Part 35, standard forms are available in the Federal Register, as indicated by the sources noted below.

1) Applicability 24 CFR §35.115 – A copy of a statement indicating that the property is covered by or exempt from Lead Safe Housing Rule.
   a) If the property is exempt, the file should include the reason for the exemption and no further documentation is required.
   b) if the property is covered by the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below:
      i) Summary Paint Testing Report or Presumption Notice 24 CFR §35.930(a) – A copy of any report to indicate the presence of lead-based paint (LBP) for projects receiving up to $5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces;
      ii) Notice of Evaluation 24 CFR §35.125(a) – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based-paint inspection, risk assessment or paint testing;
      iii) Clearance Report 24 CFR §35.930(b)(3)– A report indicating a "clearance examination" was performed of the work site upon completion; and
      iv) Notice of Hazard Reduction Completion 24 CFR §35.125(b) – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents.

(initial)

**Labor Standards**

On behalf of the Applicant and all affiliates of the Applicant (hereinafter "Applicant"), I (We) hereby certify that the Applicant is familiar with the applicable provisions and requirements of the Davis-Bacon Act (40 U.S.C. §§3141-3144 and 3146-3148).

I (We) understand that a Development assisted by the Department under this Application containing more than twelve (12) HOME or HOME ARP-assisted Units, must use the appropriate rate as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. §§3141-3144 and 3146-3148).

I (We) understand that contracts involving such employment shall be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§3701-3708) as supplemented by the Department of Labor regulations ("Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction" at 29 CFR Part 5), Copeland (Anti-Kickback) Act (40 U.S.C. Sec. §3145 et seq.) and 24 CFR Part 70 (with regards to volunteers).

I (We) understand that construction contractors and subcontractors must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to labor standards and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs, as applicable.

I (We) agree to put the Department's Davis-Bacon clause in all applicable contracts.

| |
|---|
| |

(initial)

**Build America, Buy America Act**

On behalf of the Applicant and all affiliates of the Applicant (hereinafter "Applicant"), I (We) hereby certify that the Applicant is familiar with the applicable provisions and requirements of the Infrastructure Investment and Jobs Act, Pub. L. 117-58, 2 CFR 184, CPD-2025-01, and all other application rule and regulation.

I (We) understand that a Development assisted by the Department under this Application will meet any and all requirements for multifamily development laid out in said regulation for Build America, Buy America set forth under rule and regulation of the Buy America Preference, under 49 U.S.C. § 50101.

I (We) understand that construction contractors and subcontractors must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to Build America, Buy America in Housing and Community Development Programs, as applicable.

(initial)

Application number: _____

Requested Multifamily Direct Loan Funding Source: _____

By:

_____
Authorized Representative

_____
Title

_____
Date

**THE STATE OF _____ §**
**§**
**COUNTY OF _____§**

Before me, a notary public, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____day of _____, _____

(Seal)

_____
Notary Public Signature

**Question 3a:** *Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR §93.2).*

The State of Texas will distribute FY 2025 Housing Trust Fund ("HTF") Program funds by selecting applications submitted by eligible recipients as defined in §93.2 (definition of recipient) through the Application Submission Requirements, Ineligibility Criteria, Board Decisions, and Waiver of Rules for Applications provisions found in Chapter 11 of the Texas Administrative Code (TAC), Subchapter C (10 TAC §§11.201 through 11.207). The State of Texas will not limit recipients to a specific category such as nonprofits. Please see the table below for the requirements in §93.2 and the corresponding requirements found in state rules at 10 TAC Chapter 11 and 10 TAC Chapter 13.

| *Recipient* requirements in §93.2 | State Rules |
|---|---|
| (1) Make acceptable assurances to the grantee that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities<br><br>(2) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; | 10 TAC §11.204 establishes the required documentation for application submission, including a required certification that the applicant understands and will comply with all applicable requirements. Please see the full text of the rule for further information. |
| (3) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;<br>(4) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to:<br>(i) Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or | 10 TAC §13.5(g) establishes minimum experience requirements that are required to be eligible for funding. Please see the full text of the rule for further information. |

| | |
|---|---|
| (ii) Design, construct, or rehabilitate, and market affordable housing for homeownership.<br>(iii) Provide forms of assistance, such as down payments, closing costs, or interest rate buy downs for purchasers. | |

**Table 1 - Raw Data**

| | Region | Individuals at or Below 200% Poverty | HH at or Below 200% Poverty | Cost-Burdened Renters | Overcrowded Renters | Vacant Units For Rent |
|---|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | 196,669 | 73,111 | 44,346 | 4,182 | 9,338 |
| | 2 | 97,121 | 36,104 | 18,507 | 1,564 | 2,999 |
| | 3 | 2,089,260 | 776,677 | 586,769 | 81,709 | 98,895 |
| | 4 | 188,494 | 70,072 | 29,710 | 3,457 | 7,918 |
| | 5 | 136,853 | 50,875 | 21,866 | 3,088 | 4,498 |
| | 6 | 2,253,840 | 837,859 | 517,621 | 98,933 | 103,473 |
| | 7 | 522,317 | 194,170 | 195,264 | 24,168 | 18,961 |
| | 8 | 341,345 | 126,894 | 82,548 | 7,709 | 10,213 |
| | 9 | 787,536 | 292,764 | 173,783 | 24,679 | 32,387 |
| | 10 | 190,444 | 70,797 | 36,442 | 4,513 | 9,316 |
| | 11 | 827,908 | 307,772 | 76,123 | 23,683 | 12,328 |
| | 12 | 140,060 | 52,067 | 28,459 | 4,948 | 4,546 |
| | 13 | 371,903 | 138,254 | 53,445 | 8,570 | 7,451 |
| | Subtotal | 8,143,750 | 3,027,416 | 1,864,883 | 291,203 | 322,323 |
| Non-MSA Counties and Counties with Only Rural Places | 1 | 110,366 | 41,028 | 9,924 | 1,979 | 2,801 |
| | 2 | 86,435 | 32,132 | 8,787 | 908 | 1,548 |
| | 3 | 85,781 | 31,889 | 11,911 | 1,648 | 1,910 |
| | 4 | 212,005 | 78,812 | 21,693 | 2,364 | 3,652 |
| | 5 | 143,705 | 53,422 | 17,411 | 2,885 | 2,777 |
| | 6 | 72,294 | 26,875 | 11,812 | 1,343 | 2,472 |
| | 7 | 34,002 | 12,640 | 4,846 | 570 | 588 |
| | 8 | 93,051 | 34,591 | 9,851 | 1,522 | 1,923 |
| | 9 | 68,362 | 25,413 | 8,414 | 1,540 | 1,508 |
| | 10 | 90,401 | 33,606 | 10,984 | 1,780 | 1,384 |
| | 11 | 107,174 | 39,842 | 7,363 | 2,074 | 1,110 |
| | 12 | 60,869 | 22,628 | 5,603 | 1,022 | 1,339 |
| | 13 | 10,012 | 3,722 | 946 | 141 | 178 |
| | Subtotal | 1,174,457 | 436,601 | 129,545 | 19,776 | 23,190 |
| | Total | 9,318,207 | 3,464,017 | 1,994,428 | 310,979 | 345,513 |

Texas Average HH Size: 2.69

**Allocation amount is an estimate as Final NHTF Allocations have not yet been released**

## Table 2 - Weights

| | Region | Total Need Variables | % of Total Need Variables | Weighted | Total Availability Variable | % of Total Availability Variable | Weighted | Initial Subregion Allocation | % of Total Award |
|---|---|---|---|---|---|---|---|---|---|
| MSA Counties with Urban Places | 1 | 121,639 | 2.1% | $ 268,814 | 9,338 | 2.7% | $ (114,863) | $ 153,950.96 | 1.81% |
| | 2 | 56,175 | 1.0% | $ 124,144 | 2,999 | 0.9% | $ (36,889) | $ 87,254.25 | 1.03% |
| | 3 | 1,445,155 | 25.0% | $ 3,193,684 | 98,895 | 28.6% | $ (1,216,463) | $ 1,977,221.48 | 23.26% |
| | 4 | 103,239 | 1.8% | $ 228,151 | 7,918 | 2.3% | $ (97,396) | $ 130,755.04 | 1.54% |
| | 5 | 75,829 | 1.3% | $ 167,576 | 4,498 | 1.3% | $ (55,328) | $ 112,247.97 | 1.32% |
| | 6 | 1,454,413 | 25.2% | $ 3,214,144 | 103,473 | 29.9% | $ (1,272,775) | $ 1,941,369.40 | 22.84% |
| | 7 | 413,602 | 7.2% | $ 914,029 | 18,961 | 5.5% | $ (233,231) | $ 680,798.75 | 8.01% |
| | 8 | 217,151 | 3.8% | $ 479,888 | 10,213 | 3.0% | $ (125,626) | $ 354,262.19 | 4.17% |
| | 9 | 491,226 | 8.5% | $ 1,085,574 | 32,387 | 9.4% | $ (398,378) | $ 687,195.78 | 8.08% |
| | 10 | 111,752 | 1.9% | $ 246,964 | 9,316 | 2.7% | $ (114,592) | $ 132,371.76 | 1.56% |
| | 11 | 407,578 | 7.1% | $ 900,718 | 12,328 | 3.6% | $ (151,641) | $ 749,077.04 | 8.81% |
| | 12 | 85,474 | 1.5% | $ 188,891 | 4,546 | 1.3% | $ (55,918) | $ 132,972.71 | 1.56% |
| | 13 | 200,269 | 3.5% | $ 442,579 | 7,451 | 2.2% | $ (91,651) | $ 350,928.02 | 4.13% |
| | Subtotal | 5,183,502 | 89.8% | $ 11,455,156 | 322,323 | 93.3% | $ (3,964,750) | $ 7,490,405.36 | 88.12% |
| Non-MSA Counties and Counties with Only Rural Places | 1 | 52,931 | 0.9% | $ 116,974 | 2,801 | 0.8% | $ (34,454) | $ 82,520.30 | 0.97% |
| | 2 | 41,827 | 0.7% | $ 92,435 | 1,548 | 0.4% | $ (19,041) | $ 73,393.25 | 0.86% |
| | 3 | 45,448 | 0.8% | $ 100,436 | 1,910 | 0.6% | $ (23,494) | $ 76,942.32 | 0.91% |
| | 4 | 102,869 | 1.8% | $ 227,333 | 3,652 | 1.1% | $ (44,922) | $ 182,411.84 | 2.15% |
| | 5 | 73,718 | 1.3% | $ 162,911 | 2,777 | 0.8% | $ (34,159) | $ 128,752.53 | 1.51% |
| | 6 | 40,030 | 0.7% | $ 88,464 | 2,472 | 0.7% | $ (30,407) | $ 58,056.58 | 0.68% |
| | 7 | 18,056 | 0.3% | $ 39,903 | 588 | 0.2% | $ (7,233) | $ 32,670.03 | 0.38% |
| | 8 | 45,964 | 0.8% | $ 101,578 | 1,923 | 0.6% | $ (23,654) | $ 77,924.07 | 0.92% |
| | 9 | 35,367 | 0.6% | $ 78,159 | 1,508 | 0.4% | $ (18,549) | $ 59,610.06 | 0.70% |
| | 10 | 46,370 | 0.8% | $ 102,475 | 1,384 | 0.4% | $ (17,024) | $ 85,451.00 | 1.01% |
| | 11 | 49,279 | 0.9% | $ 108,902 | 1,110 | 0.3% | $ (13,654) | $ 95,248.52 | 1.12% |
| | 12 | 29,253 | 0.5% | $ 64,647 | 1,339 | 0.4% | $ (16,470) | $ 48,176.26 | 0.57% |
| | 13 | 4,809 | 0.1% | $ 10,627 | 178 | 0.1% | $ (2,189) | $ 8,437.89 | 0.10% |
| | Subtotal | 585,922 | 10.2% | $ 1,294,844 | 23,190 | 6.7% | $ (285,250) | $ 1,009,594.64 | 11.88% |
| | Total | 5,769,424 | 100.0% | $ 12,750,000 | 345,513 | 100% | $ (4,250,000) | $ 8,500,000.00 | 100.00% |

**Total Sample Allocation: $8,500,000**
Weight of Need Variables: 150%
Weight of Availability Variables: -50%

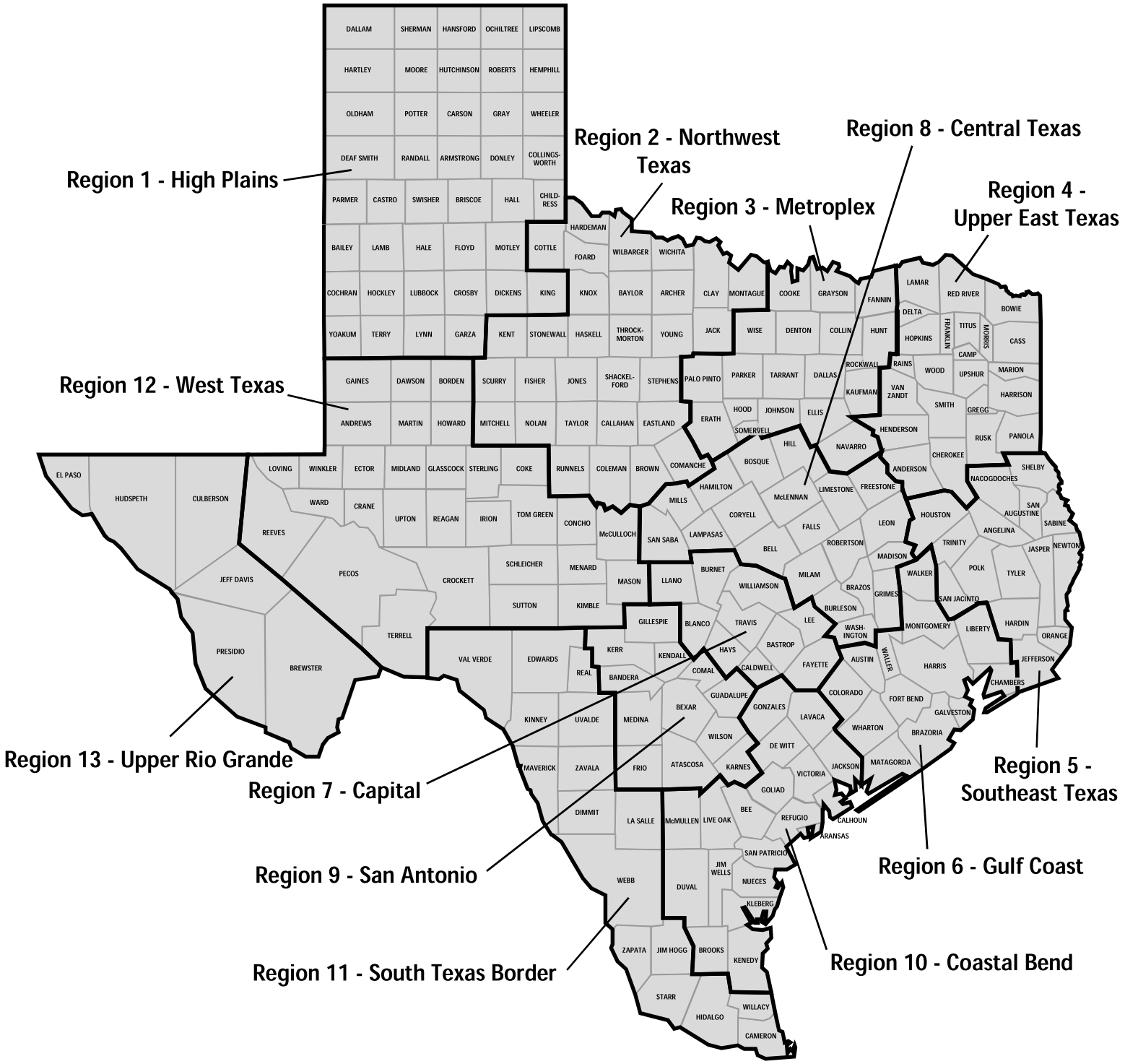
**Allocation amount is an estimate as Final NHTF Allocations have not yet been released**

**Table 3 - Regional Amounts**

| Region | Regional Allocation | % of Total Award |
|---|---|---|
| 1 | $ 236,471.26 | 2.78% |
| 2 | $ 160,647.50 | 1.89% |
| 3 | $ 2,054,163.80 | 24.17% |
| 4 | $ 313,166.88 | 3.68% |
| 5 | $ 241,000.51 | 2.84% |
| 6 | $ 1,999,425.98 | 23.52% |
| 7 | $ 713,468.78 | 8.39% |
| 8 | $ 432,186.26 | 5.08% |
| 9 | $ 746,805.84 | 8.79% |
| 10 | $ 217,822.76 | 2.56% |
| 11 | $ 844,325.56 | 9.93% |
| 12 | $ 181,148.97 | 2.13% |
| 13 | $ 359,365.90 | 4.23% |
| Subtotal | $ 8,500,000.00 | 100.00% |

**Allocation amount is an estimate as Final NHTF Allocations have not yet been released**

# 13 State Service Regions of Texas



attendance limited to space available. Individuals who plan to attend as well as those who need special assistance, such as sign language interpretation or other reasonable accommodations, must notify the Contact Person listed below in advance of the meeting. The open session will be videocast and can be accessed from the NIH Videocasting and Podcasting website (*http://videocast.nih.gov/*).

A portion of the meeting will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4), and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

*Name of Committee:* Council of Councils.

*Dates:* May 14–15, 2026.

*Open:* May 14, 2026, 09:00 a.m. to 01:00 p.m.

*Agenda:* Welcome and Opening Remarks; Reminders and Procedures; DPCPSI Reports and Other Business of the Committee.

*Place:* National Institutes of Health, Building 35A, 35A Convent Drive, Rooms 620/630/640, Bethesda, MD 20892.

*Closed:* May 14, 2026, 01:00 p.m. to 02:00 p.m.

*Agenda:* Review of Grant Applications.

*Place:* National Institutes of Health, Building 35A, 35A Convent Drive, Rooms 620/630/640, Bethesda, MD 20892.

*Open:* May 14, 2026, 02:00 p.m. to 03:45 p.m.

*Agenda:* NIH Updates and Other Business of the Committee.

*Place:* National Institutes of Health, Building 35A, 35A Convent Drive, Rooms 620/630/640, Bethesda, MD 20892.

*Open:* May 15, 2026, 09:00 a.m. to 11:50 a.m.

*Agenda:* Welcome and Recap of Day 1; Program Updates and Other Business of the Committee.

*Place:* National Institutes of Health, Building 35A, 35A Convent Drive, Rooms 620/630/640, Bethesda, MD 20892.

*Contact Person:* Robin I. Kawazoe, Deputy Director, Division of Program Coordination, Planning, and Strategic Initiatives, National Institutes of Health, Building 1, Room 260, 1 Center Drive, Bethesda, MD 20892, 301–402–9852, *kawazoer@mail.nih.gov*.

Any interested person may file written comments with the committee by forwarding the statement to the Contact Person listed on this notice. The statement should include the name, address, telephone number and when applicable, the business or professional affiliation of the interested person.

Information is also available on the Council of Council's home page at *http://dpcpsi.nih.gov/council/* where an agenda will be posted before the meeting date.

(Catalogue of Federal Domestic Assistance Program Nos. 93.14, Intramural Research Training Award; 93.22, Clinical Research Loan Repayment Program for Individuals from Disadvantaged Backgrounds; 93.232, Loan Repayment Program for Research Generally; 93.39, Academic Research Enhancement Award; 93.936, NIH Acquired Immunodeficiency Syndrome Research Loan Repayment Program; 93.187, Undergraduate Scholarship Program for Individuals from Disadvantaged Backgrounds, National Institutes of Health, HHS)

Dated: April 8, 2026.

**Bruce A. George,**

*Program Analyst, Office of Federal Advisory Committee Policy.*

[FR Doc. 2026–06982 Filed 4–9–26; 8:45 am]

**BILLING CODE 4140–01–P**

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

**[Docket No. FR–6144–N–07]**

**RIN 2506–AC50**

## HOME Investment Partnerships Program—Maximum Per-Unit Subsidy Limit Methodology and Amount; Notice for Comment

**AGENCY:** Office of the Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development (HUD).

**ACTION:** Notice for comment.

**SUMMARY:** This notice for comment establishes HUD's methodology for determining maximum per-unit subsidy limits for the HOME Investment Partnerships Program (HOME) and seeks public comment on the methodology described within this notice for comment. This notice for comment also establishes the maximum per-unit subsidy limits consistent with this methodology.

**DATES:** Public comments are due on May 11, 2026. The maximum per-unit subsidy limits described in this notice for comment are in effect and applicable to projects for which HOME funds are committed on or after May 11, 2026.

**ADDRESSES:** Interested persons are invited to submit comments regarding this notice for comment. To receive consideration as public comments, comments must be submitted through one of the two methods specified in this section. All submissions must refer to the above docket number and title.

*1. Electronic Submission of Comments.* Interested persons may submit comments electronically through the Federal eRulemaking Portal at *www.regulations.gov*. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make comments immediately available to the public. Comments submitted electronically through *www.regulations.gov* can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on *www.regulations.gov* to submit comments electronically.

*2. Submission of Comments by Mail.* Comments may be submitted by mail to the Regulations Division, Office of General Counsel, U.S. Department of Housing and Urban Development, 2415 Eisenhower Ave., Alexandria, VA 22314.

*Public Inspection of Public Comments.* HUD will make all properly submitted comments and communications available for public inspection and copying between 8:00 a.m. and 5:00 p.m. weekdays at the address listed in this section. Due to security measures at the HUD Headquarters building, you must schedule an appointment in advance to review the public comments by calling the Regulations Division at 202–708–3055 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit *https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.* Copies of all comments submitted are available for inspection and downloading at *www.regulations.gov.*

**FOR FURTHER INFORMATION CONTACT:** Henrietta Owusu, Deputy Director, Office of Affordable Housing Programs, Office of Community Planning and Development, U.S. Department of Housing and Urban Development, 451 7th Street SW, Room 7160, Washington, DC 20410; telephone number (202) 708–2684 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit *https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.*

**SUPPLEMENTARY INFORMATION:**

## I. Background

On January 6, 2025, HUD published the HOME Investment Partnerships Program: Program Updates and Streamlining final rule (HOME Final Rule) in the **Federal Register**, available at 90 FR 746. Consistent with the requirements of section 212(e) of the Cranston-Gonzalez National Affordable Housing Act (NAHA),[1] the HOME Final Rule states that HUD will publish its methodology for determining maximum per-unit dollar limits through a publication in the **Federal Register** with the opportunity for comment.[2] The HOME Final Rule, at 24 CFR 92.250(a), also requires HUD to determine the total amount of HOME funds that a participating jurisdiction may invest on a per-unit basis in affordable housing in accordance with NAHA and publish the maximum per-unit dollar limits for the area in which the housing is located annually.

## II. Methodology for Determining Maximum Per-Unit Subsidy Limits for the HOME Program

Through this notice for comment, HUD is identifying and implementing a methodology for the annual determination of the maximum per-unit subsidy limit.

On May 29, 2024, HUD published the HOME Investment Partnerships Program: Program Updates and Streamlining proposed rule (HOME Proposed Rule) in the **Federal Register**, available at 89 FR 46618. In the HOME Proposed Rule, HUD proposed to establish the maximum per-unit subsidy limit as 270 percent of the basic mortgage limitations for section 234 of the National Housing Act (12 U.S.C. 1715y) for condominium housing. In the HOME Final Rule, HUD responded to public comments on this proposal, which were generally supportive. For a summary of the comments and HUD's response, see the HOME Final Rule at 90 FR 802.

Following the publication of the HOME Final Rule, HUD reconsidered the public comments and assessed the impact of implementing the maximum per-unit subsidy limit as 270 percent of the basic mortgage limitations for section 234 of the National Housing Act for condominium housing. This would have constituted an increase from 240 percent of the basic mortgage limitations for section 234 of the National Housing Act for condominium housing that has been the basis for the maximum per-unit subsidy limits since the publication of Notice CPD–15–003: Interim Policy on Maximum Per-Unit Subsidy Limits for the HOME Program in 2015. Based on this review, HUD determined that permitting increased spending on HOME projects with higher per-unit costs would result in fewer affordable housing units. Accordingly, through this notice for comment, HUD is establishing the maximum per-unit subsidy limit for the HOME program as 240 percent of the basic mortgage limitations for section 234 of the National Housing Act for condominium housing. HUD believes that maintaining its existing policy is consistent with the statute and will not negatively impact the production of affordable housing.

HUD is requesting comments from industry stakeholders and other interested persons on the practicability and appropriateness of this maximum per-unit subsidy limit methodology. Public comment in response to this notice for comment provides HUD with the opportunity to perform a higher level of review of current development and construction costs, evaluate ongoing changes in costs due to changes in building codes and industry practices, determine whether different eligible activities (*i.e.,* homeownership versus rental) should have different methodologies, and consider and respond to comments in the implementation of a revised maximum per-unit subsidy limit methodology. HUD will consider the comments it receives in response to this notice for comment when it considers making changes to the maximum per unit subsidy limit methodology or amount in the future.

## III. Maximum Per-Unit Subsidy Limits for the HOME Program

Consistent with the HOME Final Rule codified at 24 CFR 92.250 and this notice for comment, HUD is establishing the maximum per-unit subsidy limit for the HOME program as 240 percent of the basic mortgage limitations for section 234 of the National Housing Act's condominium housing limit for elevator-type projects.[3] The maximum per-unit subsidy limits are as follows:

| Bedrooms | 2025 Section 234 Elevator Statutory Limit | 2025 HOME Maximum Per Unit Subsidy Limit |
|---|---|---|
| 0 | $78,191 | $187,658 |
| 1 | 89,634 | 215,122 |
| 2 | 108,998 | 261,595 |
| 3 | 141,008 | 338,419 |
| 4 | 154,782 | 371,477 |

HUD intends to issue updated maximum per-unit subsidy limits using this methodology annually. HUD may revise this methodology through the issuance of a future publication for comment in the **Federal Register**.

## IV. Environmental Impact

This notice involves a statutorily required establishment of maximum per-unit subsidy limits that does not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this notice for comment is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

**Ronald J. Kurtz,**

*Assistant Secretary for Community Planning and Development.*

[FR Doc. 2026–06926 Filed 4–9–26; 8:45 am]

**BILLING CODE 4210–67–P**

[1] Section 212(e) of NAHA (42 U.S.C. 12742(e)) requires HUD to establish limits on the amount of HOME funds that may be invested on a per-unit basis.

[2] *See* 24 CFR 92.250(a)

[3] HUD's most recent publication of the Annual Indexing of Basic Statutory Mortgage limits for Multifamily Housing Programs, including elevator-type projects, was announced in the notice entitled ''Annual Indexing of Basic Statutory Mortgage Limits for Multifamily Housing Programs'' (89 FR 10089, Feb. 13, 2024).

**2026 Program Year**
**TDHCA | Multifamily Finance Division**
**Multifamily Direct Loan Program**

# 2026 National Housing Trust Fund (NHTF)

# Multifamily Minimum Rehabilitation Standards

## IMPORTANT NOTICE REGARDING THESE STANDARDS

**TDHCA encourages the reproduction and distribution of this document to all relevant parties participating in Rehabilitation; including but not limited to, staff, general contractors, and subcontractors. If not distributed, at a minimum, all parties with the ability to exercise control over the Development must be informed and so acknowledge compliance with all applicable construction requirements, building codes, necessary materials, accessibility standards, installation methods, etc., regardless of whether expressly stated herein. As such, these Standards must be included in all construction and maintenance documents by reference. Moreover, specific sections may be expressly required in, or the Standards in their entirety, may be required to be attached to particular documents, as determined by the Department.**

**Moreover, it is important to remember these Standards serve as a starting point for eligible NHTF-assisted Multifamily Rehabilitation activities. Additional project requirements, rules, and regulations WILL APPLY and may be more detailed in Program Documents. IT IS THE RESPONSIBILITY OF THE DEVELOPMENT OWNER/BORROWER TO ENSURE COMPLIANCE WITH ANY AND ALL APPLICABLE PROGRAM REQUIREMENTS, RULES, AND REGULATIONS THAT MAY BE REQUIRED IN ADDITION TO THE MINIMUM CONDITIONS PROVIDED IN THESE STANDARDS.**

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# NHTF MINIMUM REHABILITATION STANDARDS
# MULTIFAMILY DIRECT LOAN PROGRAM

## 2026 Program Year
## (*ending* Aug. 31, 2027)

### Introduction

These National Housing Trust Fund (NHTF) Minimum Rehabilitation Standards (hereinafter referred to as "Standards") are intended to provide the minimum acceptable standards for affordable multifamily rental housing developments Rehabilitated in whole or part using Multifamily Direct Loan Program (MFDL Program) NHTF funds in the State of Texas.

These Standards are designed to ensure clarity, efficiency, and feasibility in the successful completion of eligible rehabilitation projects. Accordingly, these Standards only provide the necessary descriptions of the minimum elements of rehabilitation, as required by the U.S. Department of Housing and Urban Affairs (HUD) and 24 CFR §93.301(b). Accordingly, these Standards only address those minimum standards for: (1) Health and Safety; (2) Major Systems; (3) Lead-Based Paint; (4) Accessibility; (5) Disaster Mitigation; (6) National Standards for the Physical Inspection of Real Estate (NSPIRE); and (7) Property Condition or Capital Needs Assessment (SCR/CNA).

Recommendations made in applicable Mandatory Assessments regarding health and safety or life expectancy of major systems must be implemented. Additionally, estimates (based on age and condition) of the remaining useful life of major system(s) are required to be conducted upon project completion of each major system, in accordance with 24 CFR §93.301(b)(1)(ix). If the remaining useful life of one or more major system is determined to be less than the applicable period of affordability, a replacement reserve shall provide adequate monthly payments to effectively repair or replace the systems as needed. 24 CFR §93.301(b)(1)(ix).

Unless otherwise required, these Standards do not supersede or preempt State and local codes, ordinances, and requirements for developing and maintaining the Development. All applicable codes, ordinances, and zoning requirements must also be adhered. In the absence of State or local building codes, ordinances, or requirements for Rehabilitation, the International Existing Building Code (IEBC) or International Building Code (IBC) (as applicable) of the International Code Council (ICC), in the version adopted by the Multifamily Direct Loan Rule, 10 TAC Chapter 13, shall apply in addition to these minimum Standards.

## Definitions

The following words and terms, when used in these Standards, shall have the meaning as provided herein, unless the context clearly indicates otherwise. Any capitalized terms or phrases not specifically mentioned in this section shall have the meaning as defined in Title 10, Part 1, Chapter 1 of the Texas Administrative Code (**Administration**), Title 10, Part 1, Chapter 2 of the Texas Administrative Code (**Enforcement**), Title 10, Part 1, Chapter 10 of the Texas Administrative Code (the **Uniform Multifamily Rules**), Title 10, Part 1, Chapter 11 of the Texas Administrative Code (the **Qualified Allocation Plan (QAP)**), Title 10, Part 1, Chapter 13 of the Texas Administrative Code (the **Multifamily Direct Loan Rule**)(collectively referred to as the **State Multifamily Rules**); or as otherwise defined in Tex. Gov't Code, Chapter 2306 (the **Governing Statute**), §141, 142, and 145 of the Internal Revenue Code (the **Code**), or 24 CFR Part 91, Part 92, Part 93, and 2 CFR Part 200.

1. **Accessible Route--**a continuous, unobstructed path connecting all accessible elements and spaces in a facility or building that complies with the space and reach requirements of the applicable accessibility standard(s).
2. **Plumbing Fixtures--**all relevant plumbing components, which include toilets, urinals, bidets, faucets, lavatories, sinks, showers, bathtubs, and floor drains. Plumbing appliances include washing machines, dishwashers, domestic water heaters, garbage disposals, and water softeners.
3. **Plumbing System**--all relevant plumbing components, which include but are not limited to: piping, fittings, devices, faucets, containers and receptacles that are used to supply, distribute, receive or transport potable water and wastewater.
4. **Substandard Conditions**--any condition that threatens the health and/or safety of the occupants. Substandard Conditions include any condition which threatens, defeats, or will lead to the lack of functional viability of a single feature of a structure. Hazardous conditions are a type of Substandard Conditions.

## Minimum Standards for Major Systems
## (24 CFR §93.301(b) and 24 CFR §93.301(b)(1)(ix))

### Major Systems

These Standards provide the minimum rehabilitation requirements for Major Systems herein. In accordance with 24 CFR §93.301(b), the Major Systems with minimum standards provided herein are:

- foundation;
- structural support, roofing;
- cladding & weatherproofing;
- plumbing;
- electrical; and
- heating, ventilation, and air conditioning (HVAC).

### General Requirements, Standard Conditions, and Substandard Conditions

The Minimum Standard Conditions and Substandard Conditions for each Major System are sufficiently detailed in method and material to provide the MINIMUM threshold for Rehabilitation activities that NHTF-assisted Multifamily Developments MUST MEET OR EXCEED.

It is important to remember any threshold requirements provided herein do not supersede or preempt State and local codes, ordinances, and requirements for building and maintenance with which NHTF-assisted housing must comply. Rather, compliance must be accomplished in addition to meeting or surpassing these Standards. In the absence of such State or local building codes, ordinances, or other requirements, the applicable version(s) of the International Existing Building Code (IEBC) or International Building Code (IBC) of the International Code Council (ICC), as adopted in 10 TAC Chapter 13, shall apply in addition to these Standards.

### Determining the Scope of Work

This section shall guide the determination as to the minimum scope of work required. In conjunction with the mandatory property assessments required in these Standards, a determination must consider the requirements of the ICC Code Set, in the version adopted by 10 TAC Chapter 13 and as applied to these Standards. Accordingly, the determination will consider the ICC Principles of Safety, Capacity, and Convenience.

Each repair should be detailed as required through the use of plans, drawings, specifications (conforming to the MasterFormat) and work write-ups. At a minimum, each repair should be detailed in a work write up that accurately specifies the location, required demolition (if applicable), and the methods and materials for the project -- all with enough detail to determine the desired outcome or finished product. Work write ups may reference plans and specifications as needed but must be detailed enough to complete repairs.

### 1.0 Basic Site Work

**a. Minimum Standard Conditions.** The subject lot or defined site shall be free of debris, garbage or other accumulations of site stored items which create possibilities of infestations. The site should be generally level as allowed by natural topography, well drained, and accessible. Additional drainage features should be added if need is evidenced by existing erosion, standing water or evidence of water damage. In addition to any applicable requirements herein, any and all deficiencies noted in the Uniform Property Conditions Standards or the 2012 ICC Property Maintenance Code must also be addressed.

**b. Substandard Conditions.** Substandard conditions for Basic Site Work include but are not be limited to those conditions listed in **(1) – (14)**, for which adequate repair or replacement is required, as applicable and further detailed herein:

**(1)** Accumulated debris, waste, or garbage either in enclosed areas such as storage buildings or on the property;

**(2)** Deteriorated outbuildings, sheds, wells, privies, or other structures which are no longer in use or are made unusable by their condition;

**(3)** Holes, ditches, exposed water meter boxes or other condition which creates a tripping hazard, excluding drainage ditches which are part of a designed drainage system;

**(4)** Rodents, insects, or other infestations;

**(5)** Standing water or depressions which hold water during wet weather;

**(6)** Leaking water supply or leaking sewage system;

**(7)** Obsolete sanitary piping systems such as Orangeberg, clay or other non-standard pipe;

**(8)** Scaling, calcified or otherwise compromised water supply lines;

**(9)** Exposed pipes, railings or other installations creating tripping hazards;

**(10)** Damaged, missing or deteriorated walkways, steps and decks which create tripping hazards or are otherwise unsafe;

**(11)** Stairways or steps above 30” from the finished grade without a functioning guard rail;

**(12)** Except on an Accessible Route any change in level in a walkway shall not be greater than ¾”;

**(13)** On any Accessible Route any change in level shall not be greater than ½”. Any change in level between ¼” and ½” must be beveled 45 degrees; and

**(14)** Any walkway or driveway that exceeds 5% damage in the form of cracking, spalling, holes, heaving or other damage.

**c. Other Conditions/Requirements.**

**(1) Debris and Brush Removal.** The premises shall be free from accumulations of rubbish and garbage that present health and safety hazards. The premises shall be free from trees and shrubs that are damaging the dwelling or present a hazard. Tree limbs in danger of falling on roof areas shall be removed. No vegetation should touch existing buildings, utility service lines, fences, or extend over walkways or parking areas.

**(2) Drainage.** Surface drainage shall be diverted to a storm sewer or other approved point of collection that does not create a hazard. Lots need to be graded to drain surface water away from the foundation at a minimum slope of 6” within the first 10’. Where lot lines or other physical barriers prohibit this, drains, swales, and/or rain gardens shall be constructed to ensure drainage away from the structure. Use of alternative drainage methods must be approved by TDHCA. Rain gutters shall be installed if none exist. Gutters shall slope 1” for every 20 linear feet with downspouts installed at a minimum every 40’. Downspouts must empty into a splashblock or be diverted at least five feet from the building. Special care must be taken to not discharge water onto adjacent properties.

**(3) Driveways, Sidewalks, and Patios.** Paved surfaces shall be free from hazards which can cause tripping and falling. Paved surfaces adjacent to the foundation shall not slope towards the structure so that water can collect at the foundation. If tripping hazards and drainage problems exist, the paved surface shall be removed and rebuilt.

**(A) Driveways.** Following existing driveway demolition, all organic matter shall be removed. Subsoil shall be compacted uniformly and evenly. Forms shall be constructed to provide a minimum slope of 1/8" per foot away from the house and at a depth to provide 4" of concrete. Install either number 4 rebar on 12" centers or 6" x 6" number 10 welded reinforcing wire. Expansion joints shall be installed at all radius points, sidewalk intersections and house slab tie-ins. Concrete mix shall provide a minimum of 3,500 psi at 28 days. If reinforcing steel is not used, control joints shall be sawed in every 10' and be broom finished. Asphalt or gravel driveways may be installed if concrete is prohibitively expensive due to the length of a driveway, or if they are customary for the neighborhood.

**(B) Sidewalks and Patios.** Following existing sidewalk demolition, all organic matter shall be removed. Subsoil shall be compacted uniformly and evenly. Forms shall be constructed to provide a minimum slope of 1/8" per foot away from any building, at a depth to provide 3 ½" of concrete, and at least 3' wide. Accessible Route cross slope shall not exceed 2%. Expansion joints shall be installed at all radius points, sidewalk intersections and slab tie-ins. Control joints shall be sawed in every 5' and be room finished. If sidewalks and patios are installed and are connected to an entry door an accessible entry will be required.

**(4) Ramps.** On Accessible Routes, ramps shall meet the requirements of the 2010 ADA and the applicable Accessibility requirements provided in these Standards.

**(5) Vermin and Insects.** The premises shall be free from infestations of vermin and wood-boring insects. Inspections shall be performed by state licensed extermination contractors if evidence of infestation exists. Conditions which increase or cause infestation shall be removed (e.g. accumulation of rubbish garbage, unsanitary conditions, presence of consistent moisture, untreated wood in contact with soil, etc.). One or more of the following termite treatments shall be included in the Rehabilitation if infestation is observed; chemical termiticide treatment, termite baiting system installed and maintained according to the manufacturer's label, use of pressure-preservative treated wood, use of naturally durable termite-resistant wood, and/or termite shields.

**(6) Landscaping for Additions.** When an addition is built, underground utilities run, grade changes made, or the soil is otherwise disturbed, proper compaction and a fine finish grading shall be done and seed, sod or native plants shall be installed matching as closely as possible the existing surrounding yard.

## 2.0 Foundations

**a. General Requirements and Standard Conditions.** Foundation work shall be completed in its entirety prior to beginning work on other areas of the housing unit(s). Leveling shall be done in such a manner as to provide an acceptable degree of tolerance. When leveling takes place, doors, windows and other openings shall be reasonably plumb, level and easy to operate. Interior wall coverings shall be repaired and Plumbing Systems shall be inspected to insure the system functions as intended. Foundation leveling shall include grading of the soil to provide a slope away from the home of at least 6" for the first 10'. If the lot does not allow for this grade, a French drain shall be installed to drain water away from the house, or swales shall be designed and built to control rain water runoff. Refer to Section 6.3 (relating to Minimum Standards for Sanitary Drainage).

Foundation walls shall be a minimum of 6" above grade, or 4" above grade if masonry veneer is existing or will be installed. Underpinning shall be required when foundation leveling is a part of Rehabilitation. Any room additions shall comply with the 2015 IRC or later.

In regards to safety, the ICC contains provisions considered necessary for safe installation; however, they are merely minimum requirements. Providing a safe foundation, leveling, repair, or installation and minimizing hazards can be done by following the principles of foundation construction and stabilization, fully complying with any limitations placed on the use of products and materials and permitting only qualified persons to participate.

With foundations, capacity refers to its ability to carry live and dead loads with respect to the soil's plasticity. Unsafe conditions often occur because existing foundations were not properly planned or designed for the soil conditions at the site low to the ground making it difficult to access Plumbing Systems. Convenience also refers to similar concerns, whereby crawlspaces are often too low to the ground, making it difficult to access Plumbing Systems. While raising the housing may not be feasible, every practical effort must be made to increase the crawlspace clearance to a minimum of 12" above grade when leveling housing.

**b. Substandard Conditions.** At a minimum, repair or replacement is required if any of the conditions in (1) – (7) exist:

**(1)** Evidence of wood destroy insect damage;
**(2)** Water and/or fire damage or dry rot to wooden piers, beams, joists, and subfloor;
**(3)** Inadequate support of beams, sills, or joists;
**(4)** Lack of drainage away from the home;
**(5)** Cracked, damaged, buckled skirting;
**(6)** Untreated wood in contact with the soil; or
**(7)** Any other condition which meets the definition of a hazardous or substandard condition.

**c. Other Requirements/Conditions.**

**(1) Slab on Grade.** All concrete floors shall be without serious deterioration or conditions that present a falling or tripping hazard. With existing concrete floors, cracks longer than six inches in concrete slabs, 3/4 inch along walkways or steps, or any missing or uneven sections shall be repaired. Slab on grade foundations that are failing, as demonstrated by an inspection by a structural engineer, shall not be rehabilitated.

**(2) Pier and Beam.** Piers shall have allowable spans between piers or posts. Piers shall support beams which in turn support floor joists. Joists must not be more than 24" on center and, if not continuous, overlap beams shall be at least 12". If major leveling is required, a structural engineer shall inspect the foundation to determine the number of piers that need to be added, repaired, or replaced.

Newly installed footings shall be a minimum of 12" below undisturbed ground surface and the surface shall be level. Termite shields shall be installed on newly installed posts, regardless of pier material.

Skirting shall extend four inches below and at least 18" above grade or up to the exterior cladding and be lapped and fastened under the cladding material. Access to the crawlspace

shall be 18” high by 24” wide (if in the floor) or 16” high by 24” wide (if on the perimeter wall), and is not allowed to be installed under a door. Venting of the crawlspace shall be one square foot per 350 square feet of crawl space area and one vent opening within three feet of each corner. Crawlspace floor shall be covered with six mil polyethylene. Skirting is not permitted in flood zones.

## 3.0 Structural Support and Roofing

### 3.1 Roofing Systems

**a. Description.** All relevant roofing components, which include but are not limited to, trusses, rafters, ridge beams, collar ties, ceiling joists, top plates of walls, and sheathing. Moreover, Truss Designs for Replacement Roofs complying with wood roof framing, includes: slope, span, and spacing; location of all joints, required bearing widths; design loads; joint connector type and description; lumber size, species, and grade; connection requirements; bracing locations; and roof tie-downs and uplift resistance details for high wind areas, or as otherwise provided in Section R802 of the 2015 IRC.

**b. General Requirements and Standard Conditions.** The Roof System and the roof covering shall safely support the loads imposed. Framing and decking shall be structurally sound, properly fastened, and form a sound base for attaching the roof covering. The Roof System shall be configured to provide a positive drainage plane.

**c. Substandard Conditions.** At a minimum, any Roof System that is incapable of safely supporting the load or fails to safely provide adequate drainage must be repaired or replaced. Deteriorated, missing or loose framing or sheathing must also be corrected. Generally, repair or replacement is required for any applicable condition listed in (1) – (10):

**(1)** Multiple layers of roof covering materials (more than two);

**(2)** Water damage caused by leaks through the roofing system;

**(3)** Missing, worn, or upturned shingles;

**(4)** Damaged, missing, or improperly installed roof jacks, flashings, drip edges on both rakes and eaves;

**(5)** Exposed nails or other fasteners;

**(6)** Structural damage to trusses;

**(7)** Extensive patchwork and repairs;

**(8)** Missing, damaged, loose, leaking, blocked, improperly sloped gutters and downspouts;

**(9)** Wear and tear leading to a failed system within five years from the initial inspection; or

(10) Any other Hazardous or Substandard condition.

### 3.2 Structures

**a. General Requirements and Standard Conditions.** Roof structures incapable of safely supporting the load or providing adequate slope for drainage shall be repaired or replaced. Sagging roofs shall be replaced or stabilized. Stabilization of sagging roofs that will not be replaced shall be designed by a structural engineer.

**b. Other Requirements/Conditions.**

**(1) Truss Design for Replacement Roofs.** Truss designs for replacement roofs shall comply with wood roof framing in Section R802 of the 2015 IRC which includes; slope, span, and spacing; location of all joints, required bearing widths; design loads; joint connector type and description; lumber size, species, and grade; connection requirements; bracing locations; and roof tie-downs and uplift resistance details for high wind areas.

**(2) Roof Framing for Replacement Roofs.** Purlin support braces shall be installed every 4' O.C. Continuous purlins shall be installed between support braces. Purlins shall be a minimum of 2" x 4" studs. Ceiling joists shall comply with Span Tables R802.4(1) and R802.4(2).

**(3) Sheathing Replacement.** 5/8" CDX plywood shall be installed with clips spaced O.C. between rafters for rafter spacing of 24".

**(4) Ventilation.** Unconditioned attics shall be cross ventilated. A one to one ratio shall be installed; for every one foot of soffit vent area there shall be one foot of ridge, gable, or turtle vent area. Soffit vents shall have baffles installed providing at least one inch of airspace to prevent wind washing and/or attic insulation blocking soffit vents. All vents shall have corrosion-resistant wire cloth screening or similar material.

**(5) Radiant Barrier.** A radiant barrier should be installed in all accessible attic areas.

Powered attic vents, whether connected to the structure's electrical system or powered by photovoltaic, are not allowed.

### 3.3 Roof Covering

**a. General Requirements and Standard Materials.** Asphalt shingles shall be fastened to solidly sheathed decks. Asphalt shingles shall be used only on roof slopes of 2:12 or greater slope. Slopes, if applicable, less than 2:12 require appropriate membrane designed for such surfaces. Metal roof panels must either be naturally corrosion resistant or provided corrosion resistance per the manufacturer's requirements. Metal roofs shall only be installed on slopes of 3:12 (for lapped, nonsoldered-seam), ½:12 (for lapped, nonsoldered-seam panels with applied lap sealant), or ¼:12 (for standing-seam roof systems). Otherwise, roof weatherproofing, reinforcement, and surfacing shall be completed in accordance with applicable provisions of the IBC or IEBC.

**(1) Flashings.** Flashings shall be installed in a manner that prevents moisture from entering walls or the roof through penetrations, at eaves and rakes, at wall/roof intersections, wherever there is a change in roof slope or direction and around roof openings. Wall/roof intersections extending to eaves shall be provided with kick-out flashing. All wall/roof intersections shall have step flashing with at least 1" space between the roof covering and the adjacent wall cladding. Metal flashings shall be a No. 26 galvanized sheet metal and corrosion resistant. A cricket or saddle shall be installed on the ridge side of any chimney or penetration greater than 30" wide.

**(2) Valley Flashings.** Closed valleys (covered with asphalt shingles) shall be lined with one ply of smooth roof roofing or self-adhering polymer modified bitumen underlayment prior to asphalt shingle installation.

## 4.0 Minimum Standards for Walls, Ceilings, & Flooring

### 4.1 Walls and Ceilings

**a. General Requirements and Standard Conditions.** On exterior walls, all defects or deterioration that would allow the elements to enter wall cavities shall be corrected through Rehabilitation. Replacement of sections of walls and ceilings shall match adjoining materials as closely as possible (e.g. thickness of the existing material). When replacement of entire wall or ceiling coverings or sections of them is replaced, priming and painting of the entire wall or ceiling shall be completed.

**b. Substandard Conditions.** Repair or replacement is required if any condition listed in (1) – (7) exists:

(1) Water damage or dry rot of siding, trim, or interior wall coverings;
(2) Exposed nails or popped seams;
(3) Peeling or chipped paint, holes, cracks, or gaps in interior wall coverings or exterior cladding;
(4) Broken, fire damaged or missing exterior cladding;
(5) Sagging or missing ceiling sections;
(6) Wood destroying insect damage in exterior cladding; or
(7) Any other condition characterized Hazardous or Substandard.

**c. Other Requirements/Conditions.**

**(1) Walls.**

**(A) Exterior Walls.** If removing the exterior cladding, deteriorated exterior wall sheathing, studs, and bottom and top plates shall be replaced. Deteriorated or missing insulation shall be replaced and wall cavities shall be insulated to a minimum R-13.

Masonry repair or replacement shall match existing masonry as closely as possible, installed plumb, true, and in line with existing courses. If weep holes are filled or nonexistent, they shall be provided at least every 3’ at the slab and at least 1 above each window.

Siding repair or replacement shall match existing siding as closely as possible and provide for a positive drainage plain. All joints and seams shall fall on center of wall framing. Overlap and water sealing shall be completed in accordance with the manufacturer’s installation instructions.

**(B) Interior Walls.** A structural engineer shall inspect interior bearing walls that are proposed to be moved. Non-bearing walls do not require a structural engineer. Moved or newly installed walls shall be constructed with 2x4 studs with the bottom plate securely fastened to the floor and the top plate securely fastened to ceiling joists.

All new gypsum board shall be installed according the manufacturer’s installation instructions and shall be installed a minimum of ½” above the finished floor, taped, floated, and feathered prior to painting. New wall coverings shall not show noticeable blemishes or dents and tape shall not show

after painting. All interior walls shall be painted with a No Volatile Organic Compound (VOC) paint.

**(C) Bathroom Walls.** Bathroom walls that are to be replaced shall be replaced with appropriate backer board. If tile will be installed in the shower/tub area, concrete board, or equivalent, shall be installed. Green board shall be installed in the rest of the bathroom. Bathroom wall coverings shall be installed a minimum of ½" above the finished floor, taped, floated, and feathered prior to painting. New wall coverings shall not show noticeable blemishes or dents and tape shall not show after painting. All bathroom walls shall be painted with a semi- or high-gloss paint No Volatile Organic Compound (VOC) paint.

**(2) Ceilings.** For ceiling structure, see the Roofing Chapter. Replacement of ceiling coverings shall be with 5/8" Type X gypsum board. Fastening shall be in accordance with the manufacturer's installation instructions. All new gypsum board shall be taped, floated, feathered, primed, and painted with at least 2 coats of No Volatile Organic Compound (VOC) paint. When ceilings are replaced, all ceiling fixtures removed and reinstalled for replacement shall be air sealed.

**(3) Painting and Finishes.** All areas not to be painted shall either be removed and reinstalled or completely covered to prevent overspray or splatter. Receptacle and switch plates shall be removed and reinstalled.

**(A) Interior Walls:** All walls that were repaired or replaced shall be painted with at least two coats of No Volatile Organic Compound (VOC) paint. Bathroom walls shall have a semi- or high-gloss sheen.

**(B) Exterior Walls:** Replaced or repaired exterior cladding, with the exception of brick veneer, shall be painted with at least two coats of exterior grade paint. Existing exterior walls not replaced or repaired but still painted must comply with all applicable requirements in (i) – (iv):

**(i)** The ground shall be protected with a drop cloth. For pre-1978 housing determined or assumed to have lead-based paint, all scraped paint shall be disposed of in accordance with applicable HUD and EPA guidelines, and as provided in these Standards;

**(ii)** Peeling and chipped paint shall be scraped loose;

**(iii)** The entire area to be painted shall be power washed prior to painting; and

**(iv)** All areas not to be painted (e.g. windows, doors and their trim, exterior lighting fixtures) shall be covered to prevent overspray.

**(C) Trim and Baseboards.** All installed trim around doors, windows, and floors shall be painted with at least one coat of No Volatile Organic Compound (VOC) paint on both sides (except for baseboard trim).

### 4.1 Minimum Standards for Flooring

**a. General Requirements and Standard Conditions.** All flooring, including transitions between rooms, must be effective, relatively level, free of tripping hazards, and adhere to or exceed all applicable Accessibility standards. Floor covering and subflooring(s) must function as intended, as demonstrated through sufficient inspection. Related deficiencies must be corrected during Rehabilitation, as provided in these Standards.

**b. Substandard Conditions.** Deteriorated, inadequate, and weakened floor framing and subfloors can be the result of poor initial construction, foundation settling or failure, careless remodeling, water, or wood boring insects. A thorough inspection shall be conducted to identify all subfloor and flooring deficiencies.

**(1) Repair or Replacement.** The conditions in (A) – (D) require corrective measures be completed:

**(A)** Damaged, rotten, loose, weak or otherwise deteriorated subfloor;

**(B)** Torn, missing, broken, or otherwise damaged floor covering that creates a tripping hazard;

**(C)** Missing baseboards, shoe molding, or transition strips; or

**(D)** Any other condition that meets the definition of Hazardous or Substandard.

In doing so, repairs to severely sloped or uneven floors must satisfy all corrective measures or replacement will be required. New floor coverings shall be installed because the existing floor covering is ineffective, there are obvious trip hazards, because the subfloor was replaced, or because other work requires it, such as increasing the square footage of a room.

Replacement flooring may be required if necessary for Accessibility purposes; other concurrent work; or significant subflooring repairs/replacement occur. If required, any and all applicable Foundation work must be completed first. Thereafter, flooring replacement shall be conducted in accordance with the manufacturer's installation requirements.

**c. Other Requirements/Conditions.**

**(1) Subfloor.**

**(A) Concrete Slab.** If the concrete slab foundation is functioning as intended and is relatively level, no additional subfloor preparation is required. If it is functioning as intended, but not relatively level or has settlement cracks, self-leveling flooring compound shall be installed prior to installation of the floor covering.

**(B) Bathrooms, Kitchens, and High Traffic Areas.** When replacing subflooring in bathrooms, kitchens, and high traffic areas (e.g. hallways, breezeways) in housing with pier and beam foundations, the newly installed subfloor shall be 19/32" high performance paneling or 3/4" CDX plywood installed as the subfloor with floor joists not more than 24" on center.. All subfloor shall be installed with screws and include subfloor caulking adhesive.

**(C) Other Habitable Rooms.** Other habitable rooms requiring subfloor replacement shall have 3/4" CDX plywood installed as the subfloor with floor joists not more than 24" on center. All subfloor shall be installed with screws and include subfloor caulking adhesive.

**(2) Floor Coverings.**

**(A) Kitchens and Bathrooms.** Replacement floor coverings in kitchens, bathrooms, laundry rooms, and utility rooms shall be water resistant. Transitions between rooms shall match the new floor covering or match as closely as possible existing floor covering that is left in place. Sheet vinyl and VCT shall not be used in rooms with Plumbing Fixtures in pier and beam housing. Replacement floor coverings shall be selected for durability, safety, and ease of maintenance.

**(B) Other Habitable Rooms.** Replacement flooring in other habitable rooms may include VCT, however laminate planks or ceramic tile is preferred (if ceramic tile is installed on a

pier and beam foundation, the floor system may need to be structurally reinforced to support the extra load). Transitions between rooms shall match the new floor covering or match as closely as possible existing floor covering that is left in place. Sheet vinyl shall not be installed. Replacement floor coverings shall be selected for durability, safety, and ease of maintenance.

**(C) Vinyl Composition Tile (VCT).** VCT shall be 12" x 12" x 1/8" and stored inside a conditioned space for a minimum of 48 hours prior to installation to allow materials to condition to the inside environment. VCT shall be fitted tightly, with no gaps showing at walls, doors, or trim. Full cover shall be achieved. Base boards or shoe molding shall be installed.

**(D) Laminate Planks.** Laminate flooring shall be stored inside a conditioned space for a minimum of 48 hours prior to installation to allow materials to condition to the inside environment, and installed per the manufacturer's instructions. Door trim may need to be cut to fit planks seamlessly between rooms. Laminate planks shall be fitted tightly, with no gaps showing at walls, doors, or trim. Full cover shall be achieved, but it shall not fit tightly against walls so that it is allowed to "float". Base boards or shoe molding shall be installed.

**(E) Carpeting.** Carpeting is generally discouraged; removal of existing carpeting should be conducted where practicable. Otherwise, carpeting must of good quality, in sanitary condition, and preferably low pile. Carpet installation must be completed per the manufacturer's instructions and over appropriate pad(s). Carpet installation is not permitted in kitchens or bathrooms. Replacement floor covering(s) shall be selected for durability, safety, and ease of maintenance.

## 5.0 Other Cladding and Weatherproofing (*e.g.* Windows, Doors, Siding, Gutters)

### 5.1 Minimum Standards for Doors and Windows

**a. General Requirements and Standard Conditions.** Applicable Foundation work must be completed prior to repairing or replacing doors and windows. Each habitable room that contains a window shall have at least one window that is in operable condition and capable of being held in the open condition without assistance or device. Habitable bedrooms must have a minimum of one window that meets egress requirements. Bathrooms, bedrooms and utility rooms shall have a door that is easily operable and fitted with functioning hardware that tightly latches the door.

All windows repaired or replaced as part of the scope of work must operate safely, effectively, and conveniently regardless of user's age or ability. Each window must have an operable screen. Repaired or replaced windows must meet or exceed the requirements of an Energy-Star Rating. Additionally, blinds or window coverings must be provided for all windows.

**b. Substandard Conditions.** At a minimum, the conditions in (1) – (11) must be repaired or replaced:

**(1)** Broken, missing or cracked window panes;
**(2)** Rotten or deteriorated sills, frames or trim;
**(3)** Missing seal or sealant or dried, cracked or missing putty or caulking around window panes;
**(4)** Windows painted shut, inoperable or difficult to open and close;
**(5)** Security bars that do not open from the inside without any special knowledge or tools;

**(6)** Windows and exterior doors that do not lock;
**(7)** Broken, damaged, or deteriorated doors;
**(8)** Doors that do not shut and latch or lock smoothly with the strike plate;
**(9)** Exterior doors that are not listed as exterior doors;
**(10)** Rotted, deteriorated or damaged thresholds, jambs, frames, or trim; and
**(11)** Any other condition that can reasonably be characterized as Hazardous or Substandard.

### 5.2 Minimum Standards for Doors

**a. General Requirements and Standard Conditions.**
All doors shall be in good operating order, easy to open, close and latch. All replacement doors must be installed true and plumb with trim installed on both sides. Hardware style (e.g. knob, lever handle, passage), finish (e.g. chrome, brushed nickel, satin), and any glazing shall be identified in the scope of work. All doors that come into contact with interior walls when opened shall have base board mounted, rubber tipped door stops installed.
**(1) Interior Doors.** Interior door replacements must be installed true and plumb, with trim installed on both sides. Bathroom doors shall be able to be locked.
**(2) Exterior Doors.** Exterior doors include, but are not limited to, doors connecting the conditioned space with an attached garage. Replacement exterior doors must be at least Energy Star qualified, or its equivalent, double bore exterior doors. Doors connecting the conditioned space to an attached garage shall also be fire rated. All exterior doors shall be keyed alike with a sufficient number of key copies provided to the residents.

**b. Other Requirements/Conditions.**
**(1) Accessibility and Universal Design.** Accessible doors may be required depending on the Unit or Household Type(s). Universal design principles state that housing should be built to accommodate any person regardless of age or physical ability. Consultation(s) should be made to determine whether the conditions in (A) – (C) are necessary:
**(A)** Heavily used Interior doors widened to accommodate a 36" door with a threshold no higher than 1/8". If not feasible due to structural constraints, clear swing hinges can be installed;
**(B)** Automatic door openers can be installed; and
**(C)** Lever handles will be installed on all doors.

### 5.3 Minimum Standards for Windows

**a. General Requirements and Standard Conditions.** All windows shall be in good operating order, easy to open, close, latch, and lock. Windows that cannot be repaired must be adequately replaced. Flashing materials shall provide a positive drainage plane.
**b. Performance Chart.** Replacement windows shall meet or exceed Energy-Star or equivalent Ratings. The Performance Chart included herein provides the minimum performance ratings required for all replaced and, if practical, repaired windows.

| **Performance:**<br><br>**Performance Measure:** | **CZ2** | **CZ3** | **CZ4** |
|---|---|---|---|
| U-Factor | 0.65 | 0.50 | 0.35 |

| | | | |
|---|---|---|---|
| SHGC | 0.35 | 0.35 | Not Required |

### 5.4 Minimum Standards for Gutters and Downspouts

**a. General Requirements and Standard Conditions.** All gutters and downspouts must be installed or replaced (repair alone is insufficient). Gutters shall have a slope no less than 1:20 and all seams made weather tight, if applicable. Downspouts shall be installed at a minimum every 40' and shall discharge water at least five feet from the foundation. Drainage five feet away from the foundation may be accomplished through the installation of a French drain, swales, or other means of directing water away from the foundation. Water shall not be discharged onto an adjoining property.

## 6.0 Plumbing, Potable Water, and Sanitary Sewer Systems

### 6.1 Minimum Standards for Plumbing Systems

**a. General Requirements and Standard Conditions.** The Plumbing System must effectively provide both a safe and adequate supply of potable water, and a safe and sanitary method of distributing wastewater. Effective Plumbing Systems adhere to the mandatory plumbing principles in (1)-(7):

**(1)** Sewer gases shall not be allowed to enter any housing Unit;

**(2)** Sewer leaks must be identified, repaired or replaced, and improper disposal methods discontinued;

**(3)** Water leaks must also be identified and repaired or replaced;

**(4)** Water must be free from hazardous contaminants and safe for drinking, bathing and other uses.

**(5)** An adequate supply of water must be available for all water needs, which includes having adequate pressure at each fixture.

**(6)** Supply, drain, waste, and vent pipes shall not interfere with structural integrity. Notching and drilling of structural members shall comply with the requirements of the 2009 IRC, Figure R602.6(1) and (2).

**(7)** Plumbing work shall be performed by state licensed individuals, and plumbing inspections performed by experienced and qualified individuals knowledgeable in the field of plumbing.

**b. Substandard Conditions.** Existence of any condition listed in (1)-(11) shall require, at a minimum, adequate repair or replacement. If replaced, newly installed Plumbing Systems, piping, and fittings must be properly installed, connected, free flowing; and must be free of leakage and corrosion of water or sewer gases.

**(1)** Lack of any required condition, as provided in (A) – (F):

(A) Continuous sanitary water supply;
(B) Continuously functioning sanitary waste water disposal system;
(C) Functioning shut-off valves at toilets, sinks and lavatories;
(D) Access to waste lines such as clean-outs;
(E) A minimum of one functioning toilet, bathroom sink, or tub/shower;
(F) Functioning kitchen sink; or

**(2)** Septic system or Plumbing Fixtures not performing as intended;
**(3)** Leaks in any supply or waste lines;
**(4)** Deteriorated, corroded, or leaky supply or drain pipes;
**(5)** Supply or drain piping consisting of a mixture of different types of piping or fittings, or is run in an inefficient manner;
**(6)** Missing, blocked, or improperly installed required conditions listed in (A)-(D):
(A) Vent pipes;
(B) Gas shut off valve on natural gas Domestic Water Heater (DWH);
(C) Temperature and pressure-relief valve (TPRV) on DWH;
(D) Shut off valves at the water meter, each toilet, each sink, DWH, or tub/shower locations; or
**(7)** Natural gas domestic water heaters (DWH) located in bathrooms, bedrooms, closets or utility rooms where a clothes dryer is present;
**(8)** Natural gas DWH combustion air taken from conditioned space;
**(9)** Inadequate natural gas DHW vent (e.g. not double walled or skirted at roof penetrations);
**(10)** Rusted or corroded DHW pipes or storage tanks; and
**(11)** Any other condition reasonably characterized Hazardous or Substandard.

### 6.2 Minimum Standards for Potable Water

a. **General Requirements and Standard Conditions.** Water service lines shall be properly connected to a public or approved private system functioning as intended. All newly installed supply lines must be flushed and fittings tested. Privately owned wells and systems must also be tested for water quality. Testing must occur prior to commencing Rehabilitation; and must be conducted by a local health department or other qualified, unaffiliated source. Appropriate corrective measures are required for privately supplied water determined not suitable for use.

b. **Other Requirements/Conditions.**
**(1) Water Supply.** All dwellings shall have adequate, safe, and potable water supplied through a safe Plumbing System to all fixtures.
**(2) Water Quality.** Supply systems shall provide for the delivery of potable water through a safe system of piping, free from leaks and other defects and not subject to the hazards of backflow. If supplied water is not free of bacteria, chemicals, excessive minerals, relatively free of odor, taste, color and turbidity, corrective measures to improve water quality (e.g. water softening, water filtering) should be installed.
**(3) Exterior Pipe Protection.** All newly installed exterior water lines shall be buried at a minimum depth of 6” below the final grade, or be protected from freezing in accordance with local climate.
**(4) Water Pressure.** The average static pressure at the building entrance shall be between 40-80 psi. If pressure exceeds 80 psi, an approved pressure reducing device shall be installed. If pressure is less than 40 psi, a thorough evaluation shall be conducted to determine the reason(s) for low pressure and appropriate corrective measures shall be completed.
**(6) Pipes.** New supply water piping shall be type “L” copper tubing with wrought copper solder joint fittings, PEX, or CPVC. All fittings shall be compatible with pipe material. Joints between dissimilar metals shall be made with dielectric fittings to prevent joint

deterioration due to electrolysis. All piping shall be adequately supported to prevent sagging or breakage.

**(7) Valves.** The main water line shall have an accessible service shut-off valve for each building or Unit, as applicable. All hot and cold water supply lines feeding all Plumbing Fixtures shall be equipped with functional and accessible shut-off valves. Access panels for tub/shower enclosures must be provided for access to valves and maintenance, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access. All valves shall be tested and must not leak.

### 6.3 Minimum Standards for Sanitary Drainage

**a. General Requirements and Standard Conditions.** The sanitary drainage system consists of the pipes designed to provide adequate circulation of air, exhaust of sewer gasses, prevent loss of water seals in traps and provide for wastewater flowing out of the home and into an approved sewage disposal system. All fixtures shall be connected to an approved sewage disposal system and free of leaks. New sewage disposal systems shall comply with EPA and Texas Commission on Environmental Quality (TCEQ) requirements.

**b. Substandard Conditions.**

**(1) Unapproved Private Systems.** Unapproved systems include pit privies, cesspools, ponds, lakes, streams and rivers. If any of these systems are in use, they must be abandoned and the housing Unit must be connected to an approved sewer disposal system.

**(2) On-Site Sewage Facilities (OSSF).** Prior to conducting Rehabilitation, all OSSF systems shall be inspected by a licensed OSSF inspector. If not performing as intended, an existing OSSF system must be repaired, replaced, or abandoned as provided in (A)-(B):

**(A) Repair or Replacement.** If repair is suitable, the tank shall be drained and all components tested and repaired or replaced. Special attention must be given to the drainage field; tree cutting and site clearing of the field may be required and replacement made. The drainage field must be designed for the existing soil conditions and the water table at the site and installed by a licensed installer.

**(B) Abandonment.** If a public system is available to connect to, and the existing OSSF system has reached the end of its Useful Life, abandonment is required. The existing tank shall be pumped, collapsed, and filled. A licensed plumber shall connect the housing to a public system and include a clean out close to the home.

**c. Other Requirements/Conditions.**

**(1) Traps.** Bell traps, “S” traps, and drum traps are prohibited. If any of these exist, they shall be replaced with a “P” trap. All fixtures shall be trapped and conform to the requirements in (A)-(F):

**(A)** All waste lines shall be trapped by a water seal trap as near to the fixture as possible but in no case more than 24” from the fixture;

**(B)** All traps shall be set level with respect to their water seals and sink traps shall be protected from contact and damage if sinks are made accessible for individuals using wheelchairs or other mobility device(s);

**(C)** Trap size shall not be less than the following inside diameters: 1 ¼" for lavatories; 1 ½" for tubs, showers, kitchen sinks and dishwashers; 2" for clothes washers and; and 3" for floor drains in utility rooms;

**(D)** No trap shall be larger than the drainage pipe coming from a fixture;

**(E)** Access panels shall be provided to enclosed traps and concealed connections, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access; and

**(F)** Wall and ceiling openings for plumbing shall be air sealed with caulk (gap less than ¼") or expanding foam (gaps more than ¼").

**(2) Vents.** Plumbing Systems shall be designed to prevent sewer gases from entering the housing Unit(s), allow waste to adequately drain into an approved sewer system, and shall be vented to the exterior so that water released from fixtures may draw in air to allow for smooth and even drainage. All vents must also meet or exceed the requirements in (A) – (E):

**(A)** All Plumbing Systems shall have at least one main vent stack, running from the main drain through the roof, terminating to the exterior. If only one main vent exists, it shall be no less than 3" inside diameter from top to bottom;

**(B)** Plumbing vent systems shall only be used for the purpose of venting the system;

**(C)** Existing vents shall be at a minimum 6" above the high side of the roof penetration. Newly installed vents shall be a minimum 12" above the high side. Through the roof vent penetrations shall be flashed and sealed to provide a positive drainage plain;

**(D)** All vent stacks terminating in an attic shall be extended or replaced. No vent stacks shall terminate near any window or door or under soffits; and

**(E)** Air admittance valves are allowed as long as they are American Society of Sanitary Engineering (ASSE) 1051-2009 approved and installed in accordance with the manufacturer's installation instructions.

### 6.4 Minimum Standards for Plumbing Fixtures

**a. General Requirements for Standard Conditions.** All Plumbing Fixtures shall be free of leaks or defects which interfere with their ability to perform as intended. Existing fixtures in good and safe working order are generally not required to be repaired or replaced.

**b. Other Requirements/Conditions.** Any and all replacement Plumbing Fixtures and appliances must be installed per the manufacturer's installation instructions, including water sealing, and must be completed in accordance with all applicable requirements provided in (1)-(7):

**(1)** All replacement fixtures shall meet or exceed the requirements of WaterSense qualified or equivalent products. Kitchen faucets requiring replacement shall provide 2.2 gallons per minute (GPM) and a 15-year drip free warranty. The scope of work must identify the height toilet(s), whether it is round or elongated, and whether a new faucet is single lever or not.

**(2)** All replacement plumbing appliances must meet or exceed the requirements of Energy Star, or equivalent, qualified products.

**(3)** All replacement shower fixtures shall use anti-scald control devices. Access panels shall be provided to these valves, if possible with wall and plumbing configuration prior

to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access.

**(4)** All fixtures shall be supported and securely attached in a manner consistent with normal installation methods and installed level.

**(5)** All faucets shall have the hot water line on the left side of the faucet. Existing supply lines that are reversed shall be changed.

**(6)** If existing garbage disposals are not performing as intended or are not hardwired to the electrical system, they shall be removed, repaired or replaced. New garbage disposals shall be hard wired and switched in an accessible location as close as possible to the kitchen sink.

**(7)** All repaired or replacement fixtures and appliances shall be tested for leaks and proper operation.

### 6.5 Minimum Standards for Domestic Water Heaters (DWH)

**a. General Requirements and Standard Conditions.** All DWHs, with the exception of tankless water heaters, shall have, at a minimum, a 30 gallon storage capacity that can supply a continuous flow of hot water that is at least 102 degrees F, with gas or electric shut-off valves as well as cold water supply shut-off valves, all installed and functioning as intended. Larger capacity DWHs may be installed if necessary to serve larger households. Replacement DWHs shall meet or exceed the requirements of Energy Star qualified, or equivalent, products.

**(1) Temperature and Pressure Release Valve (TPRV).** Each unit shall be equipped with a TPRV must capable of releasing pressure at 150 psi or 210 degrees Fahrenheit. Water release shall extend to the exterior of the housing, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access.

**(2) DWH Enclosure.** Each DSW shall be enclosed in a sealed closet designed for this purpose, with gas DSWs having combustion air drawn from outside the conditioned space. Gas DWHs inside conditioned spaces must be in separate closets that is not in the same room as a clothes dryer or any type of exhaust vent. All DWHs installed in a garage must be installed at a minimum 18” AFF with primary drainage draining to the exterior. DWHs in other locations shall be supported by a minimum three foot concrete base, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to install a concrete base.

**(3) Energy Factors (EF) Table.** Replacement DHWs shall meet or exceed the Energy Factors (EF) requirements identified by size and type in the Energy Factors (EF) Table:

| **2026 Program Year<br>Energy Factors (EF) Table** | | |
|---|---|---|
| **Energy Factors (EF):** | **Gas DWH EF** | **Electric DWH EF** |
| Replacement DSWs must meet or exceed the EF | | |

| identified for each size in this table.<br>**Storage Size (Gal):** | | |
|---|---|---|
| 30 | 0.63 | 0.94 |
| 40 | 0.61 | 0.93 |
| 50 | 0.59 | 0.92 |
| 60 | 0.57 | 0.91 |
| 70 | 0.55 | 0.90 |
| 80 | 0.53 | 0.89 |

## 7.0 Electrical Systems

### 7.1 Minimum Standards for General Electrical Service

**a. General Requirements and Standard Conditions.** Electrical systems must provide a safe and adequate supply of electrical current that meets the needs of the residents. Accordingly, Electrical Systems must meet or exceed the safety and efficiency requirements provided in (1)-(6), which require that the system is:

**(1)** Properly grounded and free of hazards with all components properly secured and covered to prevent contact or electric shock;

**(2)** In good condition, with all electrical components up to date, lacking deterioration, and free of shorts;

**(3)** Sufficiently providing adequate, consistent, and appropriate current and voltage levels at each outlet, fixture, and piece of equipment, as per its intended use;

**(4)** Equipped with conductors, fixtures, boxes, and equipment that are properly sized and rated for their intended use;

**(5)** Adequate for its current use considering resident behavior and lifestyles;

**(6)** Equipped with an adequate quantity of appropriately located lighting, receptacles, and switches; and

**(7)** Maintained, repaired, or otherwise replaced primarily in accordance with the ICC Principles of Safety, Capacity, and Convenience.

**b. Substandard Conditions.** At a minimum, repair or replacement is required if any of the conditions in (1)-(17) exist:

**(1)** Inadequate capacity (e.g. excessive use of power strips and/or multiple outlet adaptors);

**(2)** Two-wire systems (lacking grounding);

**(3)** Wiring or components missing, broken, disconnected, loose, burnt or melted, unsupported, corroded, cracked, or split;

**(4)** Panel boxes that show evidence of water intrusion or infestation;

**(5)** Frayed or burnt wiring or wire insulation;

**(6)** Circuits, switches, receptacles, or wiring is not compatible with the amperage or other characteristics of the electricity in use;

**(7)** Flexible cords are used as permanent wiring (unless Non-Metallic (NM) cable(s) otherwise installed in accordance with local building codes);

**(8)** Exposed wiring on interior walls or the exterior that are not protected in conduit or raceways (unless Non-Metallic (NM) cable(s) otherwise installed in accordance with local building codes);

**(9)** Receptacles in bathrooms and kitchens within 6’ of a water source and exterior receptacles that are not ground fault circuit interrupter (GFCI) protected;

**(10)** Reverse polarity;
**(11)** Unlabeled circuits;
**(12)** Missing cover plates;
**(13)** Components not securely attached to the structure;
**(14)** Inadequate lighting in rooms and outside of entry doors; or
**(15)** Any other condition reasonably characterized as meeting the definition of a Hazardous or Substandard Condition.

**c. Other Requirements/Conditions.** Additions, alterations, renovations, and repairs to electrical systems and equipment must be conducted in accordance with the applicable requirements of new electrical systems and equipment by appropriately licensed electricians. Rehabilitation of existing systems and equipment is generally not simultaneously required to comply with the overlapping, otherwise applicable provisions of the IEBC. Nevertheless, any and all additions, alterations, and repairs MUST NOT cause existing electrical systems or equipment to become unsafe, hazardous, or overloaded. IBC 2015, Appendix K (Administrative Provision).

## 7.2 Minimum Standards for Existing Wiring and Fixtures

**a. General Requirements and Standard Conditions.** Existing electrical service and components must be safe, efficient, and in good working condition for its intended use. Moreover, the capacity of the system must meet the demand of the residents. Replacement is not mandatory for existing service and components that meet or exceed these Standard Conditions, unless otherwise required by code or local ordinance. Voluntary replacement may be permitted to more efficiently and cost-effectively meet the needs of the community and the current or intended demands of the residents.

**b. Substandard Conditions.** Overloaded circuits are not permitted and must be addressed by separating the load and adding an adequate number of circuits necessary to safely and efficiently carry the load.

**c. Other Requirements/Conditions.**

**(1) Secure Fastening of Fixtures and Equipment.** All components shall be securely fastened to framing members by mechanical means. No fixture or socket shall hang by unsupported wiring. All existing receptacles, switches, and junction boxes shall contain a proper cover plate. In no case shall the structural integrity of the building be compromised.

**2. New Wiring.** New wiring shall be installed in a neat and workmanlike manner with all wiring run inside of walls. If wall or ceiling cavities are not accessible, wiring shall be run in properly sized and rated raceway or wire mold, secured along the walls with proper fasteners, flush to the surface and straight.

**3. Aluminum Wiring:** All aluminum wiring in housing to be rehabilitated shall be replaced with a 3-wire system and in accordance with these Standards. Properly sized service aluminum entry wiring is generally not required to be replaced.

**4. Knob and Tube Wiring.** Knob and tube wiring shall be replaced with a 3-wire system and in accordance with these Standards.

## 7.3 Minimum Standards for Sizing of Service and All Electrical Homes

**a. General Requirements and Standard Conditions.** The service entrance cable shall have the same rating (amperage) as the meter base and service equipment. Replacement of a service entrance shall require calculation of the usage or load within the building to assist in determining the appropriate size. The service entrance must be properly sized for its intended post-Rehabilitation capacity. Room-by-room specifications noting electrical outlets and fixtures shall be included in the scope of work. Nameplate ratings of all appliances must be reviewed for actual VA ratings.

**b. Other Requirements/Conditions:**

**Main Service Panel.** Panels shall be in proper working condition with no evidence of overheating, arcing, corrosion, or failure. The panel shall bear the UL label and shall be marked as suitable for service equipment. Any panels (or installed breakers) identified as substandard by the U.S. Consumer Product Safety Commission shall be replaced. Panels with evidence of malfunction or deterioration shall be replaced.

## 7.4 Minimum Standards for Material and Equipment Installation

**General Requirements and Standard Conditions.** All materials, components, and equipment shall be listed or labeled by a qualified electrical products testing laboratory (e.g. "UL" or "CSA"). Listed materials, components, and equipment must be installed per the intended use, with location determined in accordance with the manufacturer's installation instructions.

## 7.5 Minimum Standards for Grounding

**General Requirements and Standard Conditions.** All electrical systems shall consist of a single phase 3-wire grounded neutral service entrance and shall provide system grounding and equipment grounding protection.

The service panel shall be connected to the grounding electrode system and an eight foot (8') galvanized or copper clad steel ground rod. All electrical panels shall meet or exceed the bonding requirements of the National Electrical Code (NEC).

If present, metal water pipes shall be bonded to the grounding electrode systems as a means to ground the Plumbing System and prevent pipes and fixtures from becoming energized and hazardous.

All wiring and equipment shall be grounded in accordance with the grounding requirements of the NEC.

## 7.6 Minimum Standards for Overcurrent Protection

**a. General Requirements and Standard Conditions.** The number of circuits installed shall not exceed the rating on the panel. The selection of a panel shall provide room for future expansion. All circuits shall be clearly, accurately, and permanently labeled with tags

provided. All unused openings shall be properly plugged, capped or sealed with listed materials.

**b. Substandard Conditions.** Tandem breakers shall only be used in panels designed for them. The use of tandem breakers in order to exceed the 16 circuits permitted on an 100 amp panel shall not be permitted. Any service equipment containing fuse over-current protection shall be replaced with properly rated circuit breaker type over-current protection devices.

**c. Other Requirements/Conditions.** Panel board over-current devices shall be properly sized and located at the exterior in a subpanel if the main service panel is in the interior. All existing circuits shall be load tested for tripping.

## 7.7 Minimum Standards for Service Panel and Sub-Panel Connections

**a. General Requirements and Standard Conditions.** All existing or new service panels shall be securely fastened to the dwelling. All panel boxes shall be listed and enclosed in 16 gauge sheet steel cabinets with doors and catches. Conductors entering the service shall have proper connectors and shall be securely and neatly attached at terminals. All circuits shall be marked and identified inside the panel box and any sub-panels.

**b. Substandard Conditions.** Wires shall not have any obvious nicks in the insulation and shall be properly bonded. Service panels shall not be located in bathrooms or closets. When replacement is necessary, the design and location of the service panel shall be considered in conjunction with the relevant needs and desires of the residents.

**c. Other Requirements/Conditions.**

**(1) Panel Boxes.** If replacement is required, new panel boxes and subpanels must be installed at 48” AFF (as measured from the main shut off switch or to the highest breaker in the box). Relevant local code requirements will apply with regard to this measurement should this Section 7.7(c) conflict with the local code.

**(2) Weather head(s).** Weather heads shall be at least 12’ above the finished grade.

**(3) Sub-panels.** Sub-panels, add-on boxes, or disconnects to existing services for additional circuits shall be allowed only if the existing service equipment is listed and designed for such extension and the installation is in compliance with the NEC. Sub-panels are allowed if the existing service panel has adequate capacity but no available expansion slots.

**(4) Service Disconnect.** The main disconnect shall be accessible and clearly marked as a service disconnect.

## 7.8 Minimum Standards for Branch Circuits

**a. General Requirements and Standard Conditions.** Protection against physical damage of exposed electrical equipment shall be provided throughout Rehabilitation.

**b. Other Requirements/Conditions.**

**(1) Dedicated Circuits.** No less than one dedicated 20 amp circuit shall be present for each bathroom and no less than two 20 amp small appliance branch circuits serving the kitchen. A dedicated circuit shall not serve other receptacles. All 240 volt appliances or

equipment shall be on separate circuits. The number of small appliances used by the occupants shall be taken into consideration when planning the circuit loads and placement of receptacles to avoid overloading a circuit and to eliminate the use of extension cords or multiplex outlets. Additional circuits may be necessary and are allowed. Dedicated circuits are required for at least those appliances listed in subparagraphs (A) – (L) of this paragraph, if applicable and as sized in accordance with the manufacturer's instructions:

**(A)** Refrigerators;
**(B)** Separate freezers;
**(C)** Electric range or cook top;
**(D)** Electric oven;
**(E)** Clothes dryer;
**(F)** Electric water heater;
**(G)** Electric furnace/air handler;
**(H)** Microwave oven;
**(I)** Air conditioner;
**(J)** Sump pumps and water wells;
**(K)** Septic system aerators; and
**(L)** Any other major electric appliance.

**(2) Circuit Load Distribution.** All circuit wiring shall be properly sized to serve the load.
**(3) Two-wire Systems.** All 2-wire, ungrounded wiring shall be replaced with 3-wire, grounded wiring.
**(4) Unused Switches, Receptacles, Fixtures, Conductors and Openings.** Unused switches, receptacles, fixtures, and conductors that are obtainable or otherwise within reach shall be removed. All unused openings in outlets, devices, junction boxes, conduit bodies and fittings, raceways, cabinets, and equipment cases or housings shall be effectively closed with knockout seals to prevent vermin, insects, and building materials from coming into contact with wiring.
**(5) Wire Splices.** All splices shall be placed in accessible and listed junction boxes that are properly covered.
**(6) AFCI Protected Circuits.** All newly installed branch circuits that supply 15 and 20 amp receptacles installed in family rooms, dining rooms, living rooms, parlors, libraries, dens, sun rooms, recreational rooms, closets, hallways and similar rooms or areas shall be protected by a combination type arc-fault circuit interrupter installed to provide protection of the branch circuit.

## 7.9 Minimum Standards for Receptacles

**a. General Requirements and Standard Conditions.** All replacement receptacles must be tamper resistant, and shall be listed/labeled and installed per manufacturer's instructions. Boxes must be specifically designed for its intended purpose, properly sized (rated for the size of the circuit), and mechanically fastened with attached cover plates installed. Receptacles located in damp or we areas must be weatherproof and the wiring shall be run in boxes, conduit(s) and fittings that are listed for wet locations.

**(1) Receptacle Locations**

**(A) All Rooms.** All habitable spaces must have receptacles. In each family room, dining room, living room, parlor, library, den, sun room, bedroom, recreation room,

or similar room or area, receptacles shall be installed so that at a minimum each wall has at least one receptacle. Receptacles shall be spaced so that at no point along the perimeter of the floor is more than 6' from a receptacle. Other rooms that are not regularly used by residents/occupants are permitted to have only a minimum of one receptacle per room. Receptacles should not be located lower than 15" above the finished floor.

**(B) Bathrooms.** All bathrooms must have at least one dedicated 20 amp receptacle outlet that is GFCI protected and located at least 3' from the outside edge of the sink. The receptacle shall be located not lower than 30" and not higher than 48" above the finished floor. Receptacles shall not be located within or directly over a bathtub or shower stall, and shall be at least 12" from the outer edge of the bathtub or shower opening.

**(C) Kitchens.** The kitchen shall have GFCI protected duplex receptacles on at least two separate 20 amp appliance circuits at the kitchen counter top spaced not more than 48" from each other. A separate dedicated, non-GFCI protected receptacle shall be required for each refrigerator and electric range or cook top, located directly behind it.

**(D) Other Exterior(s).** Exterior receptacles shall be GFCI protected and enclosed in a listed or labeled weatherproof box. One shall be required at the front of the house and one at the back.

**(2) GFCI Protection.** Receptacles located in bathrooms, kitchens, in a garage, at the exterior, and anywhere else located within 6' of a sink, shall be GFCI protected. Single use, dedicated receptacles for use by equipment and appliances such as washing machines and sump pumps shall not be GFCI protected, and shall be single, rather than duplex, receptacles when replaced.

### 7.10 Minimum Standards for Lighting

**General Requirements and Standard Conditions.** Every habitable room and all living spaces (e.g., bathroom, toilet room, laundry room, furnace or utility room, and hallways) shall be provided adequate natural or artificial lighting, as applicable, and in accordance with paragraphs (1) – (3) of this section:

**(1) Natural lighting.** Natural lighting must be provided by exterior glazed openings that generally open directly onto a public way, yard, or court. The net glazed area generally must span a minimum eight (8) foot area of the floor in the room or adjoining space served.

**(2) Artificial lighting.** Artificial lighting must provide at least an average illumination of 10 footcandles (107 lux) over an area of the room served at a height of 30 inches above the floor.

**(3) Safety lighting.** All stairways (e.g. interior within dwelling unit and exterior serving dwelling unit(s)) must be illuminated by at least one artificial light fixture controlled by a remote wall switch located at the top and bottom of the stairway.

### 7.10 Minimum Standards for Fixtures and Switches

a. **General Requirements and Standard Conditions.** All replacement fixtures shall be listed or labeled, Energy Star qualified or equivalent, and must be installed in accordance with the

manufacturer's installation instructions. If existing fixtures are in a good and safe condition, securely fastened to framing members, replacement is not required.

**b. Substandard Conditions.** No fixture or receptacle shall hang from a base by unsupported wiring.

**c. Other Requirements/Conditions.**

**(1) Fixture and Switch Locations.** At a minimum, a permanently installed lighting fixture controlled by a wall switch is required in each room of the structure. Switches shall not be located in tub/shower areas or behind the swing of a door. All new wall switches must be located in a convenient and Accessible location.

**(2) Closet Fixtures.** All light fixtures installed in closets shall be surface mounted or recessed can lights. Recessed can lights shall be Insulation Contact Air Tight (ICAT) rated or its equivalent. Closet fixtures shall be a minimum 6" away from any storage, clothing, or other items, and have a protective cover over the bulb.

**(3) Lamps (Light Bulbs).** All replacement lamps must meet or surpass the industry standards for Energy Star qualified or equivalent Compact Florescent Lamps (CFLs) or Light Emitting Diodes (LEDs). Refer to Section 4.12 (*regarding* Minimum Standards for Lighting) for additional details.

### 7.11 Minimum Standards for Smoke and Carbon Monoxide Detectors

**a. General Requirements for Smoke Detectors.** Each dwelling shall have listed or labeled smoke detectors installed in each bedroom and in the hallway immediately adjacent to bedrooms. Smoke detectors shall draw their primary power from the electrical system, with battery backup, and without interruption except for over current protection. Smoke detectors shall be interconnected so that all detectors sound the alarm when any one senses smoke

**b. General Requirements for Carbon Monoxide Detectors.** In dwellings with attached garages and/or fuel-fired appliances, carbon monoxide detectors shall be installed. CO detectors shall be listed as complying with UL 2075 and installed outside the immediate vicinity of bedrooms. CO detectors shall be permanently installed and hard wired to the electrical system with battery backup.

## 8.0 Heating, Ventilation, and Air Conditioning (HVAC)

### 8.1 Minimum Standards for HVAC Systems

**a. General Requirements and Standard Conditions.** In conjunction with other systems, the HVAC system of a housing unit must effectively maintain a comfortable living environment for the residents/occupants. At a minimum, paragraphs (1) – (3) of this Section 8.1(a) require all HVAC systems:

**(1)** Provide a reliable source of heated or cooled air, as applicable, and at a comfortable temperature for all habitable rooms;

**(2)** Control ventilation and indoor air quality; and

**(3)** Be free of contaminants that negatively affect indoor air quality.

**b. Substandard Conditions.** Repair or replacement is required if any Hazardous condition applies, which include but are not limited to, those listed in paragraphs (1) - (14) of this Section:

**(1)** Lack of a steady and dependable source of heating and cooling to all living areas;

**(2)** Gas-fired air handler inside the conditioned space which draws; combustion air from the interior;
**(3)** Combustion gases not venting to the exterior;
**(4)** Leaking, damaged, rusted or cracked heat exchanger;
**(5)** Leaking, corroded or damaged gas supply pipe;
**(6)** Missing gas shut-off at each appliance;
**(7)** Lack of a functioning pilot or electric start;
**(8)** Inadequate duct system that does not supply necessary conditioned air to all living areas;
**(9)** Leaking ducts or returns;
**(10)** Mismatched or poorly repaired equipment;
**(11)** Deficiencies are too numerous to justify repair expenses;
**(12)** Unvented gas-fired wall heaters in enclosed rooms. If existing, the wall unit shall be removed and the gas line capped;
**(13)** Gas-fired kitchen stoves and/or ovens without ventilation to the exterior;
**(14)** Lack of a functioning carbon-monoxide detector in homes with gas-fired appliances or equipment.

**c. Other Requirements/Conditions.**

**(1) Sizing and Selecting a New System.** Replacement heating and cooling equipment shall be sized in accordance with the current version of the Air Conditioning Contractors of America (ACCA) 16 Manual J or other approved methodology. Equipment selection shall comply with the current version of ACCA Manual S or other approved methodology. Data for heating and cooling loads shall be calculated in accordance with required post-rehabilitation conditions.

**(2) Installation.** Installation of new systems shall comply with the manufacturer's installation instructions, as appropriate for the fuel source. All replacement equipment shall have a permanent electrical receptacle, switch, light fixture near the equipment, and installed in an accessible manner so that future inspecting, maintaining, and repairing the system can be completed.

**(3) Programmable Thermostat.** A programmable thermostat shall be installed when a new heating and cooling system is installed. Upon installation, the temperature settings shall be done by the contractor, the occupants shall be educated on using the thermostat and the instructions and warranty shall be provided to the occupants. The location of the thermostat shall be in a central location and not within 3' of doors, windows, appliances, or televisions and installed not higher than 48" AFF, measured from the center of the thermostat.

**(4) Specific Requirements for Cooling Equipment.**

**(A) Climate Zones.**

**(i)** Cooling equipment in Climate Zones 2 and 3 shall be 14.5 Seasonal Energy Efficiency Ratio (SEER)/12 Energy Efficiency Ratio (EER) Energy Star qualified, or its equivalent; or alternatively, shall be a heat pump.

**(ii)** Cooling equipment in Climate Zone 4 shall be 13 SEER, or its equivalent; or alternatively, shall be a heat pump.

**Refer to Section 8.1(c)(3) of these Standards for details regarding Heating Equipment.**

**(B) Indoor Air Handler.** If the indoor air handler is being replaced, the outdoor coil shall also be replaced and it shall be matched to the indoor air handler, unless the outdoor coil is in good working condition and is compatible and properly sized to the new indoor air handler.

**(5) Specific Requirements for Heating Equipment.**

**(A) Climate Zones.**

**(i)** Heating equipment in Climate Zones 2 and 3 shall be greater than or equal to 80% AFUE gas furnace (or its equivalent); greater than or equal to 8.2 HSPF/14.5 SEER/12 EER air-source heat pump, Energy Star qualified with electric backup (or its equivalent); or alternatively, shall be a ground-source heat pump, Energy Star qualified (or its equivalent).

**(ii)** Heating equipment in Climate Zone 4 shall be greater than or equal to 90% AFUE gas furnace (or its equivalent); greater than or equal to 8.5 HSPF/14.5 SEER/12 EER air-source heat pump, Energy Star qualified with electric backup (or its equivalent); or alternately, shall be a ground-source heat pump, Energy Star qualified (or its equivalent).

**8.2 Minimum Standards for the Distribution System.**

**a. General Requirements and Standard Conditions.** The distribution system (e.g. ductwork) must provide an adequate supply of conditioned air to each habitable room, as well as an adequate amount of return air from each habitable room. Existing distribution systems must be inspected to determine whether the system is operating efficiently, properly balanced, and adequately supplying conditioned air -- as this is required for all habitable rooms.

**b. Other Requirements/Conditions.**

**(1) Duct Cleaning.** If the distribution system is dirty, but is otherwise operating effectively, duct cleaning is required. This requires complete duct sealing by mechanical means and with duct mastic (so as to adequately eliminate the source of dirt and debris entering the system). Duct cleaning must include all dryer vents.

**(2) Replacement and Relocation.** Replacement shall ensure all newly installed distribution systems are sized per the current version of the ACCA Manual D (or other Agency-approved methodology). Every effort should be made to relocate the replacement distribution system to the conditioned space through the installation of dropped soffits. If this is not possible, locating the distribution system in the attic shall require mechanical fastening, sealed with duct mastic, and insulated to R-8. Distribution systems shall not be located at the exterior of the home exposing the system to the elements

**(3) Installation.** Connections and routing of new ductwork shall be completed without kinks or sharp bends and without excessive coiled or looped flexible ductwork. All connections shall be mechanically fastened, sealed with mastic, and properly supported. Runs shall be insulated to R-8 if installed in unconditioned space.

**(4) Room Pressurization.** Room pressure balancing systems are recommended. Unbalanced distribution systems require transfer grills or jumper ducts to be installed to provide balance with rooms when doors are closed (with respect to the rest of the housing unit). Undercutting doors is prohibited.

**8.3 Minimum Standards for Ventilation and Indoor Air Quality**

**a. General Requirements and Standard Conditions.** At a minimum, sufficient ventilation must be provided so as to ensure adequate, continuous, non-contaminated air circulation throughout the Development.

**b. Additional Requirements/Conditions.**

**(1) Exhaust fans.** Exhaust fans shall comply with or exceed the applicable requirements in 2012 IRC, Chapter 15, and must be at least Energy Star qualified (or its equivalent). All bathroom, toilet rooms, and kitchen fans shall exhaust to the exterior (either through the

roof or a gable wall), be mechanically fastened, sealed with duct mastic, insulated to R-6, and have a mechanical damper. Flashing shall be installed to provide a positive drainage plain. Flex duct terminating at a gable vent is prohibited.

**(A) Bathroom and Toilet Room Exhaust Fans.** All bathrooms and toilet rooms must be ventilated by exhaust fans (vented to the outside) unless an operable window is present. If a continuous fan is installed, it shall be greater than or equal to 20 cfm. Intermittent fans shall be greater than or equal to 50 cfm. Neither shall exceed 1.5 sones. Bathroom exhaust fans shall be installed on a dedicated GFCI protected circuit. Light kit, night light, and/or a heating element may be included with exhaust fans. Combustion appliances venting to the exterior shall not be located in bathrooms.

**(B) Kitchen Exhaust Fans.** Kitchens require mechanical exhaust fan(s) (e.g. kitchen range hoods) be installed unless adequately ventilated by an existing and operational exhaust fan (vented to the outside). If a continuous fan is installed, it shall be greater than or equal to 5 cfm. Intermittent fans shall be greater than or equal to 100 cfm.

**(C) Garage Exhaust Fans.** If a garage is attached to a Unit (e.g. sharing a common wall), then a UL listed exhaust fan shall be installed in the garage and connected to the operation of the garage door. The exhaust fan must at least turn on when the door is opened and off after 20 minutes.

**(2) Supply Air.** If supply air is installed and connected to the return plenum, subparagraphs (A) - (D) of this paragraph shall apply, which requires:

**(A)** Supply air inlets must not be located within 10 linear feet from known contamination sources such as stacks, vents, exhaust hood, or vehicle exhaust;

**(B)** Rodent and insect screens must be installed;

**(C)** Ventilation must come directly from the outdoors and not from adjacent dwelling units, garages, crawlspaces, or attics; and

**(D)** The duct must be mechanically fastened, sealed with duct mastic, insulated to R-6, and shall have a mechanical damper.

## Mandatory Development and Unit Standards

### Health and Safety

NHTF-assisted housing must be free of all health and safety defects, must meet minimum standards of habitability and functionality, and all inspected items with an observed deficiency must be corrected. Additionally, NHTF-assisted housing is subject to the requirements in 24 CFR §93.301(b)(1)(i) regarding identifying life-threatening deficiencies, which must be addressed immediately if the housing is occupied at the time of rehabilitation.

### Lead-Based Paint

NHTF-assisted housing is subject to the regulations at 24 CFR Part 35, subparts A, B, J, K, and R regarding lead-based paint poisoning prevention in residential structures. Applicants, developers, and builders of any project requiring the rehabilitation of structures built prior to 1978 must read, fully understand, and comply with 24 CFR Part 35, subparts A, B, J, K, and R. Inspection and testing for lead-based paint must be completed prior to determination of the scope of rehabilitation, a copy of the inspection and testing report must be provided as part of the work write-up.

### Accessibility & Visitability

NHTF-assisted housing must meet the accessibility requirements of 24 CFR Part 8 (implementing Section 504 of the Rehabilitation Act of 1973) and Titles II and III of the Americans with Disabilities Act (implemented at 28 CFR Parts 35 and 36), as applicable. “Covered multifamily dwellings”, as defined at 24 CFR §100.201, must also meet applicable design and construction requirements at 24 CFR §100.205 (implementing Fair Housing Act). Other required accessibility and visitability features are further described in 10 TAC Chapter 1, Subchapter B, and 10 TAC §11.101(b)(8).

### Disaster Mitigation

Where relevant, NHTF-assisted housing must be improved to mitigate the impact of potential disasters, in accordance with applicable State and local codes, ordinances, and requirements, in addition to the Uniform Physical Condition Standards or other requirements established by HUD.

### Broadband Infrastructure

HTF-assisted housing must provide for the installation of broadband infrastructure to be completed in accordance with 24 CFR §93.301(b)(2)(vi) and at no charge to the residents. 10 TAC §11.101(b)(4)(A).

### Environmental Requirements

HTF-assisted housing must meet the minimum environmental requirements in 24 CFR §93.301(f)(2).

### Development and Unit Amenities

Housing improvements beyond those described in these Standards must include all applicable amenities and energy and water efficiency features in accordance with 10 §TAC 11.101(b)(4), (5), and (6), as amended.

## Inspections, Construction Documents, & Compliance (24 CFR §93.301(b)(2)-(3))

### Inspections

All NHTF-assisted rehabilitation projects must comply with TDHCA written inspection procedures. TDHCA will conduct initial, mid-progress, and final inspections during construction to identify any deficiencies that must be addressed and ensure that all work is in accordance with approved standards, as applicable. *See*, 24 CFR §93.301(b)(3). TDHCA is responsible for initial and ongoing on-site inspections for rental housing during the affordability period. *See*, 24 CFR §§93.301(b)(3) and 93.301(e); *see also*, 10 TAC §13.11(Post-Award Requirements).

### Work Write-Ups

Each repair should be detailed as required through the use of plans, drawings, specifications (conforming to the MasterFormat work write-ups). At a minimum each repair should be detailed in a work write up that specifies the location, required demolition, and methods and materials with enough detail to determine the desired outcome or finished product. Work-write ups can reference plans and specifications as needed but must be detailed enough to complete repairs. Moreover, work write-ups must comply with State and local codes, ordinances, requirements, and TDHCA standards.

### Cost Estimates

Written Cost Estimates are required for all NHTF-assisted rehabilitation projects. Cost estimates must be reasonably prepared and submitted to the Department for approval in accordance with Title 10, Part 1, Chapter 10 of the Texas Administrative Code and these Standards. *See*, 24 CFR 93.301(b)(2) and (3); *see also,* 10 TAC §13.11(Post-Award Requirements)(regarding documents that must be submitted to the Department for review and approval prior to loan closing).

### NHTF Annual Auditing, Recordkeeping, and Certifications

NHTF-assisted housing must comply with the auditing, recordkeeping, and cost certification requirements of 24 CFR §93.406 and 24 CFR §93.406.

## Scope of Work and Post-Rehabilitation Standards

### National Standards for the Physical Inspection of Real Estate (NSPIRE)

All Developments funded by the Department must be decent, safe, sanitary, in good repair, and suitable for occupancy throughout the entire Affordability Period. 10 TAC §10.621; To ensure that all residents live in safe, habitable dwellings, the items and components located inside the building, outside the building, and within the units are functionally adequate, operable, and free of health and safety hazards.24 CFR §5.703.

At a minimum, NHTF-assisted housing must comply with HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE)], as found in 24 CFR §5.705 and further provided for in 24 CFR §5.703. Developments must also comply with all local health, safety, and building codes; ordinances; and zoning requirements. Developments in jurisdictions without applicable State or local building codes must adhere to the International Existing Building Code (IEBC), and where the International Building Code (IBC)) of the International Code Council in addition to the UCPS. Refer to **Appendix A: National Standards for the Physical Inspection of Real Estate (NSPIRE)** for additional details.

**AND**

### Scope and Cost Review (SCR)

This report is required for NHTF-assisted Rehabilitation Developments. The SCR Report must be prepared in accordance with 10 TAC §11.306 (relating to Scope and Cost Review Guidelines) and submitted as required under 10 TAC §11.205(3)(relating to Scope and Cost Review (SCR)). Importantly, the report must be accompanied by the Department's SCR Supplement in the form of an excel workbook as published on the Department's website. Refer to **Appendix B: Scope and Cost Review (SCR)** for additional details.

**AND**

### Capital Needs Assessment (CNA)

All NHTF-assisted Rehabilitation Developments must also submit a capital needs assessment (CNA) estimating the useful life of each major system. 10 TAC §11.205(3). The CNA shall determine the work to be performed and identify the long-term physical needs of the project. 24 CFR §93.301(b)(1)(ii). Moreover, the assessment must include a comparison between the local building code and no earlier than the 2015 version of the IEBC of the International Code Council. 10 TAC §11.205(3). If the remaining useful life of one or more major system is less than the applicable period of affordability, a replacement reserve must be established with adequate monthly payments made to repair or replace the systems as needed. See, 24 CFR §93.301(b)(1)(ii); *see also*, 10 TAC §10.404 (Reserve Accounts).

In addition to the minimum CNA requirements, the Report must be accompanied by the Department's SCR Supplement in the form of an excel workbook as published on the Department's website. 10 TAC §11.205(3)(relating to Scope and Cost Review(SCR)). Refer to **Appendix C: Capital Needs Assessment (CNA)** for additional details.

# APPENDIX TO
# 2026 NHTF MINIMUM REHABILITATION STANDARDS

## APPENDIX A: National Standards for the Physical Inspection of Real Estate (NSPIRE)

**Introduction**

All Developments funded by the Department must be decent, safe, sanitary, in good repair, and suitable for occupancy throughout the entire Affordability Period. 10 TAC §10.621; To ensure that all residents live in safe, habitable dwellings, the items and components located inside the building, outside the building, and within the units are functionally adequate, operable, and free of health and safety hazards. 24 CFR §5.703. This requires that, at a minimum, NHTF-assisted housing comply with HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) provided in 24 CFR Part 5, Subpart G.

Importantly, the NSPIRE is a minimum threshold requirement for NHTF-assisted housing. Developments are still responsible for complying with applicable local health, safety, and building codes; ordinances; and zoning requirements. Even Developments in jurisdictions without applicable State or local building codes must still comply with the 2012 International Existing Building Code (IEBC) in addition to the NSPIRE.

**NSPIRE Compliance Inspections**

The Department's Compliance Division or its Affiliate(s) is responsible for conducting NSPIRE inspections of NHTF-assisted multifamily developments. *See* §200.853. Inspection frequency will be determined using the scoring and ranking methodology of HUD's Real Estate Assessment Center (REAC). *See* §200.857(a) – (b). Unless otherwise determined by the Department, NSPIRE Inspections will be conducted once every three years during the Affordability Period.

During an Inspection, observable deficiencies for inspectable items will be identified for all major areas of NHTF-assisted rehabilitated housing, including the **(1) Inside; (2) Outside; (3) Units; and (4) Health and Safety Considerations**. Correcting deficiencies is an important part of the Applicant/Borrower's ongoing responsibility to maintain the physical state of the Development so that it is decent, safe, sanitary, and in good repair. This responsibility must be maintained throughout the entire Affordability Period.

**Depending on the type of Deficiency identified, the responsibility to address and remedy Deficiencies may either be (1) immediate or (2) completed with the project's scope of work.**

1. **Severe and Life Threatening Deficiencies (LTD)** are identified in the Exigent Health and Safety Report(s) and require immediate attention or remedy. **For projects involving the acquisition or rehabilitation of occupied housing, Severe and Life Threatening Deficiencies MUST be immediately addressed AND remedied**. Severe and Life Threatening Deficiencies include, but not are limited to, the following (categorized by Severe and Life-Threatening deficiencies):
    - **Life-Threatening:** Call-for-aid system is blocked, or pull cord is higher than 6 inches off the floor
    - Call-for-aid system does not function properly
    - Carbon monoxide alarm is missing, not installed, or not installed in a proper location
    - Carbon monoxide alarm is obstructed
    - Carbon monoxide alarm does not produce an audio or visual alarm when tested
    - Chimney exhibits signs of structural failure

- Chimney is incomplete or damaged such that it may not safely contain fire and convey smoke to the exterior
- Electric dryer exhaust ventilation system has restricted airflow
- Gas dryer exhaust ventilation system has restricted airflow
- Electric dryer transition duct is detached or missing
- Gas dryer transition duct is detached or missing
- Electric dryer exhaust ventilation system has restricted airflow
- Dryer transition duct is constructed of unsuitable material
- Entry door is missing
- Fire labeled door is missing
- Obstructed means of egress
- Sleeping room is located on the 3rd floor or below and has an obstructed rescue opening
- Outlet or switch is damaged
- Exposed electrical conductor
- Water is currently in contact with an electrical conductor
- The overcurrent protection device is damaged
- Exit sign is damaged, missing, obstructed, or not adequately illuminated
- Fire escape component is damaged or missing
- Fire extinguisher pressure gauge reads over or under-charged
- Fire extinguisher service tag is missing, illegible, or expired

**Severe:**

- Fire extinguisher is damaged or missing
- Flammable or combustible item is on or within 3 feet of an appliance that provides heat or a fuel-burning water heater OR Improperly stored chemicals
- Guardrail is missing or not installed
- Guardrail is not functionally adequate
- Unvented space heater that burns gas, oil, or kerosene is present
- Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance
- Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing
- The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit
- Unvented space heater that burns gas, oil, or kerosene is present
- Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance
- Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing
- Natural gas, propane, or oil leak
- Presence of mold-like substance at extremely high levels is observed visually
- Smoke alarm is not installed where required
- Smoke alarm does not produce an audio or visual alarm when tested
- Smoke alarm is obstructed

- Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head
- Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance
- Sprinkler assembly has evidence of corrosion
- Sprinkler assembly has evidence of foreign material that is detrimental to performance
- Structural system exhibits signs of serious failure
- Only 1 toilet was installed, and it is missing
- Chimney or flue piping is blocked, misaligned, or missing
- Gas shutoff valve is damaged, missing, or not installed
- Only 1 bathtub or shower is present and it is inoperable or does not drain
- Ceiling component(s) is not functionally adequate
- Cooking range, cooktop, or oven does not ignite or produce heat
- A microwave is the primary cooking appliance and it is damaged
- Entry door is missing
- Entry door will not close
- Entry door cannot be secured
- Fire labeled door does not open
- Fire labeled door does not close and latch or the self-closing hardware is damaged or missing such that the door does not self-close and latch
- Fire labeled door assembly has a hole of any size or is damaged such that its integrity may be compromised
- Fire labeled door seal or gasket is damaged or missing
- An object is present that may prevent the fire labeled door from closing and latching or self-closing and latching
- Fire labeled door cannot be secured
- Three prong outlet not properly wired or grounded
- Outlet does not have visible damaged and testing indicates it is not energized
- Testing indicates a three-pronged outlet is not properly wired or grounded
- GFCI outlet or GFCI breaker is not visibly damaged and the test or reset button is inoperable
- AFCI outlet or AFCI breaker is not visibly damaged and the test or reset button is inoperable
- An unprotected outlet is present within six feet of a water source
- The overcurrent protection device is contaminated
- Heating system or device safety shield is damaged or missing
- The inspection date is on or between October 1 and March 31 and the permanently installed heating source is working and the interior temperature is 64 to 67.9 degrees Fahrenheit
- Heating system or device safety shield is damaged or missing
- Extensive rat infestation
- Extensive cockroach infestation
- Extensive bedbug infestation
- Extensive mouse infestation
- Extensive rat infestation
- Blocked sewage system

- Leak in sewage system
- Auxiliary lighting is damaged, missing, or fails to illuminate when tested
- Presence of mold-like substance at high levels is observed visually

2. **Moderate and Low Deficiencies** generally include all other observable deficiencies. Any and all Moderate and Low Deficiencies must be completed with a project's scope of work and thus corrected prior to project completion. Moderate and Low Deficiencies include but are not limited to those listed as "Mod" or "Low Deficiencies" in ***Attachment A – TDHCA National Standards for the Physical Inspection of Real Estate (NSPIRE Checklist)***.

**Required Documentation**

All NHTF-assisted multifamily housing must complete and timely submit the ***TDHCA National Standards for the Physical Inspection of Real Estate (NSPIRE Checklist))*** to the Department for review and approval.

# APPENDIX B: Scope and Cost Review (SCR)
# (10 TAC §11.205(3); 10 TAC §11.306)

## Introduction

All NHTF-assisted Developments (excluding Reconstruction) must submit a Scope and Cost Review (SCR) Report. The SCR must meet the minimum requirements provided in 10 TAC §11.306 (relating to Scope and Cost Review Guidelines) and 10 TAC §11.205(3)(relating to Required Third Party Reports: Scope and Cost Review). Pursuant to 10 TAC §11.306(a), the objective of the SCR is to provide a self-contained report that comprehensively details and evaluates the current conditions of the Development, and identifies a scope of work for the proposed repairs, replacements, and improvements to an existing multifamily property.

## Scope and Cost Review Guidelines

The SCR author must evaluate the sufficiency of the Applicant's scope of work and provide an independent review of the Applicant's proposed costs. It is the Applicant's responsibility to ensure the scope of work and cost estimates (including the Development Cost Schedule) submitted in the Application are provided to the author, as these must also be included in the SCR Report. Importantly, the report should be in sufficient detail for the Underwriter to fully understand all current conditions, scope of work and cost estimates. The report must also include the following statement, "any person signing this Report acknowledges that the Department may publish the full report on the Department's website, release the report in response to a request for public information and make other use of the report as authorized by law." 10 TAC §11.306(a).

Under 10 TAC §11.306(b), the SCR must include analysis in conformity with the American Society for Testing and Materials (ASTM) "Standard Guide for Property Condition Assessments. Baseline Property Condition Assessment Process (ASTM Standard Designation: E 2018)," unless the exceptions in 10 TAC §11.306(f) or (g) apply. Moreover, 10 TAC §11.306(c) requires good quality color photographs of the subject Real Estate (front, rear, and side elevations, on-site amenities, interior of the structure) be included. Photographs should be properly labeled. Photographs of the neighborhood, street scenes, and comparables must also be included.

**Discussion and analysis must be provided for 10 TAC §11.306(d)(1) – (8). This includes, but is not limited to, discussion and analysis of:**

**(1) Descriptions of Current Conditions;**
**(2) Descriptions of Scope of Work;**
**(3) Useful Life Estimates;**
**(4) Code Compliance;**
**(5) Program Rules;**
**(6) Accessibility Requirements;**
**(7) Reconciliation of Scope of Work and Costs; and**
**(8) Cost Estimates.**

Any costs not identified and discussed in sufficient detail in the SCR as part of 10 TAC §11.306(d)(6), (d)(8)(A), and (d)(8)(B) will not be included in the underwritten Total Development Cost in the Report.

## Third Party, Unrelated, and Nonaffiliated Author(s)

The SCR shall be conducted by a Third Party at the expense of the Applicant, and addressed to Texas Department of Housing and Community Affairs as the client. Copies of reports provided to the Department which were commissioned by other financial institutions should address the Texas Department of Housing and Community Affairs as a co-recipient of the report, or letters from both the provider and the recipient of the report should be submitted extending reliance on the report to the Texas Department of Housing and Community Affairs. 10 TAC §11.306(h).

The SCR report must also include a statement that the individual and/or company preparing the SCR report will not materially benefit from the Development in any other way than receiving a fee for performing the SCR. Because of the Department's heavy reliance on the independent cost information, the provider must not be a Related Party to or an Affiliate of any other Development Team member. The SCR report must contain a statement indicating the report preparer has read and understood the requirements of 10 TAC §11.306 (esp., §11.306(i)).

## Health and Safety Recommendations

Any recommendations made in the SCR regarding health and safety, life expectancy of major systems (structural support; roofing; cladding and waterproofing; plumbing; electrical; and heating, ventilation, and air conditioning) must be implemented. 10 TAC §13.9(1); 24 CFR §93.301(b)(1)(ix) (requiring an estimate (based on age and condition) of the remaining useful life of these systems be conducted upon project completion of each major system). If the remaining useful life of one or more major system is less than the applicable period of affordability, a replacement reserve must provide adequate monthly payments, so as to repair or replace the systems as needed. 24 CFR §93.301(b)(1)(ix).

For properties originally constructed prior to 1978, the SCR and rehabilitation scope of work must be provided to the party conducting the lead-based paint and/or asbestos testing. 10 TAC §13.9(2). The rehabilitation must implement the mitigation recommendations of the testing report. 10 TAC §13.9(2).

## Required Documentation

***Attachment B – TDHCA Scope and Cost Review (SCR Supplement)***

The SCR must include the Department's Scope and Cost Review Supplement (SCR Supplement) in the excel form published on the Departments website (and attached for reference purposes). The purpose of the SCR Supplement is to consolidate and show reconciliation of the scope of work and costs of the immediate physical needs identified by the SCR author with the Applicant's scope of work and costs provided in the Application. The consolidated scope of work and costs shown on the SCR Supplement will be used by the Underwriter in the analysis, as it details the projected repairs and replacements through at least thirty (30) years.

# APPENDIX C: Capital Needs Assessment (CNA)
# (24 CFR §93.301(b)(1)(ii))

## Introduction

All NHTF-assisted Rehabilitation Developments must also submit a capital needs assessment that estimates the useful life of each major system. The CNA will determine the work to be performed and identify the long-term physical needs of the project. 24 CFR §93.301(b)(1)(ii). If the remaining useful life of one or more major system is less than the applicable period of affordability, a replacement reserve must be established with adequate monthly payments made to repair or replace the systems as needed. 24 CFR §93.301(b)(1)(ii).

Importantly, the CNA must adhere to all applicable requirements of 10 TAC §11.205(3)(relating to Required Third Party Reports), including being accompanied by the Department's SCR Supplement in the excel form published on the TDHCA website (and attached to these Standards for reference purposes).

## Capital Needs Assessment Guidelines

The CNA must be completed by an independent, Third Party engineer or architect approved by the Department. The performing engineer or architect must:

- conduct an interview with the appropriate onsite Development personnel (e.g. property management, maintenance personnel) to assess prior, ongoing or chronic repairs, maintenance issues, and deficiencies;

- complete an onsite visit and physical inspection of both the interior and exterior units and structures on the property;

- analyze and provide recommendations regarding the presence of environmental hazards and potential efficiency or other mitigation considerations, in accordance with these standards;

- analyze and provide recommendations as to the reasonability of the proposed budget as it relates to the work to be performed, including but not limited to an analysis of the: (1) Development Site; (2) Structural Systems; (3) Interior Systems; and (4) Mechanical, Plumbing, Electrical, HVAC, and Safety (e.g. fire protection, elevator requirements, safety lighting) Systems and related requirements; and

- depending on the aforementioned determinations, the assessment must assess and provide recommendations regarding the proposed budget as it relates to the conclusions of the assessment. Moreover, any and all components of major systems reaching the end of their useful life or otherwise bearing critical conditions, must be identified. If the remaining useful life of any major system is less than 50% of the expected useful life, immediate rehabilitation (replacement or repair, as appropriate) is required. If the remaining useful life of any component of the major systems is less than the term of the affordability period, replacement reserves with adequate payments being made as required to finance future repair(s) or replacement(s) is required.

## Required Documentation

***Attachment B – TDHCA Scope and Cost Review (SCR Supplement)(as detailed in APPENDIX B).***

## ATTACHMENTS TO
## 2026 NHTF MINIMUM REHABILITATION STANDARDS

**ATTACHMENT A: National Standards for the Physical Inspection of Real Estate (NSPIRE Checklist) (available as posted on the TDHCA website at https://www.tdhca.texas.gov/physical-inspections and as may be amended from time to time.**

**ATTACHMENT B: Scope and Cost Review Cost Schedule (SCR Supplement)(available as posted on the TDHCA website at https://www.tdhca.texas.gov/real-estate-analysis and as may be amended from time to time.**

## Texas Department of Housing and Community Affairs

# Citizen Participation on the State of Texas Consolidated Plan: 2026 One-Year Action Plan

July 2026

Public Notification was achieved for the 2026 State of Texas One-Year Action Plan through posting the Draft Plan on the TDHCA Public Comment section of the TDHCA website and in the Texas Register: https://www.tdhca.texas.gov/tdhca-public-comment-center

https://www.sos.state.tx.us/open/index.shtml

For the 2026 Action Plan the State put the Plan out for a 31-day public comment period from April 17, 2026 through May 17, 2026. In addition, to the 31-day comment period a public hearing was held on May 6, 2026 at 2:00 pm. There were no attendees to the Public Hearing on May 6, 2026 and no comment was received on the plan during the public comment period or at the public hearing.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 1516 **Agenda Date:** 7/9/2026 **Agenda #:** 9.

Presentation, discussion, and possible action on an Agreed Final Order concerning Resources Inspiring Success and Empowering, relating to FY 2025 Texas Youth and Young Adult Homeless Program General Revenue Contract Number 32247000003

## RECOMMENDED ACTION

**WHEREAS,** Resources Inspiring Success and Empowering (RISE) signed Texas Youth and Young Adult Homeless Program General Revenue Contract Number 32247000003 in 2025, to act as a subrecipient administrator for the Texas Youth and Young Adult Homeless Program (YYAHP) in Fort Bend County;

**WHEREAS,** the Department performed a compliance monitoring review and issued a notification of noncompliance on February 10, 2026, identifying three findings of noncompliance relating to failure to correctly support reported draw requests, failure to meet procurement requirements, and failure to ensure complete client file documentation;

**WHEREAS,** after reviewing corrective documentation submitted by RISE, TDHCA identified disallowed costs of $45,826.93;

**WHEREAS,** RISE has been referred for administrative penalties for failure to repay disallowed costs associated with the compliance monitoring review, but it has not been referred for debarment since it requested a repayment plan;

**WHEREAS**, Renika J. Atkins, founder and executive director for RISE, attended an informal conference with the Enforcement Committee (Committee) on June 11, 2026;

**WHEREAS,** the Committee recommended full repayment of disallowed costs over a six-month period, and it recommended assessment of the maximum potential administrative penalty, but with daily penalty accrual to stop as of the board meeting on July 9, 2026, and with the possibility for full forgiveness of the penalty if the disallowed costs are fully repaid as required; and

**WHEREAS,** staff has based its administrative penalty recommendation on the Department's rules for administrative penalties and an assessment of each and all of the statutory factors identified to be considered in assessing such penalties, applied specifically to the facts and circumstances present in this case.

**NOW, therefore, it is hereby**

**RESOLVED**, that an Agreed Final Order assessing an administrative penalty of $3,300.00, for noncompliance relating to Texas Youth and Young Adult Homeless Program General Revenue Contract Number 32247000003, substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

## BACKGROUND

**PROGRAM INFORMATION:** RISE is a subrecipient administrator for the Texas Youth and Young Adult Homeless Program (YYAHP), designed to aid Fort Bend County youth and young adults aged 24 or younger, who are at risk of being homeless. The program was funded via Senate Bill 30 of the 88th Texas Legislature, and the TDHCA contract with RISE expired on June 14, 2026, subject to the close-out process.

**VIOLATIONS SUBJECT TO ADMINISTRATIVE PENALTIES:** The Department conducted a subrecipient compliance monitoring review and issued a notification of noncompliance on February 10, 2026, setting a corrective action deadline of March 10, 2026. RISE submitted corrective action on March 11, 2026, but it did not adequately address all noncompliance. Associated costs in the aggregate amount of $45,826.93 were deemed disallowable for the following findings of noncompliance, and the TDHCA Compliance Division referred RISE for an administrative penalty on May 4, 2026, for failure to repay those disallowed costs. No payments for disallowed costs have been submitted to date, but RISE requested a repayment plan, and therefore was not referred for debarment for refusal to repay disallowed costs. Referred noncompliance includes:

1. Failure to correctly support reported draw requests for reimbursement, affecting 13 expenses;

2. Failure to ensure procurement requirements are met, affecting the hiring of two independently contracted employees; and

3. Failure to ensure complete client file documentation, affecting 9 out of 12 reviewed client files.

**FACTORS CONSIDERED TO DETERMINE RECOMMENDED ADMINISTRATIVE PENALTY AMOUNT:** Renika J. Atkins, founder and executive director for RISE, participated in an informal conference with the Committee on June 11, 2026. The Committee analyzed the required statutory factors for determining an appropriate administrative penalty as follows, pursuant to Tex. Gov't Code 2306.042(b) and Figure 3 of 10 TAC §2.302(k):

1. **The seriousness, extent, and gravity of the violations, and whether a hazard is posed to the health, safety, and economic welfare of the public:** There was no impact to health or safety, but some risk to the economic welfare of the public since 9 of the 12 reviewed files were incomplete. RISE has files, but the files are missing important components, and are therefore unacceptable to TDHCA. There is no evidence of any misrepresentations, but a clear lack of capacity and knowledge to manage a grant like this.

2. **History of previous violations:** None.

3. **Efforts made to correct the violations:** RISE submitted timely corrections, but it was insufficient to correct the noncompliance. The procurement noncompliance is uncorrectable since the independent contractors were not properly hired. Most of the tenant file and draw request noncompliance was correctable, but insufficient documentation was collected.

4. **Any other matters that justice may require:** Ms. Atkins is eager and was well-prepared for the conference, but she lacks experience in nonprofit governance, accounting and procurement procedures. She was not fully prepared for this funding. TDHCA staff had offered meetings during the contract term to provide technical assistance, but RISE did not partake. During the informal conference, Ms. Atkins explained that the problems identified by TDHCA were primarily due to the nonprofit's fast growth and lack of knowledge. Prior to receiving the TDHCA grant, RISE was able to assist 12 applicants at a time, and it grew quickly with both the TDHCA grant and a simultaneous grant from HUD, without expanding its administrative capacity to ensure proper documentation to the standard required by a government agency. Files were not maintained in a centralized location, and were instead maintained in emails and multiple separate computers, and RISE had hired new staff quickly, primarily utilizing LinkedIn. There do not appear to be problems with misrepresentations. Current staffing includes four employees, of which three are independent contractors, plus Ms. Atkins.

   RISE staff adjusted as they went, and the monitoring review identified its weaknesses and a steep learning curve. Ms. Atkins recognized the problems and is adjusting. She presented her plans for improvement of the nonprofit's governance, including implementing general accounting principles, procurement procedures, Casebook case management software, and centralized record-keeping. She has also improved supervision, and implemented team reviews of case files to ensure complete documentation during each step of the process. She has also hired a consultant. The consultant is not an expert in TDHCA programs, but rather a generalist in nonprofit governance and organization, assisting RISE to identify and implement the improvements noted above.

5. **Amount necessary to deter future violations:** Ms. Atkins requested a six-month payment plan for the disallowed costs because RISE is a small nonprofit and cannot afford to repay the full amount immediately. Most of the RISE ongoing funding is via donations and community fundraising. The Committee thought that the proposed six-month repayment term was reasonable given the small size of this nonprofit. The noncompliance appears to be the result of inexperience and fast growth, and the nonprofit has a good plan in place to improve operations.

   In light of the above factors, the Committee recommends the maximum administrative penalty of $3,300.00 as of the Board meeting date for failure to repay disallowed costs associated with the compliance monitoring review, but it recommends halting the daily penalty accrual as of the Board Meeting date, and forgiving the administrative penalty if disallowed costs are fully repaid per the terms of the Agreed Final Order.

**RECOMMENDATION:** After consideration of all appropriate factors, the Enforcement Committee and Executive Director recommend the maximum administrative penalty of $3,300.00 as of the Board meeting date, with daily penalty accrual halted as of that date, and with forgiveness of the administrative penalty if disallowed costs are repaid in full per the terms of the Agreed Final Order.

Attachments:
1. Proposed Agreed Final Order

| | | |
|---|---|---|
| ENFORCEMENT ACTION AGAINST<br>RESOURCES INSPIRING SUCCESS<br>AND EMPOWERING | §<br>§<br>§<br>§<br>§<br>§ | BEFORE THE<br>TEXAS DEPARTMENT OF<br>HOUSING AND COMMUNITY<br>AFFAIRS |

# AGREED FINAL ORDER

**General Remarks and official action taken:**

On this 9th day of July, 2026, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against Resources Inspiring Success and Empowering, a Texas nonprofit corporation (RISE or Respondent).

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act ("APA"), Tex. Gov't Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

## WAIVER

Respondent acknowledges the existence of their right to request a hearing as provided by Tex. Gov't Code §2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by Tex. Gov't Code §2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

## FINDINGS OF FACT (FOF)

*Jurisdiction:*

1. On April 11, 2025, Respondent executed FY 2025 Texas Youth and Young Adult Homeless Program General Revenue Contract Number 32247000003 (Contract), committing to be a subrecipient administrator for the Texas Youth and Young Adult Homeless Program (YYAHP) in Fort Bend County.

2. Respondent is subject to the regulatory authority of TDHCA.

*Compliance Violations:*

1. The Department conducted a compliance monitoring review and issued a notification of noncompliance on February 10, 2026, setting a corrective action deadline of March 10, 2026. Respondent submitted corrective action on March 11, 2026, but it did not adequately address all noncompliance. Associated costs in the aggregate amount of $45,826.93 were deemed disallowable for the following findings of noncompliance, and the TDHCA Compliance Division referred Respondent for an administrative penalty on May 4, 2026, for failure to repay those disallowed costs. No payments for disallowed costs have been submitted to date.
    a. Failure to correctly support reported draw requests for reimbursement, affecting 13 expenses;
    b. Failure to ensure procurement requirements are met, affecting the hiring of two independently contracted employees; and
    c. Failure to ensure complete client file documentation, affecting 9 out of 12 reviewed client files.

2. Respondent violated 10 TAC §2.401(a)(2) by failing to repay disallowed costs in the aggregate amount of $45,826.93, associated with a subrecipient compliance monitoring review conducted on February 10, 2026. Disallowed costs were due on May 2, 2026, and Respondent has requested a repayment plan.

3. All findings listed above are considered unresolved at the time of this Order.

## CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC Chapter 2.

2. TDHCA is authorized pursuant to Section 7.05 of Acts 2023, 88th Leg., R.S, ch. 458, General and Special Laws of Texas, to administer $1,000,000.00 appropriated from the general revenue funds for providing youth and young adult homeless housing and services through a contract for services in Fort Bend County, Texas.

3. Pursuant to the Contract, Respondent is required to administer YAAHP funds in accordance with state requirements, including but not limited to Title 10, Part 1, Chapter 1, Chapter 2, and Subchapter A of Chapter 7, of the Texas Administrative Code (collectively, State Rules), the Youth and Young Adult Homeless Program Notice of Funding Availability (NOFA), and representations made as part of the Previous Participation and Executive Award Process, as defined in the State Rules.

4. Pursuant to 10 TAC §7.11, TDHCA is required to monitor for noncompliance.

5. Respondent violated 10 TAC §2.401(a)(2) by failing to repay disallowed costs in the aggregate amount of $45,826.93.

6. Because Respondent is an administrator for YAAHP, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and Tex. Gov't Code Subchapter F.

7. Because Respondent is an administrator for YAAHP, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code Subchapter F.

8. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Department to which Respondent is a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.

9. An administrative penalty of $3,300.00 as of the date of this Order, is an appropriate penalty in accordance with 10 TAC Chapter 2.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Governing Board of the Texas Department of Housing and Community Affairs orders the following:

**IT IS HEREBY ORDERED** that Respondent shall pay and is hereby directed to pay disallowed costs in the aggregate amount of $45,826.93 within six months.

**IT IS FURTHER ORDERED** that Respondent shall pay and is hereby directed to pay the disallowed costs by checks payable to the Texas Department of Housing and Community Affairs according to the following schedule, with timely payments to be confirmed by postmark:

| Payment Number | Payment Due Date | Amount of Payment |
|---|---|---|
| 1 | August 15, 2026 | $7,637.83 |
| 2 | September 15, 2026 | $7,637.82 |
| 3 | October 15, 2026 | $7,637.82 |
| 4 | November 15, 2026 | $7,637.82 |
| 5 | December 15, 2026 | $7,637.82 |
| 6 | January 15, 2027 | $7,637.82 |

**IT IS FURTHER ORDERED** that Respondent is assessed an administrative penalty in the amount of $3,300.00, subject to deferral as further ordered below.

**IT IS FURTHER ORDERED** that if Respondent timely and fully complies with the terms and conditions of this Agreed Final Order, submitting all disallowed cost payments as required, the

satisfactory performance under this Order will be accepted in lieu of the assessed administrative penalty, and the full administrative penalty in the amount of $3,300.00 will be deferred and forgiven.

**IT IS FURTHER ORDERED** that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, then the full administrative penalty in the amount of $3,300.00 shall be immediately due and payable to the Department. Such payment shall be made by check payable to the Texas Department of Housing and Community Affairs within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order.

**IT IS FURTHER ORDERED** that all payments that come due under this Agreed Final Order must be submitted to the following address:

| **If via overnight mail (FedEx, UPS)** | **If via USPS** |
|---|---|
| TDHCA<br>Attn: Ysella Kaseman<br>221 E 11th St<br>Austin, Texas 78701 | TDHCA<br>Attn: Ysella Kaseman<br>P.O. Box 13941<br>Austin, Texas 78711 |

**IT IS FURTHER ORDERED** that the terms of this Agreed Final Order shall be published on the TDHCA website.

*[Remainder of page intentionally blank]*

*Approved by the Governing Board of TDHCA on July 9, 2026.*

By: _____
Name: Leo Vasquez
Title: Chair of the Board of TDHCA

By: _____
Name: James "Beau" Eccles
Title: Secretary of the Board of TDHCA

**THE STATE OF TEXAS §**
**§**
**COUNTY OF TRAVIS §**

Before me, the undersigned notary public, on this 9th day of July, 2026, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

**THE STATE OF TEXAS §**
**§**
**COUNTY OF TRAVIS §**

Before me, the undersigned notary public, on this 9th day of July, 2026, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF _____§

BEFORE ME, _____ *(notary name)*, a notary public in and for the State of _____ on this day personally appeared Renika J. Atkins, known to me or proven to me through *circle one: personally known / driver's license / passport* to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is Renika J. Atkins, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of executive director for Respondent. I am the authorized representative of Respondent, which is subject to a contract monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. The Taxpayer ID for Respondent is _____.
4. The mailing address for Respondent is _____.
5. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs."

**RESPONDENT:**

**THE CHOSEN ONES OUTREACH MINISTRIES OF GALVESTON, INCORPORATED**, a Texas nonprofit corporation

By: _____

Name: Renika J. Atkins

Title: Executive Director

Given under my hand and seal of office this _____ day of _____, 2026.

_____
Signature of Notary Public

_____
Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____
My Commission Expires:_____

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #: 1511** **Agenda Date: 7/9/2026** **Agenda #: 10.**

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.12 Negotiated Rulemaking; action for new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.12 Negotiated Rulemaking and Petitions for Rulemaking, and an order directing their publication for public comment 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 #: 1523** **Agenda Date:7/9/2026** **Agenda #: 11.**

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 21, Minimum Energy Efficiency Requirements for Single Family Construction Activities; an order proposing the repeal of 10 TAC Chapter 20, Single Family Programs Umbrella Rule §20.3, Definitions; and an order proposing new 10 TAC Chapter 20 Single Family Programs Umbrella Rule, §20.3 Definitions and §20.16, Minimum Energy Efficiency Standards and directing their publication for public comment 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 #: 1524** **Agenda Date:7/9/2026** **Agenda #: 12.**

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 7, Emergency Solutions Grant Program, §7.40 Competitive Program Participant Services Selection Criteria; and an order proposing a new 10 TAC Chapter 7, Emergency Solutions Grant Program, §7.40 Competitive Program Participant Services Selection Criteria and directing their publication for public comment 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 #:1501** **Agenda Date: 7/9/2026** **Agenda #: 13.**

Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC §2.302 Administrative Penalty Process; an order adopting a replacement version of the rule; and directing 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 #: 1502** **Agenda Date: 7/9/2026** **Agenda #: 14.**

Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 2, Debarment from Participation in Programs Administered by the Department, §2.401 General; an order adopting the replacement version of the rule; and directing 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 #: 1509** **Agenda Date:7/9/2026** **Agenda #: 15.**

Presentation, discussion, and possible action on the adoption of the amendment to 10 TAC §10.802, Written Policies and Procedures and 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 #: 1510** **Agenda Date: 7/9/2026** **Agenda #: 16.**

Presentation, discussion, and possible action on an order adopting the amendment to 10 TAC Chapter 10 Uniform Multifamily Rules, Subchapter F Compliance Monitoring, §10.625 Events of Noncompliance and 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 #:** 1499 **Agenda Date:** 7/9/2026 **Agenda #:** 17.

Quarterly Voluntary Non-Participation Agreement Report, July 2026

**BACKGROUND**



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# TDHCA VOLUNTARY NON-PARTICIPATION AGREEMENTS
# QUARTERLY REPORT
# July 2026

In accordance with 10 TAC §2.401(j), TDHCA is required to provide a quarterly report to the Board regarding any Voluntary Non-participation Agreements (VNA's) that have been entered into during the previous quarter. The terms of a VNA are not appealable to the Board.

The following VNA's have been signed during the last quarter:

| Affected Parties | Details of Affected Property or Contract | Violation | VNA Signature Date | VNA Term | VNA Expiration Date |
|---|---|---|---|---|---|
| Ricardo Pagan<br><br>Northshore Associates, LLC | Havenwood Apartments (HTC 07605 / Bond 07605B / CMTS 4428). 291 units located at 333 Uvalde Road, Houston, Texas, of which 262 units were restricted at 60% AMI, with 30-year Bond and HTC LURAs originally set to expire on June 30, 2037, and December 31, 2038, respectively. The HTC Compliance Period expired December 31, 2023, and the Bonds have been repaid and are no longer outstanding. | Foreclosure on May 6, 2025, with mitigating circumstances relating to severe damage caused by Hurricane Beryl, which had occurred shortly after a full rehabilitation was completed using non-TDHCA financing. Foreclosure terminated the HTC and Bond LURAs, except for a three-year safe harbor period for existing low-income residents. | June 9, 2026 | 1 year | June 9, 2027 |
| Elvisha Brightman | HOME Investment Partnerships Program Reservation System Participant Agreement #2023-0033 with Tracy Andrus Foundation (TAF). | Former employee of TAF who alleged that in her role as a case manager at TAF, she submitted altered documentation to the Department on behalf of TAF at the direction of her supervisor, drawing a direct personal benefit. | June 10, 2026 | 5 years | June 10, 2031 |

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 1517 **Agenda Date:** 7/9/2026 **Agenda #:** 18.

Media Analysis and Outreach Report, May 2026

**Report follows this page.**



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# TDHCA Outreach and Media Analysis, May 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 May 1-31, 2026 (news articles that specifically mentioned TDHCA generally or along with Department programs).

Total number of articles referencing TDHCA: 20
Breakdown by Medium:[1]

- Print: 3 (Editorials/Columnists = 2)
- Broadcast: 2
- Trade, Government or Internet-Based Publications: 15

*Figure 1 News Tone*

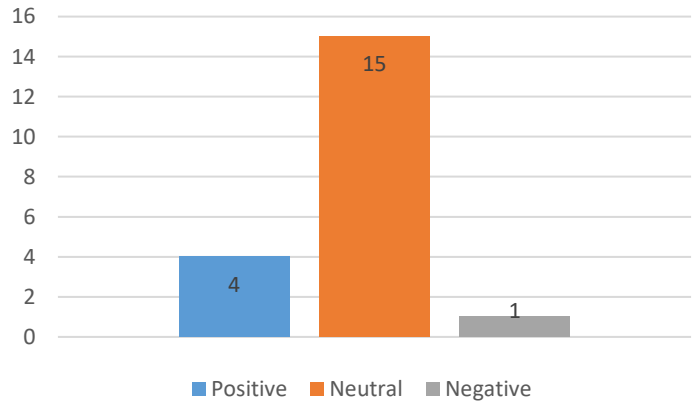
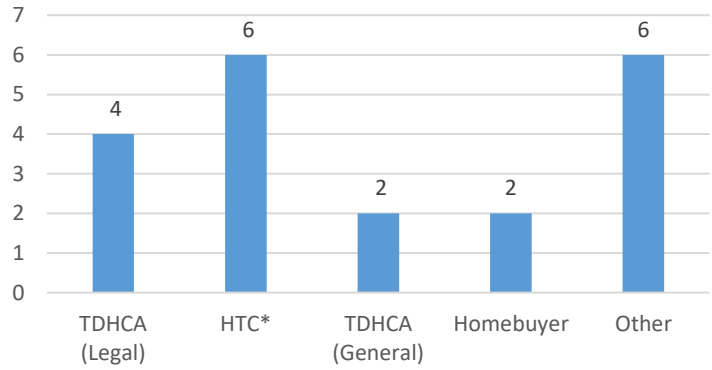
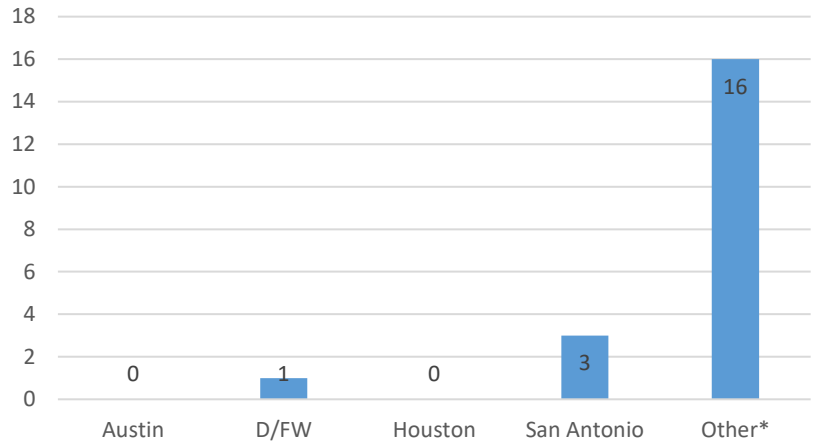



*Figure 2 News Topic*[2]




[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.*

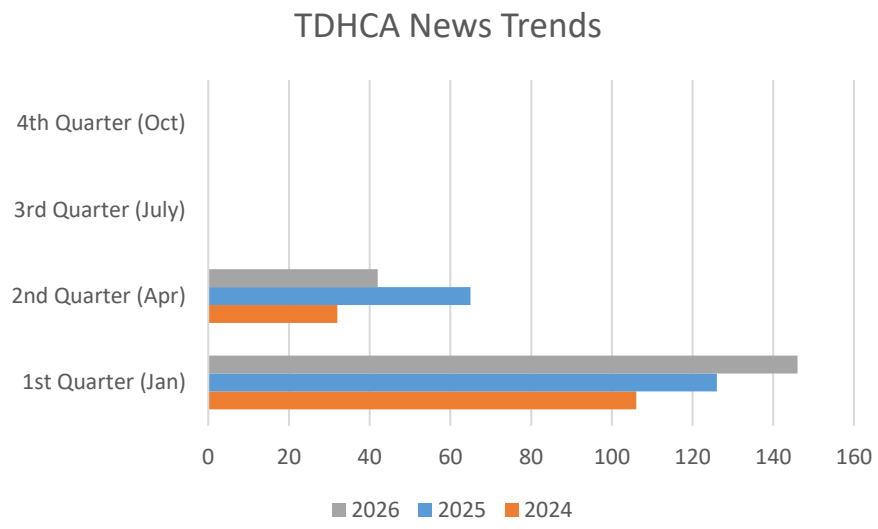
*Figure 3 Media Market*




**Summary:**
Reporting on TDHCA activities by the news media totaled 20 references in May 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 lower than May 2025 (36 total).

The following table illustrates the number of news mentions during each month or quarter of 2026 compared to 2025 and 2024. Through the second month of the second quarter of 2026 (January through May; 188 total), total news mentions tracked slightly lower than 2025 (191 total) and higher than 2024 (138 total).



**Social media:**
Through May 2026, TDHCA has 3,745 followers to its X account (same from April 2026), and 8,345 followers to its Facebook page (a slight uptick from April 2026). Top FB posts were related to homeownership messaging and spotlight article (Cabana Lofts opening). TDHCA Instagram account (@txdhca) has garnered 60 followers since its debut (April 22). TDHCA's YouTube channel had 7,757 views in May. 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 |
| May 2026 | 106 | 25 | 68 (includes Comments) | 16 | 47 |

* 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 |
| May 2026 | 50 | 0 | 11 (No Comments) | 3 | 8 |
| May 2026 | 50 | 0 | 11 (includes Comments) | 2 | 8 |

* 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 |
| May 2026 | 5 | 0 | 0 | 0 | 12 |

YouTube

| 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 |
| May 2026 | 7,757 | 765.8 | 5:40 | 20.8% | 6,152 |

**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 May 2026

| Content / Duration / Publish date | Views ↓ | Watch time (hours) | Average view duration | Average per-centage viewed | Unique viewers |
|---|---|---|---|---|---|
| **Total** | **7,757** | **765.8** | **5:40** | **20.8%** | **6,152** |
| 3:24 Help For Texans | 3,692 47.6% | 95.9 12.5% | 1:33 | 45.8% | 3,414 55.5% |
| 4:09 Reasonable Accommodations in Texas | 1,372 17.7% | 72.1 9.4% | 3:09 | 76.0% | 1,296 21.1% |
| 6:18 Assistance Animals in Texas | 1,304 16.8% | 93.1 12.2% | 4:17 | 68.0% | 1,198 19.5% |
| 0:52 Texas Homebuyer Program introduction | 273 3.5% | 3.4 0.4% | 0:44 | 85.6% | 264 4.3% |
| 1:53 First Time Homebuyers…Save Money on your Income T… | 186 2.4% | 4.6 0.6% | 1:29 | 79.3% | 174 2.8% |
| 6:04:10 Housing Tax Credit Training | 112 1.4% | 85.9 11.2% | 46:01 | 12.6% | 47 0.8% |
| 5:38:57 Income Determination Training | 96 1.2% | 39.9 5.2% | 24:55 | 7.4% | 64 1.0% |
| 37:47 May Coffee Chat - May 19, 2026 | 62 0.8% | 17.0 2.2% | 16:26 | 43.5% | 54 0.9% |
| 57:53 Assistance Animals and Fair Housing Refresher | 47 0.6% | 5.7 0.7% | 7:13 | 12.5% | 32 0.5% |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Fair Housing 101: An Overview of Fair Housing in Texa... | 43 | 0.6% | 9.9 | 1.3% | 13:49 | 13.5% | 27 | 0.4% |
| | Fair Housing Month 2026: Overview of Fair Housing | 38 | 0.5% | 6.2 | 0.8% | 9:43 | 10.7% | 29 | 0.5% |
| | Fair Housing Month 2026: Reasonable Accommodatio... | 35 | 0.5% | 6.6 | 0.9% | 11:23 | 10.5% | 29 | 0.5% |
| | Fair Housing 101: The Basics of Fair Housing in Texas | 34 | 0.4% | 5.1 | 0.7% | 8:58 | 8.5% | 14 | 0.2% |
| | HFC Lunch and Learn Session 1: Definitions and Repor... | 34 | 0.4% | 5.0 | 0.7% | 8:47 | 11.6% | 29 | 0.5% |
| | 2025 Income Determination Training | 32 | 0.4% | 17.4 | 2.3% | 32:42 | 10.5% | 24 | 0.4% |
| | Income Determination Training Webinar - Jan. 4, 2024 | 28 | 0.4% | 56.3 | 7.4% | 2:00:34 | 35.1% | 9 | 0.2% |
| | Tax Exempt Bond Program (BOND) Training | 27 | 0.4% | 21.9 | 2.9% | 48:42 | 29.3% | 7 | 0.1% |
| | April Coffee Chat | 27 | 0.4% | 6.0 | 0.8% | 13:24 | 40.8% | 23 | 0.4% |
| | Office Hours - Housing Finance Corporation (HFC) upd... | 26 | 0.3% | 16.1 | 2.1% | 37:09 | 41.4% | 16 | 0.3% |
| | HFC Lunch and Learn Session 3 - Audit Report Require... | 23 | 0.3% | 2.1 | 0.3% | 5:21 | 8.0% | 21 | 0.3% |
| | Office Hours: A Discussion about Rule Changes and H... | 22 | 0.3% | 6.8 | 0.9% | 18:25 | 21.0% | 17 | 0.3% |
| | 811 PRA: Written Policies and Procedures training | 21 | 0.3% | 7.3 | 1.0% | 20:49 | 17.3% | 13 | 0.2% |
| | Service Animals, Emotional Support Animals and the F... | 20 | 0.3% | 3.3 | 0.4% | 9:48 | 12.1% | 16 | 0.3% |
| | Adjusted Income Webinar - Jan. 12, 2024 | 20 | 0.3% | 17.8 | 2.3% | 53:26 | 62.6% | 6 | 0.1% |
| | Supportive Services, LURA discussion webinar | 19 | 0.2% | 7.5 | 1.0% | 23:31 | 25.7% | 12 | 0.2% |

## TDHCA Outreach May 2026

A compilation of outreach activities such as meetings, trainings and webinars.

| Department | Meeting Date | Meeting Title | Attendees (includes organizer) |
|---|---|---|---|
| Compliance | May 6 | HFC Lunch and Learn Session 1 | 85 |
| Compliance | May 8 | Office Hours: Rule Changes and HOME 2025 | 99 |
| Compliance | May 13 | HFC Lunch and Learn Session 2 | 65 |
| Compliance | May 20 | HFC Lunch and Learn Session 3 | 57 |

| | | | |
|---|---|---|---|
| Compliance | May 27 | HFC Lunch and Learn Session 4 | 73 |

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 1508 **Agenda Date:** 7/9/2026 **Agenda #:** 19.

Executive Director’s Report

**ORAL PRESENTATION**



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Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 1525 **Agenda Date:** 7/9/2026 **Agenda #:** 20.

Presentation, discussion, and possible action on State Fiscal Year 2027 Homeless Housing and Services Program Awards.

**RECOMMENDED ACTION**

**WHEREAS,** the Homeless Housing and Services Program (HHSP) was created by the 81st Texas Legislature to be administered by the Texas Department of Housing and Community Affairs (the Department) to fund homelessness prevention and homeless services in Texas municipalities with populations over 285,500;

**WHEREAS,** the Texas Legislature has, through the enactment of House Bill (HB) 1 (89th Legislature), provided General Revenue funds of $6,299,984 each year of the biennium for HHSP;

**WHEREAS,** HB 1 included Rider 14, designating $1,500,000 of HHSP funds each year of the biennium to provide services to unaccompanied homeless youth and homeless young adults 24 years of age and younger to be distributed through a youth set-aside within HHSP;

**WHEREAS,** after a reduction of $72,000 for annual Department administrative expenses, funds in the amount of $4,727,984 are available for award for the HHSP general set-aside;

**WHEREAS**, the allocation formula for HHSP is set forth in 10 TAC §7.23, Allocation of Funds and Formula;

**WHEREAS**, the cities in Texas with a population that meet the threshold criteria for HHSP are Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Plano, and San Antonio;

**WHEREAS,** the City of San Antonio did not timely submit the resolution required by 10 TAC §7.22 designating Haven for Hope as the administrator of the City's SFY 2027 HHSP General Set-Aside allocation; therefore, the City's General Set-Aside allocation is not included in this recommended award and may be presented to the Board for consideration upon receipt of the required resolution; and

**WHEREAS,** as of the date of this action, the cities of Austin, Dallas, and Houston have not submitted the resolutions required by 10 TAC §7.22;

**WHEREAS**, the Previous Participation Review Approval Process (PPRAP) included a review of award and compliance history, and recommends approval of the 2027 HHSP awards to the City of Arlington, City of Corpus Christi, City of El Paso, City of Fort Worth, and City of Plano, with no conditions; and

**WHEREAS**, the PPRAP included a review of the award and compliance history, and recommends approval of the 2027 HHSP awards to the City of Austin, City of Dallas, and City of Houston conditioned upon submission of a resolution, in accordance with 10 TAC §7.22, no later than August 31, 2026;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Director and his designees be, and each of them hereby is, authorized, empowered, and directed, for and on behalf of the Department, to take any and all actions necessary or advisable to effectuate the award of SFY 2027 HHSP funds in the amounts reflected in Attachment A to the cities of Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Plano, and San Antonio, or their designee.

## BACKGROUND

HHSP funding is allocated to municipalities with a population of 285,500 or greater for the provision of homeless assistance and homeless prevention activities. HB 1 passed in Regular Session by the 89th Texas Legislature authorized state general revenue funding totaling $12,599,968 over the biennium for HHSP. Rider 14 requires that of the total authorized funds, $3,000,000 is set-aside for provision of HHSP homeless assistance to youth under the age of 25. The Department programmed $9,455,968 of the funds to be awarded to HHSP eligible Subrecipients and retained the remaining $144,000 ($72,000 per year) for its administration.

The Department administers HHSP in accordance with Tex. Gov't Code §2306.2585 and 10 TAC Chapters 1 and 2, and Chapter 7, Subchapters A and B. Allowable activities include case management for households experiencing or at-risk of homelessness; construction, conversion, or rehabilitation of structures targeted to serving Homeless persons or persons at-risk of homelessness; essential services for Homeless persons or persons at risk of homelessness; provision of direct services; operation of emergency shelters or administrative facilities; and other Homeless-related activity, as approved by the Department in writing. For the HHSP youth set aside funds, Rider 14 specifically lists eligible services as case management, emergency

shelter, street outreach, and transitional living.

In accordance with 10 TAC §7.21, Purpose and Use, HHSP provides funding to municipalities eligible for an award based on their population, as determined by the most recent available One Year American Community Survey (ACS). HHSP is allocated to Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Plano, and San Antonio. The allocation formula outlined in 10 TAC §7.23 resulted in the allocations shown in Attachment A. The most recent full Point-In-Time Count as referenced in 10 TAC §7.23, which includes a full demographic count for sheltered and unsheltered persons, was conducted in 2024; therefore, the Department utilized the 2024 Point-In-Time Count in allocating the HHSP funds.

In accordance with 10 TAC §7.22, a municipality eligible for an HHSP allocation may designate a nonprofit organization to administer HHSP funds on its behalf. The City of San Antonio has designated Haven for Hope to administer its SFY 2027 General Set-Aside allocation; however, the required resolution was not submitted to the Department timely for previous participation to be conducted prior to this meeting. Therefore, the Department is not recommending award of the City's General Set-Aside allocation at this time. The allocation will be held pending receipt and approval of the required documentation. The City of San Antonio will administer its Youth Set-Aside allocation directly.

In accordance with the Previous Participation Rule at 10 TAC §1.302, all HHSP applicants underwent a review of compliance history and prior program performance before being presented for Board consideration. Based on that review, the PPRAP recommends approval of awards to the City of Arlington, City of Corpus Christi, City of El Paso, City of Fort Worth, and City of Plano with no conditions. The PPRAP also recommends approval of awards to the City of Austin, City of Dallas, City of El Paso, City of Houston, and the City of San Antonio’s Youth Set-Aside allocation each with the condition described herein.

The effective contract term for both HHSP general funds and HHSP youth set-aside funds will be September 1, 2026, through August 31, 2027, unless an alternative term is requested by the Subrecipient and approved by the Department. In all cases, contracts must be executed and begin no later than November 30, 2026.

ATTACHMENT A

## 2027 Homeless Housing and Services Program Award Log

| | HHSP Subrecipient | General Set-Aside | Youth Set-Aside | Award Total |
|---|---|---|---|---|
| 1 | City of Arlington | $ 188,955.00 | $ 63,982.00 | $ 252,937.00 |
| 2 | City of Austin | $ 558,993.00 | $ 165,412.00 | $ 724,405.00 |
| 3 | Corpus Christi | $ 204,289.00 | $ 53,806.00 | $ 258,095.00 |
| 4 | City of Dallas | $ 677,635.00 | $ 211,413.00 | $ 889,048.00 |
| 5 | City of El Paso | $ 352,693.00 | $ 127,778.00 | $ 480,471.00 |
| 6 | City of Fort Worth | $ 475,534.00 | $ 161,373.00 | $ 636,907.00 |
| 7 | City of Houston | $ 1,280,055.00 | $ 409,258.00 | $ 1,689,313.00 |
| 8 | City of Plano | $ 121,118.00 | $ 37,516.00 | $ 158,634.00 |
| 9 | City of San Antonio | | $ 269,462.00 | $ 269,462.00 |
| | **Total** | **$ 3,859,272.00** | **$ 1,500,000.00** | **$ 5,359,272.00** |

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 1504 **Agenda Date:** 7/9/2026 **Agenda #:** 21.

Report on the issuance of TDHCA Residential Mortgage Revenue Bonds 2026 Series B (Non-AMT)

## BACKGROUND

On October 9, 2025, the TDHCA Governing Board approved Resolution 26-01 authorizing the issuance of Mortgage Revenue Bonds for Fiscal Year 2026, in an amount not to exceed $1.1 billion.

## RMRB 2026 B Bonds

The Department issued $250 million Residential Mortgage Revenue Bonds Series 2026 B.

| | |
|---|---|
| April 24, 2026 | Preliminary Official Statement Released |
| May 4, 2026 | Bonds Priced and Bond Purchase Agreement Executed |
| May 11, 2026 | Official Statement Released |
| June 9, 2026 | Bond Closing |

## Premium & Issuer Contribution

Premium received was $8,623,220 for total bond proceeds of $265,362,519.99. The premium will fund down payment and closing cost assistance for loans originated through this bond issuance, as well as a portion of the lender compensation. Issuer Contribution was $6,739,299.99

## Recycled Volume Cap

The Department utilized $47,225,000 in recycled volume cap and that portion of the proceeds was used to repay amounts owed under the Advances and Security Agreement between the Federal Home Loan Bank and the Department representing recycled repayments from January 1, 2026, through April 1, 2026.

## Use of Proceeds

The proceeds of the RMRB Series 2026 B Bonds will be used to finance the purchase of tax-exempt eligible mortgage loans, including down payment assistance second loans, made to low to moderate income first-time homebuyers and veterans, and to pay a portion of the costs of issuance of the RMRB Series 2026 B Bonds.

## Bond Structure

The 2026B Non-AMT bonds are structured with semi-annual par serial bonds from 7/1/2027 through 7/1/2038, par term bonds due in 2041, 2046, 2051 and 2056, and a 6.0 year average life Premium PAC bond structured pro rata @ 50% - 500% PSA to yield 3.72%.

## Ratings

Moody's: Aa1
S&P: AA+

**Borrowing Costs**
Net NIC 4.957389%
Net TIC 4.846460%

**2026 A Mortgage Loans**
Mortgage loans will be 30-year, fixed rate loans guaranteed by FHA, VA, or USDA and pooled into Ginnie Mae MBS.

**Down Payment Assistance**
Borrowers have the choice of unassisted loans with no down payment assistance (DPA), or three points of DPA, or four points of DPA. DPA is offered as a 0% interest, non-amortizing, 30-year repayable second mortgage loan that is due on sale, refinance, or pay-off of the first loan.

**Rates**
Unassisted first mortgage loans from this transaction are currently offered at 5.750%, while 3% repayable DPA loans are 6.000% and 4% repayable DPA loans are 6.125%. Targeted Area loans are offered 1/8$^{th}$ lower.

**Financing Team**
The financing team consisted of Bracewell LLP as Bond Counsel; McCall, Parkhurst & Horton, L.L.P. as Disclosure Counsel; CSG Advisors as Financial Advisor; and an underwriting team led by RBC Capital Markets as Book Running Senior Manager, Morgan Stanley, and Jefferies as co-senior managers, with Ramirez & Co., Inc., Wells Fargo Securities, J.P. Morgan, and Loop Capital Markets LLC, Fidelity and Bank of America Securities as co-managers.

As of May 28, 2026, these funds were fully reserved.

**Exhibits**
Attached is a detailed summary of the pricing that was prepared by RBC Capital Markets.

# $250,000,000

# Texas Department of Housing and Community Affairs
# Residential Mortgage Revenue Bonds

## Series 2026B (Non-AMT)

## Final Pricing Book

**Retail Pricing: May 4, 2026**
**Institutional Pricing: May 4, 2026**
**Closing: June 9, 2026**

**Prepared By**

RBC Capital Markets

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# SECTION 1
# Overview of Financing

## *EXECUTIVE SUMMARY*

| | | |
|---|---|---|
| ***Timing and Underwriting*** | **Retail Order Period:** | Monday, May 4, 2026 |
| | **Institutional Pricing:** | Monday, May 4, 2026 |
| | **Closing Date:** | Tuesday, June 9, 2026 |
| | **Method of Sale:** | Negotiated |
| ***Underwriters*** | **Senior Manager:** | RBC Capital Markets, LLC |
| | **Co-Senior Managers:** | Jefferies LLC<br>Morgan Stanley |
| | **Co-Managers:** | J.P. Morgan<br>Loop Capital Markets<br>Ramirez & Co., Inc.<br>Fidelity Capital Markets<br>Wells Fargo Securities<br>BofA Securities Inc. |

***Use of Proceeds***

The Series 2026B Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates, including providing down payment and closing cost assistance for Assisted Mortgage Loans, and repaying and/or currently refunding the repaid FHLB advances. The Mortgage Certificates purchased with the proceeds of the Series 2026B Bonds will be guaranteed as to timely payment of principal and interest by Government National Mortgage Association.

***Bond Structure***

The 2026B Non-AMT bonds are structured with semi-annual par serial bonds from 7/1/2027 through 7/1/2038, par term bonds due in 2041, 2046, 2051 and 2056, and a 6.0 year average life Premium PAC bond structured pro rata @ 50% - 500% PSA to yield 3.72%.

***Ratings***

Moody's: Aa1
S&P: AA+

***Bondholder Security***

Principal or Redemption Price of and interest on all Bonds are payable solely from and are secured by a pledge of and lien on the Trust Estate, which consists generally of the Revenues, Mortgages, Mortgage Loans (including Mortgage Certificates), money and Investment Securities held in the Funds (excluding the Rebate Fund), and other property pledged under the Trust Indenture and any Supplemental Indenture. Revenues include all payments with respect to the Mortgage Loans (net of servicing, accounting and collection fees) which include Mortgage Certificates (net of servicing and guaranty fees) and the earnings on investments of amounts held under the Trust Indenture and any Supplemental Indenture. Revenues do not include payments made in order to obtain or maintain mortgage insurance and fire and other hazard insurance with respect to Mortgage Loans (including Mortgage Certificates), and any payments required to

be made with respect to Mortgage Loans (including Mortgage Certificates) for taxes, other governmental charges, and other similar charges customarily required to be escrowed on mortgage loans or commitment fees or other financing charges paid by a Mortgage Lender or the Master Servicer to the Department in connection with a commitment to sell and deliver Mortgage Loans (including Mortgage Certificates) to the Department.

***Investment of Proceeds***

Moneys in all Funds will be invested pursuant to the Depository Agreement with the Texas Treasury Safekeeping Trust Company in Investment Securities. Moneys held or invested in all Funds and Accounts under the Trust Indenture (other than the Rebate Fund) are for the equal and ratable benefit of all owners of the Bonds.

***Results of Sale***

| **Bond Issue Component Series 2026B** | | **Buyer Profile by Allotments** |
|---|---|---|
| $33,940,000<br>7/2027 – 7/2038<br>Par Serial Bonds | Retail:<br>Institutional: | 88%<br>12% |
| $ 13,855,000<br>7/2041<br>Term Bonds | Retail:<br>Institutional: | 22%<br>78% |
| $29,975,000<br>7/2046<br>Par Term Bonds | Retail:<br>Institutional: | 49%<br>51% |
| $41,315,000<br>7/2051<br>Term Bonds | Retail:<br>Institutional: | 1%<br>99% |
| $56,915,000<br>7/2056<br>Term Bonds | Retail:<br>Institutional: | 9%<br>91% |
| $74,000,000<br>1/2057<br>Premium PAC Bonds | Retail:<br>Institutional: | 0%<br>100% |

***Borrowing Cost***

Bond Arbitrage Yield
Series 2026B 4.3464%

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 24, 2026**

**NEW ISSUE - BOOK-ENTRY ONLY**

**RATINGS**
**Moody's: "Aa1"**
**S&P: "AA+"**
**(See "RATINGS" herein)**

*Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, interest on the Series 2026B Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS RELATING TO THE SERIES 2026B BONDS" herein, including information regarding potential alternative minimum tax consequences for corporations.*

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

## $250,000,000*
## Residential Mortgage Revenue Bonds,
## Series 2026B
## ("Series 2026B Bonds")

| | |
|---|---|
| *Dated Date/Delivery Date:* | June 9, 2026* |
| *Due:* | July 1 and January 1, as shown on the inside cover. |
| *Interest Payment Dates:* | Interest accrued on the Series 2026B Bonds (the "Series 2026B Bonds") will be payable on each July 1 and January 1, commencing January 1, 2027* as described herein. |
| *Interest Rates:* | Payable at the rates as shown on the inside cover. |
| *Redemption:* | The Series 2026B Bonds are subject to redemption on the dates and at the Redemption Prices more fully described herein. See "THE SERIES 2026B BONDS – Redemption Provisions." |
| *Denominations:* | The Series 2026B Bonds will be available to purchasers in book-entry form only in denominations of $5,000 or any integral multiple thereof as described herein. |
| *Tax Matters:* | Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2026B Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2026B Bonds is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS RELATING TO THE SERIES 2026B BONDS" herein. |
| *Purpose:* | The Series 2026B Bonds are being issued for the primary purpose of (i) acquiring Mortgage Loans (as defined herein), or participations therein, through the purchase of mortgage-backed, pass-through certificates (the "2026B Mortgage Certificates"), including providing down payment and closing cost assistance for Assisted Mortgage Loans (as defined herein), (ii) paying lender compensation related to the 2026B Mortgage Loans (as defined herein), (iii) repaying and/or currently refunding the Repaid FHLB Advances (as defined herein), thereby providing funds for purposes (i)-(ii), and (iv) paying Costs of Issuance (as defined herein). The 2026B Mortgage Certificates will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES." |
| *Security:* | The Series 2026B Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture (as defined herein) are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture. The Series 2026B Bonds are limited obligations of the Texas Department of Housing and Community Affairs (the "Department") and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, is obligated to pay the principal or Redemption Price of or interest on the Series 2026B Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae guarantees only the payment of the principal of and interest on the Ginnie Mae Certificates when due and does not guarantee the payment of the Series 2026B Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "THE TRUST INDENTURE." |
| *Book-Entry Only System:* | The Series 2026B Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – DTC and Book-Entry." |
| *Trustee:* | The Bank of New York Mellon Trust Company, N.A. |
| *Bond Counsel:* | Bracewell LLP |
| *Disclosure Counsel:* | McCall, Parkhurst & Horton L.L.P. |
| *Underwriters' Counsel:* | Chapman and Cutler LLP |
| *Municipal Advisor:* | CSG Advisors |

**RBC Capital Markets**

**Morgan Stanley** **Jefferies**

**J.P. Morgan** **Loop Capital Markets** **Ramirez & Co., Inc.**

**Wells Fargo Securities** **Fidelity Capital Markets** **BofA Securities, Inc.**

* Preliminary, subject to change.

## MATURITY SCHEDULE*

### $33,940,000 Series 2026B Serial Bonds

| Maturity Date | Principal Amount ($) | Interest Rate | Price | CUSIP[1] |
|---|---|---|---|---|
| July 1, 2027 | 1,010,000 | | | |
| January 1, 2028 | 1,040,000 | | | |
| July 1, 2028 | 1,075,000 | | | |
| January 1, 2029 | 1,110,000 | | | |
| July 1, 2029 | 1,150,000 | | | |
| January 1, 2030 | 1,190,000 | | | |
| July 1, 2030 | 1,225,000 | | | |
| January 1, 2031 | 1,270,000 | | | |
| July 1, 2031 | 1,310,000 | | | |
| January 1, 2032 | 1,350,000 | | | |
| July 1, 2032 | 1,395,000 | | | |
| January 1, 2033 | 1,445,000 | | | |
| July 1, 2033 | 1,490,000 | | | |
| January 1, 2034 | 1,540,000 | | | |
| July 1, 2034 | 1,590,000 | | | |
| January 1, 2035 | 1,640,000 | | | |
| July 1, 2035 | 1,695,000 | | | |
| January 1, 2036 | 1,750,000 | | | |
| July 1, 2036 | 1,810,000 | | | |
| January 1, 2037 | 1,870,000 | | | |
| July 1, 2037 | 1,930,000 | | | |
| January 1, 2038 | 1,995,000 | | | |
| July 1, 2038 | 2,060,000 | | | |

$13,855,000 _____% Series 2026B Term Bond due July 1, 2041 Price _____% CUSIP[1] _____
$29,975,000 _____ % Series 2026B Term Bond due July 1, 2046 Price _____% CUSIP[1] _____
$41,315,000 _____% Series 2026B Term Bond due July 1, 2051 Price _____% CUSIP[1] _____
$56,915,000 _____% Series 2026B Term Bond due July 1, 2056 Price _____% CUSIP[1] _____
$74,000,000 _____% Series 2026B Premium PAC Term Bond due January 1, 2057 Price _____% CUSIP[1] _____

(Interest Accrues from Date of Delivery)

* *Preliminary, subject to change.*

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**OFFICIAL STATEMENT DATED MAY 4, 2026**

NEW ISSUE - BOOK-ENTRY ONLY

**RATINGS**
Moody's: "Aa1"
S&P: "AA+"
(See "RATINGS" herein)

*Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, interest on the Series 2026B Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS RELATING TO THE SERIES 2026B BONDS" herein, including information regarding potential alternative minimum tax consequences for corporations.*

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

## $250,000,000
## Residential Mortgage Revenue Bonds,
## Series 2026B
## ("Series 2026B Bonds")

| | |
|---|---|
| *Dated Date/Delivery Date:* | June 9, 2026 |
| *Due:* | July 1 and January 1, as shown on the inside cover. |
| *Interest Payment Dates:* | Interest accrued on the Series 2026B Bonds will be payable on each July 1 and January 1, commencing January 1, 2027 as described herein. |
| *Interest Rates:* | Payable at the rates as shown on the inside cover. |
| *Redemption:* | The Series 2026B Bonds are subject to redemption on the dates and at the Redemption Prices more fully described herein. See "THE SERIES 2026B BONDS – Redemption Provisions." |
| *Denominations:* | The Series 2026B Bonds will be available to purchasers in book-entry form only in denominations of $5,000 or any integral multiple thereof as described herein. |
| *Tax Matters:* | Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2026B Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2026B Bonds is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS RELATING TO THE SERIES 2026B BONDS" herein. |
| *Purpose:* | The Series 2026B Bonds are being issued for the primary purpose of (i) acquiring Mortgage Loans (as defined herein), or participations therein, through the purchase of mortgage-backed, pass-through certificates (the "2026B Mortgage Certificates"), including providing down payment and closing cost assistance for Assisted Mortgage Loans (as defined herein), (ii) paying lender compensation related to the 2026B Mortgage Loans (as defined herein), (iii) repaying and/or currently refunding the Repaid FHLB Advances (as defined herein), thereby providing funds for purposes (i)-(ii), and (iv) paying Costs of Issuance (as defined herein). The 2026B Mortgage Certificates will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES." |
| *Security:* | The Series 2026B Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture (as defined herein) are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture. The Series 2026B Bonds are limited obligations of the Texas Department of Housing and Community Affairs (the "Department") and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, is obligated to pay the principal or Redemption Price of or interest on the Series 2026B Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae guarantees only the payment of the principal of and interest on the Ginnie Mae Certificates when due and does not guarantee the payment of the Series 2026B Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "THE TRUST INDENTURE." |
| *Book-Entry Only System:* | The Series 2026B Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – DTC and Book-Entry." |
| *Trustee:* | The Bank of New York Mellon Trust Company, N.A. |
| *Bond Counsel:* | Bracewell LLP |
| *Disclosure Counsel:* | McCall, Parkhurst & Horton L.L.P. |
| *Underwriters' Counsel:* | Chapman and Cutler LLP |
| *Municipal Advisor:* | CSG Advisors |

**RBC Capital Markets**

**Morgan Stanley** **Jefferies**

**J.P. Morgan** **Loop Capital Markets** **Ramirez & Co., Inc.**

**Wells Fargo Securities** **Fidelity Capital Markets** **BofA Securities, Inc.**

## MATURITY SCHEDULE

### $33,940,000 Series 2026B Serial Bonds

| Maturity Date | Principal Amount ($) | Interest Rate | Price | CUSIP[1] |
|---|---|---|---|---|
| July 1, 2027 | 1,010,000 | 2.700% | 100.000% | 882750T44 |
| January 1, 2028 | 1,040,000 | 2.800% | 100.000% | 882750T51 |
| July 1, 2028 | 1,075,000 | 2.850% | 100.000% | 882750T69 |
| January 1, 2029 | 1,110,000 | 2.900% | 100.000% | 882750T77 |
| July 1, 2029 | 1,150,000 | 2.950% | 100.000% | 882750T85 |
| January 1, 2030 | 1,190,000 | 3.000% | 100.000% | 882750T93 |
| July 1, 2030 | 1,225,000 | 3.050% | 100.000% | 882750U26 |
| January 1, 2031 | 1,270,000 | 3.050% | 100.000% | 882750U34 |
| July 1, 2031 | 1,310,000 | 3.100% | 100.000% | 882750U42 |
| January 1, 2032 | 1,350,000 | 3.250% | 100.000% | 882750U59 |
| July 1, 2032 | 1,395,000 | 3.300% | 100.000% | 882750U67 |
| January 1, 2033 | 1,445,000 | 3.350% | 100.000% | 882750U75 |
| July 1, 2033 | 1,490,000 | 3.400% | 100.000% | 882750U83 |
| January 1, 2034 | 1,540,000 | 3.500% | 100.000% | 882750U91 |
| July 1, 2034 | 1,590,000 | 3.550% | 100.000% | 882750V25 |
| January 1, 2035 | 1,640,000 | 3.600% | 100.000% | 882750V33 |
| July 1, 2035 | 1,695,000 | 3.700% | 100.000% | 882750V41 |
| January 1, 2036 | 1,750,000 | 3.750% | 100.000% | 882750V58 |
| July 1, 2036 | 1,810,000 | 3.800% | 100.000% | 882750V66 |
| January 1, 2037 | 1,870,000 | 3.850% | 100.000% | 882750V74 |
| July 1, 2037 | 1,930,000 | 3.950% | 100.000% | 882750V82 |
| January 1, 2038 | 1,995,000 | 4.000% | 100.000% | 882750V90 |
| July 1, 2038 | 2,060,000 | 4.000% | 100.000% | 882750W24 |

$13,855,000 4.250% Series 2026B Term Bond due July 1, 2041 Price 100.000% CUSIP[1] 882750W32
$29,975,000 4.700 % Series 2026B Term Bond due July 1, 2046 Price 100.000% CUSIP[1] 882750W40
$41,315,000 4.750% Series 2026B Term Bond due July 1, 2051 Price 100.000% CUSIP[1] 882750W57
$56,915,000 4.800% Series 2026B Term Bond due July 1, 2056 Price 100.000% CUSIP[1] 882750W65
$74,000,000 6.000% Series 2026B Premium PAC Term Bond due January 1, 2057 Price 111.653% CUSIP[1] 882750W73

(Interest Accrues from Date of Delivery)

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## *MARKET CONDITIONS AND COMMENTARY*

***Market Conditions***

- On the day of pricing, May 4, 2026, bond market conditions remained volatile as uncertainty stemming from the war in Iran and the prolonged closure of the Strait of Hormuz continued to drive tenuous investor sentiment.
- US equities rallied the week prior, propelled by strong corporate earnings and positive sentiment around AI investment.
- The DJIA rose 0.6%, while the S&P500 and Nasdaq closed out the week at new historic highs, gaining 0.9% and 1.1%, respectively.
- A divided FOMC left rates unchanged on the Wednesday prior to pricing, with four officials dissenting – the highest since 1992.
- First-quarter GDP grew at an annual rate of 2.0%, below the Bloomberg consensus of 2.3% but up from 0.5% during Q4 ’25.
- Municipal primary supply totaled $9.1bn the week prior to pricing, and pricing results were inconsistent; the 2-9 year range continued to struggle on many transactions.
- TDHCA had a bit of company the week it priced including Iowa, Nebraska, Washington and Minnesota with single family bond issues and Florida and Jefferson County with multifamily / short term bonds.

***Commentary***

- RBC entered the market on Monday, May 4th with a retail order period and was greeted with a positive reception, especially for the early serials, which was encouraging given the struggle the prior week for that front end of the curve.
- Given the healthy response from investors during the retail order period coupled with the growing concern of how markets would respond to the potential breakdown of negotiations with Iran and continued closure of the Strait, RBCCM recommended to accelerate into an institutional order period that afternoon.
- The 2026B Bonds were roughly 1.95x oversubscribed (excluding member orders), generating $465MM in orders in which 36 different institutional investors participated along with individual investors.
- $47.75MM of retail orders were placed, including $11MM of Texas retail.
- The long term bonds were on average 2.9x oversubscribed.
- The 2026B PAC bond was 1.2x oversubscribed with 6 investors.
- The resulting overall bond yield allowed TDHCA to offer a base mortgage rate of 5.839% and offer a competitive loan program throughout 2026.

## *PARTICIPANTS*

| | |
|---|---|
| **Issuer** | Texas Department of Housing and Community Affairs |
| **Bond Counsel** | Bracewell LLP |
| **Disclosure Counsel** | McCall, Parkhurst & Horton, L.L.P. |
| **Financial Advisor** | CSG Advisors |
| **Senior Manager** | RBC Capital Markets, LLC |
| **Co-Senior Managers** | Jefferies LLC<br>Morgan Stanley |
| **Co-Managers** | J.P. Morgan<br>Loop Capital Markets<br>Ramirez & Co. Inc.<br>Wells Fargo Securities<br>Fidelity Capital Markets<br>BofA Securities Inc. |
| **Underwriter's Counsel** | Chapman and Cutler LLP |
| **Trustee** | The Bank of New York Mellon Trust Company, N.A. |
| **Trustee's Counsel** | McGuire, Craddock & Strother, P.C. |
| **Master Servicer** | The Money Source, Inc. (TMS) |
| **Rating Agencies** | Moody's Investors Service<br>Standard & Poor's Rating Services |
| **Printer** | ImageMaster |

## *GROSS SPREAD*

| | 2026B | TOTAL/BOND |
|---|---|---|
| | **$250,000,000** | |
| ***Management Fee Schedule*** | | |
| ***Underwriting Fee*** | | |
| Takedown | 1,439,287.50 | 5.757 |
| Management Fee | 125,000.00 | 0.500 |
| Expenses | 86,482.49 | 0.346 |
| **Total UW Fee** | **$1,650,769.99** | **$6.603** |

## *BREAKDOWN OF SYNDICATE EXPENSES*

| | 2026B | TOTAL/BOND |
|---|---|---|
| | **$250,000,000** | |
| ***Underwriting Expense Schedule*** | | |
| Day Loan | **6,944.44** | **0.03** |
| CUSIP | **1,163.00** | **0.00** |
| Ipreo | **25,600.05** | **0.10** |
| DTC Fees | **975.00** | **0.00** |
| UW Counsel | **50,000.00** | **0.20** |
| DAC Fee | **800.00** | **0.00** |
| T&E& Misc. | **1,000.00** | **0.00** |
| **Total Underwriter Expenses** | **$86,482.49** | **$0.346** |

## *SOURCES AND USES OF FUNDS*

| **SOURCES OF FUNDS** | |
|---|---|
| | **2026B** |
| Par Amount of Bonds - New Allocatoin | $ 202,775,000.00 |
| Par Amount of Bonds - Recycled Volume Cap | 47,225,000.00 |
| Bond Premium | 8,623,220.00 |
| Issuer Contribution | 6,739,299.99 |
| **TOTAL SOURCES** | **$ 265,362,519.99** |
| | |
| **USES OF FUNDS** | |
| Mortgage Loan Account for MBS Purchase | $ 250,000,000.00 |
| Mortgage Loan Account for 2nd Mortgage Loans | 7,650,000.00 |
| Lender Compensation | 5,000,000.00 |
| Servicing of Second Mortgage Loans | 103,750.00 |
| Underwriter Compensation | 1,650,769.99 |
| Costs of Issuance | 958,000.00 |
| **TOTAL USES** | **$ 265,362,519.99** |

# SECTION 2
# Pricing Information

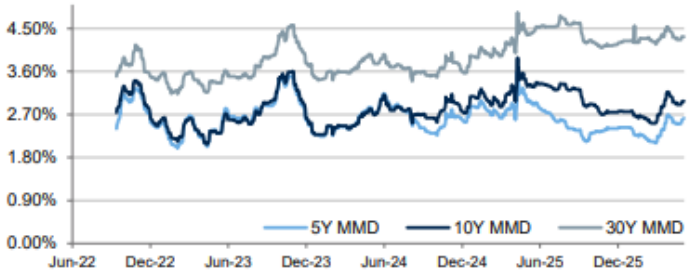
# RBC Capital Markets - Municipal Markets Daily

May 4, 2026

## MMD Change

### Change in MMD

| | 5/4/2026 | Daily Δ (bps) | Weekly Δ (bps) |
|---|---|---|---|
| 3yr MMD | 2.49 | 2 | 12 |
| 5yr MMD | 2.62 | 2 | 11 |
| 7yr MMD | 2.75 | 1 | 11 |
| 10yr MMD | 2.98 | 0 | 7 |
| 30yr MMD | 4.33 | 0 | 6 |




## Market Commentary

- USTs and equity indices struggled today as conflict in the Middle East resumed with the US and Iran exchanging fire in the Persian Gulf, driving oil prices higher and renewing inflationary concerns.
- Tax-exempt benchmark yields fell 1bp in 2027, were unchanged in 2028, rose 2bps in 2029-2031, rose 1bp in 2032-2034, and were unchanged in 2035-2056.
- The municipal primary market saw limited issuance on Monday, but high-grade deals were well-received despite the weaker tone in USTs. Tuesday's calendar is expected to total $6.8bn, the heaviest day in a $13bn week of supply.
- Municipal secondary trading saw lighter flows with most investors concentrated on heavier primary supply expected in the coming days. The market exhibited a weaker tone given the sharp selloff in government bonds.
- EPFR reported roughly $1.4 billion of aggregate daily inflows, as of 5/01. All fund categories saw inflows.

## U.S. Treasury Rates

### Change in Treasuries

| | 5/4/2026 | Daily Δ (bps) | Weekly Δ (bps) |
|---|---|---|---|
| 3yr UST | 3.98 | 7 | 15 |
| 5yr UST | 4.08 | 6 | 14 |
| 7yr UST | 4.26 | 6 | 12 |
| 10yr UST | 4.45 | 6 | 10 |
| 30yr UST | 5.02 | 5 | 8 |

### Change in MMD/UST Ratio

| | 5/4/2026 | Daily Δ (%) | Weekly Δ (%) |
|---|---|---|---|
| 3yr Ratio | 63% | -1% | 1% |
| 5yr Ratio | 64% | 0% | 1% |
| 7yr Ratio | 65% | -1% | 1% |
| 10yr Ratio | 67% | -1% | 0% |
| 30yr Ratio | 86% | -1% | 0% |

## Economic Calendar

| Monday | Tuesday | Wednesday | Thursday | Friday |
|---|---|---|---|---|
| Factory Orders | International Trade in Goods and Services | MBA Mortgage Applications | Challenger Job-Cut Report | Employment Situation |
| | PMI Composite Final | ADP Employment Report | Jobless Claims | Consumer Sentiment |
| | ISM Services Index | Treasury Refunding Announcement | Productivity and Costs | Baker Hughes Rig Count |
| | JOLTS | EIA Petroleum Status Report | EIA Natural Gas Report | |
| | | | Consumer Credit | |
| | | | Fed Balance Sheet | |

Market Moving Indicators

*MMD stands for Municipal Market Data; which is the daily index off of which all municipal bonds are priced.*

*Sources: RBC Capital Markets as of May 4, 2026, Refinitiv, Bloomberg, https://www.treasury.gov/resource-center, https://us.econoday.com/byweek.asp?cust=us*

RBC Capital Markets

## Disclaimer

Sources include: https://www.rbccm.com/assets/rbccm/docs/uploads/2022/RBCCM_Muni_Markets_Weekly_Newsletter.pdf, http://www.rbc.com/economics/, RBC Capital Markets.

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RBC Capital Markets

**$250MM TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**
**SERIES 2026B**

| | | | RBC | | MS | | Jeff | | JPM | | Loop | | Ramirez | | Wells | | Fidelity | | BOFA | | Consensus | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Maturity** | **Structure** | **5/1 MMD** | **Yield** | **Spread** | **Yield** | **Spread** | **Yield** | **Spread** | **Yield** | **Spread** | **Yield** | **Spread** | **Yield** | **Spread** | **Yield** | **Spread** | **Yield** | **Spread** | **Yield** | **Spread** | **Yield** | **Spread** |
| | | | | | | | | | | | | | | | | | | | | | | |
| 7/1/2027 | 1,010 | 2.550 | 2.750 | 0.200 | 2.800 | 0.250 | 2.750 | 0.200 | 2.800 | 0.250 | 2.750 | 0.200 | 2.750 | 0.200 | 2.750 | 0.200 | 2.750 | 0.200 | 2.800 | 0.250 | 2.750 | 0.200 |
| 1/1/2028 | 1,040 | 2.470 | 2.800 | 0.330 | 2.850 | 0.380 | 2.800 | 0.330 | 2.850 | 0.380 | 2.800 | 0.330 | 2.800 | 0.330 | 2.800 | 0.330 | 2.800 | 0.330 | 2.850 | 0.380 | 2.800 | 0.330 |
| 7/1/2028 | 1,075 | 2.470 | 2.850 | 0.380 | 2.900 | 0.430 | 2.850 | 0.380 | 2.900 | 0.430 | 2.850 | 0.380 | 2.875 | 0.405 | 2.850 | 0.380 | 2.850 | 0.380 | 2.900 | 0.430 | 2.850 | 0.380 |
| 1/1/2029 | 1,110 | 2.470 | 2.900 | 0.430 | 2.950 | 0.480 | 2.900 | 0.430 | 2.900 | 0.430 | 2.900 | 0.430 | 2.900 | 0.430 | 2.900 | 0.430 | 2.850 | 0.380 | 2.950 | 0.480 | 2.900 | 0.430 |
| 7/1/2029 | 1,150 | 2.480 | 2.950 | 0.470 | 2.950 | 0.470 | 2.950 | 0.470 | 2.950 | 0.470 | 2.950 | 0.470 | 2.950 | 0.470 | 2.950 | 0.470 | 2.900 | 0.420 | 3.000 | 0.520 | 2.950 | 0.470 |
| 1/1/2030 | 1,190 | 2.500 | 3.000 | 0.500 | 3.000 | 0.500 | 3.000 | 0.500 | 3.000 | 0.500 | 3.000 | 0.500 | 3.000 | 0.500 | 3.000 | 0.500 | 2.950 | 0.450 | 3.050 | 0.550 | 3.000 | 0.500 |
| 7/1/2030 | 1,225 | 2.540 | 3.050 | 0.510 | 3.050 | 0.510 | 3.100 | 0.560 | 3.050 | 0.510 | 3.050 | 0.510 | 3.050 | 0.510 | 3.100 | 0.560 | 3.000 | 0.460 | 3.150 | 0.610 | 3.050 | 0.510 |
| 1/1/2031 | 1,270 | 2.580 | 3.100 | 0.520 | 3.100 | 0.520 | 3.150 | 0.570 | 3.100 | 0.520 | 3.100 | 0.520 | 3.100 | 0.520 | 3.150 | 0.570 | 3.100 | 0.520 | 3.200 | 0.620 | 3.100 | 0.520 |
| 7/1/2031 | 1,310 | 2.610 | 3.125 | 0.515 | 3.150 | 0.540 | 3.200 | 0.590 | 3.150 | 0.540 | 3.150 | 0.540 | 3.150 | 0.540 | 3.200 | 0.590 | 3.150 | 0.540 | 3.250 | 0.640 | 3.125 | 0.515 |
| 1/1/2032 | 1,350 | 2.640 | 3.250 | 0.610 | 3.250 | 0.610 | 3.300 | 0.660 | 3.250 | 0.610 | 3.300 | 0.660 | 3.300 | 0.660 | 3.300 | 0.660 | 3.300 | 0.660 | 3.350 | 0.710 | 3.250 | 0.610 |
| 7/1/2032 | 1,395 | 2.700 | 3.300 | 0.600 | 3.300 | 0.600 | 3.350 | 0.650 | 3.350 | 0.650 | 3.350 | 0.650 | 3.350 | 0.650 | 3.350 | 0.650 | 3.350 | 0.650 | 3.400 | 0.700 | 3.300 | 0.600 |
| 1/1/2033 | 1,445 | 2.730 | 3.350 | 0.620 | 3.350 | 0.620 | 3.400 | 0.670 | 3.400 | 0.670 | 3.400 | 0.670 | 3.400 | 0.670 | 3.400 | 0.670 | 3.500 | 0.770 | 3.450 | 0.720 | 3.350 | 0.620 |
| 7/1/2033 | 1,490 | 2.740 | 3.400 | 0.660 | 3.400 | 0.660 | 3.450 | 0.710 | 3.450 | 0.710 | 3.450 | 0.710 | 3.450 | 0.710 | 3.450 | 0.710 | 3.450 | 0.710 | 3.500 | 0.760 | 3.400 | 0.660 |
| 1/1/2034 | 1,540 | 2.770 | 3.500 | 0.730 | 3.500 | 0.730 | 3.550 | 0.780 | 3.550 | 0.780 | 3.550 | 0.780 | 3.550 | 0.780 | 3.550 | 0.780 | 3.550 | 0.780 | 3.600 | 0.830 | 3.500 | 0.730 |
| 7/1/2034 | 1,590 | 2.810 | 3.550 | 0.740 | 3.550 | 0.740 | 3.650 | 0.840 | 3.650 | 0.840 | 3.600 | 0.790 | 3.600 | 0.790 | 3.600 | 0.790 | 3.600 | 0.790 | 3.650 | 0.840 | 3.550 | 0.740 |
| 1/1/2035 | 1,640 | 2.870 | 3.600 | 0.730 | 3.600 | 0.730 | 3.700 | 0.830 | 3.750 | 0.880 | 3.650 | 0.780 | 3.650 | 0.780 | 3.700 | 0.830 | 3.650 | 0.780 | 3.700 | 0.830 | 3.600 | 0.730 |
| 7/1/2035 | 1,695 | 2.910 | 3.700 | 0.790 | 3.700 | 0.790 | 3.750 | 0.840 | 3.800 | 0.890 | 3.750 | 0.840 | 3.750 | 0.840 | 3.750 | 0.840 | 3.750 | 0.840 | 3.750 | 0.840 | 3.700 | 0.790 |
| 1/1/2036 | 1,750 | 2.950 | 3.750 | 0.800 | 3.750 | 0.800 | 3.850 | 0.900 | 3.850 | 0.900 | 3.800 | 0.850 | 3.800 | 0.850 | 3.800 | 0.850 | 3.800 | 0.850 | 3.850 | 0.900 | 3.750 | 0.800 |
| 7/1/2036 | 1,810 | 3.000 | 3.800 | 0.800 | 3.800 | 0.800 | 3.900 | 0.900 | 3.900 | 0.900 | 3.850 | 0.850 | 3.850 | 0.850 | 3.850 | 0.850 | 3.850 | 0.850 | 3.900 | 0.900 | 3.800 | 0.800 |
| 1/1/2037 | 1,870 | 3.040 | 3.850 | 0.810 | 3.850 | 0.810 | 3.950 | 0.910 | 3.950 | 0.910 | 3.900 | 0.860 | 3.900 | 0.860 | 3.900 | 0.860 | 3.875 | 0.835 | 3.950 | 0.910 | 3.850 | 0.810 |
| 7/1/2037 | 1,930 | 3.060 | 3.950 | 0.890 | 3.950 | 0.890 | 4.000 | 0.940 | 4.000 | 0.940 | 3.950 | 0.890 | 3.950 | 0.890 | 3.950 | 0.890 | 3.900 | 0.840 | 4.000 | 0.940 | 3.950 | 0.890 |
| 1/1/2038 | 1,995 | 3.110 | 4.000 | 0.890 | 4.000 | 0.890 | 4.050 | 0.940 | 4.050 | 0.940 | 4.050 | 0.940 | 4.000 | 0.890 | 4.000 | 0.890 | 4.000 | 0.890 | 4.050 | 0.940 | 4.000 | 0.890 |
| 7/1/2038 | 2,060 | 3.140 | 4.000 | 0.860 | 4.000 | 0.860 | 4.050 | 0.910 | 4.050 | 0.910 | 4.050 | 0.910 | 4.000 | 0.860 | 4.000 | 0.860 | 4.000 | 0.860 | 4.050 | 0.910 | 4.000 | 0.860 |
| | | | | | | | | | | | | | | | | | | | | | | |
| 7/1/2041 | 13,855 | 3.380 | 4.250 | 0.870 | 4.250 | 0.870 | 4.250 | 0.870 | 4.250 | 0.870 | 4.250 | 0.870 | 4.250 | 0.870 | 4.250 | 0.870 | 4.250 | 0.870 | 4.250 | 0.870 | 4.250 | 0.870 |
| | | | | | | | | | | | | | | | | | | | | | | |
| 7/1/2046 | 29,975 | 3.950 | 4.700 | 0.750 | 4.700 | 0.750 | 4.700 | 0.750 | 4.700 | 0.750 | 4.700 | 0.750 | 4.700 | 0.750 | 4.700 | 0.750 | 4.650 | 0.700 | 4.700 | 0.750 | 4.700 | 0.750 |
| | | | | | | | | | | | | | | | | | | | | | | |
| 7/1/2051 | 41,315 | 4.230 | 4.750 | 0.520 | 4.750 | 0.520 | 4.750 | 0.520 | 4.750 | 0.520 | 4.750 | 0.520 | 4.750 | 0.520 | 4.750 | 0.520 | 4.750 | 0.520 | 4.750 | 0.520 | 4.750 | 0.520 |
| | | | | | | | | | | | | | | | | | | | | | | |
| 7/1/2056 | 56,915 | 4.330 | 4.800 | 0.470 | 4.800 | 0.470 | 4.800 | 0.470 | 4.800 | 0.470 | 4.800 | 0.470 | 4.800 | 0.470 | 4.800 | 0.470 | 4.800 | 0.470 | 4.800 | 0.470 | 4.800 | 0.470 |
| | | | | | | | | | | | | | | | | | | | | | | |
| 1/1/2057 | 74,000 | 2.660 | 3.590 | 0.930 | 3.580 | 0.920 | 3.610 | 0.950 | 3.600 | 0.940 | 3.550 | 0.890 | 3.500 | 0.840 | 3.610 | 0.950 | 3.590 | 0.930 | 3.640 | 0.980 | 3.590 | 0.930 |
| 5.9yr AL PAC | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| | **250,000** | | | | | | | | | | | | | | | | | | | | | |

RE: $ 250,000,000*
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE BONDS
SERIES 2026B

WE HAVE A RELEAE FOR THE RETAIL ORDER PERIOD UNTIL 4:00PM ET.

FOR ORDERS RECEIVED DURING THE RETAIL ORDER PERIOD, THE ISSUER RESERVES THE RIGHT TO LIMIT THE RETAIL ALLOTMENTS ON ALL MATURITIES (EXCPECT THE PAC) TO 50% OF THE AGGREGATE PAR VALUE OF SUCH MATURITIES AT THE FINAL PRICE.

THE ISSUER RESERVES THE RIGHT TO ACCELERATE PRICING BASED ON MARKET CONDITIONS.

POS LINK: http://www.munios.com/e/M71V6/wavUY02

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MOODY'S: Aa1 S&P: AA+
FITCH: KROLL:

DATED:06/09/2026 FIRST COUPON:01/01/2027

DUE: 01/01 & 07/01

| MATURITY | AMOUNT* | COUPON | PRICE | ADD'L TAKEDOWN ( Pts ) | |
|---|---|---|---|---|---|
| 07/01/2027 | 1,010M | 2.75% | 100.00 | 1/4 | |
| 01/01/2028 | 1,040M | 2.80% | 100.00 | 1/4 | |
| 07/01/2028 | 1,075M | 2.85% | 100.00 | 1/4 | |
| 01/01/2029 | 1,110M | 2.90% | 100.00 | 3/8 | |
| 07/01/2029 | 1,150M | 2.95% | 100.00 | 3/8 | |
| 01/01/2030 | 1,190M | 3.00% | 100.00 | 1/2 | |
| 07/01/2030 | 1,225M | 3.05% | 100.00 | 1/2 | |
| 01/01/2031 | 1,270M | 3.10% | 100.00 | 1/2 | |
| 07/01/2031 | 1,310M | 3.125% | 100.00 | 1/2 | |
| 01/01/2032 | 1,350M | 3.25% | 100.00 | 1/2 | |
| 07/01/2032 | 1,395M | 3.30% | 100.00 | 1/2 | |
| 01/01/2033 | 1,445M | 3.35% | 100.00 | 1/2 | |
| 07/01/2033 | 1,490M | 3.40% | 100.00 | 1/2 | |
| 01/01/2034 | 1,540M | 3.50% | 100.00 | 5/8 | |
| 07/01/2034 | 1,590M | 3.55% | 100.00 | 5/8 | |
| 01/01/2035 | 1,640M | 3.60% | 100.00 | 5/8 | |
| 07/01/2035 | 1,695M | 3.70% | 100.00 | 5/8 | |
| 01/01/2036 | 1,750M | 3.75% | 100.00 | 5/8 | |
| 07/01/2036 | 1,810M | 3.80% | 100.00 | 5/8 | |
| 01/01/2037 | 1,870M | 3.85% | 100.00 | 5/8 | |
| 07/01/2037 | 1,930M | 3.95% | 100.00 | 5/8 | |
| 01/01/2038 | 1,995M | 4.00% | 100.00 | 5/8 | |
| 07/01/2038 | 2,060M | 4.00% | 100.00 | 5/8 | |
| 07/01/2041 | 13,855M | 4.25% | 100.00 | 5/8 | |
| 07/01/2046 | 29,975M | 4.70% | 100.00 | 5/8 | |
| 07/01/2051 | 41,315M | 4.75% | 100.00 | 5/8 | |
| 07/01/2056 | 56,915M | 4.80% | 100.00 | 5/8 | |
| 01/01/2057 (PAC) | 74,000M | 6.00% | 3.60 | 1/2 | NO RETAIL |

(Avg. Life: 5.90 years over a range of 50.00 to 500.00% of PSA experience)
*APPROXIMATE AVERAGE LIFE DATE: 4/18/2032

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CALL FEATURES: Optional call in 07/01/2034 @ 100.00

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Projected Weighted Average Life (in Years)
Series 2026B Bonds

| SIFMA Prepayment Model | Term due 7/1/2041 | Term due 7/1/2046 | Term due 7/1/2051 | Term due 7/1/2056 | Premium PAC 1/1/2057 (Opt Call not Exercised) | Premium PAC 1/1/2057 (Opt Call Exercised) |
|---|---|---|---|---|---|---|
| 0% | 13.9 | 17.9 | 22.9 | 27.3 | 14.8 | 7.3 |
| 50% | 13.6 | 16.7 | 19.3 | 20.1 | 5.9 | 5.5 |
| 75% | 12.5 | 14.8 | 16.5 | 16.8 | 5.9 | 5.5 |
| 100% | 11.4 | 13.2 | 14.3 | 14.4 | 5.9 | 5.5 |
| 125% | 10.5 | 11.8 | 12.5 | 12.5 | 5.9 | 5.5 |
| 150% | 9.6 | 10.6 | 11.0 | 11.0 | 5.9 | 5.5 |
| 175% | 8.9 | 9.6 | 9.8 | 9.8 | 5.9 | 5.5 |
| 200% | 8.2 | 8.7 | 8.8 | 8.8 | 5.9 | 5.5 |
| 300% | 6.1 | 6.1 | 6.1 | 6.1 | 5.9 | 5.5 |
| 400% | 4.6 | 4.6 | 4.6 | 4.6 | 5.9 | 5.5 |
| 500% | 3.6 | 3.6 | 3.6 | 3.6 | 5.9 | 5.5 |
| 600% | 3.1 | 3.1 | 3.1 | 3.1 | 5.5 | 5.3 |
| 700% | 2.9 | 2.8 | 2.8 | 2.8 | 5.0 | 5.0 |

The 2026B Premium PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after July 1, 2034, at the option of the Department after giving notice as provided in the Trust Indenture, at the Redemption Prices set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

| Redemption Date | Redemption Price |
|---|---|
| July 1, 2034 | % |
| January 1, 2035 | % |
| July 1, 2035 | % |
| January 1, 2036 | % |
| July 1, 2036 | % |
| January 1, 2037 | % |
| July 1, 2037 and thereafter | 100.000% |

By Lot Sinking Fund Schedule

2041 Term Bond

01/01/2039 2,125M
07/01/2039 2,195M
01/01/2040 2,270M
07/01/2040 2,345M
01/01/2041 2,420M
07/01/2041 2,500M

By Lot Sinking Fund Schedule

2046 Term Bond

01/01/2042 2,580M

07/01/2042 2,670M
01/01/2043 2,750M
07/01/2043 2,845M
01/01/2044 2,940M
07/01/2044 3,035M
01/01/2045 3,130M
07/01/2045 3,235M
01/01/2046 3,340M
07/01/2046 3,450M

By Lot Sinking Fund Schedule

2051 Term Bond

01/01/2047 3,565M
07/01/2047 3,675M
01/01/2048 3,800M
07/01/2048 3,920M
01/01/2049 4,050M
07/01/2049 4,180M
01/01/2050 4,315M
07/01/2050 4,460M
01/01/2051 4,600M
07/01/2051 4,750M

By Lot Sinking Fund Schedule

2056 Term Bond

01/01/2052 4,910M
07/01/2052 5,065M
01/01/2053 5,230M
07/01/2053 5,400M
01/01/2054 5,580M
07/01/2054 5,755M
01/01/2055 5,945M
07/01/2055 6,135M
01/01/2056 6,345M
07/01/2056 6,550M

By Lot Sinking Fund Schedule

2057 Term Bond

07/01/2027 370M
01/01/2028 385M
07/01/2028 395M
01/01/2029 410M
07/01/2029 420M
01/01/2030 435M
07/01/2030 450M
01/01/2031 465M
07/01/2031 480M
01/01/2032 500M
07/01/2032 515M
01/01/2033 530M
07/01/2033 550M
01/01/2034 565M
07/01/2034 585M
01/01/2035 605M
07/01/2035 625M
01/01/2036 645M
07/01/2036 665M
01/01/2037 690M
07/01/2037 710M

| | |
|---|---|
| 01/01/2038 | 735M |
| 07/01/2038 | 760M |
| 01/01/2039 | 785M |
| 07/01/2039 | 810M |
| 01/01/2040 | 835M |
| 07/01/2040 | 860M |
| 01/01/2041 | 890M |
| 07/01/2041 | 920M |
| 01/01/2042 | 950M |
| 07/01/2042 | 980M |
| 01/01/2043 | 1,015M |
| 07/01/2043 | 1,045M |
| 01/01/2044 | 1,080M |
| 07/01/2044 | 1,115M |
| 01/01/2045 | 1,155M |
| 07/01/2045 | 1,190M |
| 01/01/2046 | 1,230M |
| 07/01/2046 | 1,270M |
| 01/01/2047 | 1,310M |
| 07/01/2047 | 1,355M |
| 01/01/2048 | 1,395M |
| 07/01/2048 | 1,445M |
| 01/01/2049 | 1,490M |
| 07/01/2049 | 1,540M |
| 01/01/2050 | 1,590M |
| 07/01/2050 | 1,640M |
| 01/01/2051 | 1,695M |
| 07/01/2051 | 1,750M |
| 01/01/2052 | 1,805M |
| 07/01/2052 | 1,865M |
| 01/01/2053 | 1,925M |
| 07/01/2053 | 1,990M |
| 01/01/2054 | 2,050M |
| 07/01/2054 | 2,120M |
| 01/01/2055 | 2,190M |
| 07/01/2055 | 2,260M |
| 01/01/2056 | 2,325M |
| 07/01/2056 | 2,400M |
| 01/01/2057 | 9,240M |

* - APPROXIMATE SUBJECT TO CHANGE

Order period until today 4:00 PM, Eastern, Monday, 05/04/26.
Please use Electronic Order Entry to enter orders or call (312) 559-1631.

The managers reserve the right to terminate or extend the order period prior to or later than the above-mentioned time and date and to confirm bonds at their discretion.

PRIORITY OF ORDERS AS FOLLOWS:
1. Texas Retail
2. National Retail

A "Retail" order is defined as an order placed for the account of an individual, bank trust, or investment advisor acting on behalf of an individual, with a maximum of $1,000,000 per account, or at the discretion of the Department, some larger amount.

Retail orders do not include bank portfolios, insurance companies, bond funds or municipalities. Zip Codes are required with all Retail Orders. The Manager will assume that orders for the serial maturities with the same coupon on either side can be filled in 1/1 or 7/1. Orders placed for the account of bank trust departments, registered investment

advisors or money managers must identify the name of the account (though not the individuals) on whose behalf such orders are submitted.

The compliance addendum MSRB Rule G-11 will apply.

PLEASE BE ADVISED THAT THE HOLD THE OFFERING PRICE RULE WILL APPLY TO THIS TRANSACTION.

**********
Pursuant to MSRB Rule G-11, syndicate members and other brokers, dealers, and municipal securities dealers ("Dealers"), when submitting an order for the syndicate member or Dealer's own account or for a "related account" as defined in Rule G-11 (which includes, without limitation, proprietary orders for affiliates of the syndicate member or Dealer), must so inform RBC Capital Markets, LLC at the time any such order is submitted. The Senior Manager requests the identification of all priority orders at the time the orders are entered.
**********

The Award is expected on Tuesday, May 5, 2026.

Delivery is expected on Tuesday, June 9, 2026.

This issue is book entry only. This issue is clearing through DTC.

RBC Capital Markets
Morgan Stanley Co. LLC
Jefferies LLC
J.P. Morgan Securities LLC
Loop Capital Markets
Ramirez & Co., Inc.
Wells Fargo Bank, N.A. Municipal Finance Group
Fidelity Capital Markets
BofA Securities

By: RBC Capital Markets  Chicago, IL

RE: $ 250,000,000*
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE BONDS
SERIES 2026B

WE HAVE THE VERBAL AWARD. PLEASE SEE REPRICE BELOW.

---

MOODY'S: Aa1 S&P: AA+
FITCH: KROLL:

DATED:06/09/2026 FIRST COUPON:01/01/2027

DUE: 01/01 & 07/01

| MATURITY | AMOUNT* | COUPON | PRICE | ADD'L TAKEDOWN ( Pts ) |
|---|---|---|---|---|
| 07/01/2027 | 1,010M | 2.70% | 100.00 | 1/4 |
| 01/01/2028 | 1,040M | 2.80% | 100.00 | 1/4 |
| 07/01/2028 | 1,075M | 2.85% | 100.00 | 1/4 |
| 01/01/2029 | 1,110M | 2.90% | 100.00 | 3/8 |
| 07/01/2029 | 1,150M | 2.95% | 100.00 | 3/8 |
| 01/01/2030 | 1,190M | 3.00% | 100.00 | 1/2 |
| 07/01/2030 | 1,225M | 3.05% | 100.00 | 1/2 |
| 01/01/2031 | 1,270M | 3.05% | 100.00 | 1/2 |
| 07/01/2031 | 1,310M | 3.10% | 100.00 | 1/2 |
| 01/01/2032 | 1,350M | 3.25% | 100.00 | 1/2 |
| 07/01/2032 | 1,395M | 3.30% | 100.00 | 1/2 |
| 01/01/2033 | 1,445M | 3.35% | 100.00 | 1/2 |
| 07/01/2033 | 1,490M | 3.40% | 100.00 | 1/2 |
| 01/01/2034 | 1,540M | 3.50% | 100.00 | 5/8 |
| 07/01/2034 | 1,590M | 3.55% | 100.00 | 5/8 |
| 01/01/2035 | 1,640M | 3.60% | 100.00 | 5/8 |
| 07/01/2035 | 1,695M | 3.70% | 100.00 | 5/8 |
| 01/01/2036 | 1,750M | 3.75% | 100.00 | 5/8 |
| 07/01/2036 | 1,810M | 3.80% | 100.00 | 5/8 |
| 01/01/2037 | 1,870M | 3.85% | 100.00 | 5/8 |
| 07/01/2037 | 1,930M | 3.95% | 100.00 | 5/8 |
| 01/01/2038 | 1,995M | 4.00% | 100.00 | 5/8 |
| 07/01/2038 | 2,060M | 4.00% | 100.00 | 5/8 |
| 07/01/2041 | 13,855M | 4.25% | 100.00 | 5/8 |
| 07/01/2046 | 29,975M | 4.70% | 100.00 | 5/8 |
| 07/01/2051 | 41,315M | 4.75% | 100.00 | 5/8 |
| 07/01/2056 | 56,915M | 4.80% | 100.00 | 5/8 |
| 01/01/2057 | 74,000M | 6.00% | 3.72 | 1/2 |

(Approx. $ Price 111.653)

(PAC)
(Avg. Life: 5.90 years over a range of 50.00 to 500.00% of PSA experience)
*APPROXIMATE AVERAGE LIFE DATE: 4/18/2032

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CALL FEATURES: Optional call in 07/01/2034 @ 100.00

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Projected Weighted Average Life (in Years)
Series 2026B Bonds

| SIFMA Prepayment Model | Term due 7/1/2041 | Term due 7/1/2046 | Term due 7/1/2051 | Term due 7/1/2056 | Premium PAC 1/1/2057 (Opt Call not Exercised) | Premium PAC 1/1/2057 (Opt Call Exercised) |
|---|---|---|---|---|---|---|
| 0% | 13.9 | 17.9 | 22.9 | 27.3 | 14.8 | 7.3 |
| 50% | 13.6 | 16.7 | 19.3 | 20.1 | 5.9 | 5.5 |
| 75% | 12.5 | 14.8 | 16.5 | 16.8 | 5.9 | 5.5 |
| 100% | 11.4 | 13.2 | 14.3 | 14.4 | 5.9 | 5.5 |
| 125% | 10.5 | 11.8 | 12.5 | 12.5 | 5.9 | 5.5 |
| 150% | 9.6 | 10.6 | 11.0 | 11.0 | 5.9 | 5.5 |
| 175% | 8.9 | 9.6 | 9.8 | 9.8 | 5.9 | 5.5 |
| 200% | 8.2 | 8.7 | 8.8 | 8.8 | 5.9 | 5.5 |
| 300% | 6.1 | 6.1 | 6.1 | 6.1 | 5.9 | 5.5 |
| 400% | 4.6 | 4.6 | 4.6 | 4.6 | 5.9 | 5.5 |
| 500% | 3.6 | 3.6 | 3.6 | 3.6 | 5.9 | 5.5 |
| 600% | 3.1 | 3.1 | 3.1 | 3.1 | 5.5 | 5.3 |
| 700% | 2.9 | 2.8 | 2.8 | 2.8 | 5.0 | 5.0 |

The 2026B Premium PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after July 1, 2034, at the option of the Department after giving notice as provided in the Trust Indenture, at the Redemption Prices set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

| Redemption Date | Redemption Price |
|---|---|
| July 1, 2034 | % |
| January 1, 2035 | % |
| July 1, 2035 | % |
| January 1, 2036 | % |
| July 1, 2036 | % |
| January 1, 2037 | % |
| July 1, 2037 and thereafter | 100.000% |

By Lot Sinking Fund Schedule

2041 Term Bond

| | |
|---|---|
| 01/01/2039 | 2,125M |
| 07/01/2039 | 2,195M |
| 01/01/2040 | 2,270M |
| 07/01/2040 | 2,345M |
| 01/01/2041 | 2,420M |
| 07/01/2041 | 2,500M |

By Lot Sinking Fund Schedule

2046 Term Bond

| | |
|---|---|
| 01/01/2042 | 2,580M |
| 07/01/2042 | 2,670M |
| 01/01/2043 | 2,750M |
| 07/01/2043 | 2,845M |
| 01/01/2044 | 2,940M |
| 07/01/2044 | 3,035M |
| 01/01/2045 | 3,130M |
| 07/01/2045 | 3,235M |

01/01/2046 3,340M
07/01/2046 3,450M

By Lot Sinking Fund Schedule

2051 Term Bond

01/01/2047 3,565M
07/01/2047 3,675M
01/01/2048 3,800M
07/01/2048 3,920M
01/01/2049 4,050M
07/01/2049 4,180M
01/01/2050 4,315M
07/01/2050 4,460M
01/01/2051 4,600M
07/01/2051 4,750M

By Lot Sinking Fund Schedule

2056 Term Bond

01/01/2052 4,910M
07/01/2052 5,065M
01/01/2053 5,230M
07/01/2053 5,400M
01/01/2054 5,580M
07/01/2054 5,755M
01/01/2055 5,945M
07/01/2055 6,135M
01/01/2056 6,345M
07/01/2056 6,550M

By Lot Sinking Fund Schedule

2057 Term Bond

07/01/2027 370M
01/01/2028 385M
07/01/2028 395M
01/01/2029 410M
07/01/2029 420M
01/01/2030 435M
07/01/2030 450M
01/01/2031 465M
07/01/2031 480M
01/01/2032 500M
07/01/2032 515M
01/01/2033 530M
07/01/2033 550M
01/01/2034 565M
07/01/2034 585M
01/01/2035 605M
07/01/2035 625M
01/01/2036 645M
07/01/2036 665M
01/01/2037 690M
07/01/2037 710M
01/01/2038 735M
07/01/2038 760M
01/01/2039 785M
07/01/2039 810M
01/01/2040 835M
07/01/2040 860M
01/01/2041 890M

| | |
|---|---|
| 07/01/2041 | 920M |
| 01/01/2042 | 950M |
| 07/01/2042 | 980M |
| 01/01/2043 | 1,015M |
| 07/01/2043 | 1,045M |
| 01/01/2044 | 1,080M |
| 07/01/2044 | 1,115M |
| 01/01/2045 | 1,155M |
| 07/01/2045 | 1,190M |
| 01/01/2046 | 1,230M |
| 07/01/2046 | 1,270M |
| 01/01/2047 | 1,310M |
| 07/01/2047 | 1,355M |
| 01/01/2048 | 1,395M |
| 07/01/2048 | 1,445M |
| 01/01/2049 | 1,490M |
| 07/01/2049 | 1,540M |
| 01/01/2050 | 1,590M |
| 07/01/2050 | 1,640M |
| 01/01/2051 | 1,695M |
| 07/01/2051 | 1,750M |
| 01/01/2052 | 1,805M |
| 07/01/2052 | 1,865M |
| 01/01/2053 | 1,925M |
| 07/01/2053 | 1,990M |
| 01/01/2054 | 2,050M |
| 07/01/2054 | 2,120M |
| 01/01/2055 | 2,190M |
| 07/01/2055 | 2,260M |
| 01/01/2056 | 2,325M |
| 07/01/2056 | 2,400M |
| 01/01/2057 | 9,240M |

* - APPROXIMATE SUBJECT TO CHANGE

PRIORITY OF ORDERS AS FOLLOWS:
1. Net Designated
(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member. Please contact the senior manager.)
2. Member

PRIORITY POLICY:

At least 4 firm(s) must be designated.

No firm may receive more than 60.00% of any designation.

Each designee must receive a minimum of 5.00% for each priority order.

The Senior Manager requests the identification of all priority orders at the time the orders are entered.

A "Retail" order is defined as an order placed for the account of an individual, bank trust, or investment advisor acting on behalf of an individual, with a maximum of $1,000,000 per account, or at the discretion of the Department, some larger amount.

Retail orders do not include bank portfolios, insurance companies, bond funds or municipalities. Zip Codes are required with all Retail Orders. The Manager will assume that orders for the serial maturities with the same coupon on either side can be filled in 1/1 or 7/1. Orders placed for the account of bank trust departments, registered investment advisors or money managers must identify the name of the account (though not the individuals) on whose behalf such orders are submitted.

The compliance addendum MSRB Rule G-11 will apply.

PLEASE BE ADVISED THAT THE HOLD THE OFFERING PRICE RULE WILL APPLY TO THIS TRANSACTION.

**********
Pursuant to MSRB Rule G-11, syndicate members and other brokers, dealers, and municipal securities dealers ("Dealers"), when submitting an order for the syndicate member or Dealer's own account or for a "related account" as defined in Rule G-11 (which includes, without limitation, proprietary orders for affiliates of the syndicate member or Dealer), must so inform RBC Capital Markets, LLC at the time any such order is submitted. The Senior Manager requests the identification of all priority orders at the time the orders are entered.
**********

The Award is expected on Tuesday, May 5, 2026.

Delivery is expected on Tuesday, June 9, 2026.

This issue is book entry only. This issue is clearing through DTC.

RBC Capital Markets
Morgan Stanley Co. LLC
Jefferies LLC
J.P. Morgan Securities LLC
Loop Capital Markets
Ramirez & Co., Inc.
Wells Fargo Bank, N.A. Municipal Finance Group
Fidelity Capital Markets
BofA Securities

By: RBC Capital Markets Chicago, IL

# SECTION 3
# Financing Results

## *SUMMARY OF RESULTS*

**$250,000,000**
**Texas Department of Housing & Community Affairs**
**RMRB 2026B**
**Aa1/AA+**
**Callable @ Par 7/1/2034**
**Settlement Date 06/09/2026**

| Maturity | Approx. Bond Size | Bond Type | CPN | YLD | Px | Takedown |
|---|---|---|---|---|---|---|
| 07/01/2027 | 1,010,000 | Par Serial | 2.70% | 2.70% | 100.000 | 2.50 |
| 01/01/2028 | 1,040,000 | Par Serial | 2.80% | 2.80% | 100.000 | 2.50 |
| 07/01/2028 | 1,075,000 | Par Serial | 2.85% | 2.85% | 100.000 | 2.50 |
| 01/01/2029 | 1,110,000 | Par Serial | 2.90% | 2.90% | 100.000 | 3.75 |
| 07/01/2029 | 1,150,000 | Par Serial | 2.95% | 2.95% | 100.000 | 3.75 |
| 01/01/2030 | 1,190,000 | Par Serial | 3.00% | 3.00% | 100.000 | 5.00 |
| 07/01/2030 | 1,225,000 | Par Serial | 3.05% | 3.05% | 100.000 | 5.00 |
| 01/01/2031 | 1,270,000 | Par Serial | 3.05% | 3.05% | 100.000 | 5.00 |
| 07/01/2031 | 1,310,000 | Par Serial | 3.10% | 3.10% | 100.000 | 5.00 |
| 01/01/2032 | 1,350,000 | Par Serial | 3.25% | 3.25% | 100.000 | 5.00 |
| 07/01/2032 | 1,395,000 | Par Serial | 3.30% | 3.30% | 100.000 | 5.00 |
| 01/01/2033 | 1,445,000 | Par Serial | 3.35% | 3.35% | 100.000 | 5.00 |
| 07/01/2033 | 1,490,000 | Par Serial | 3.40% | 3.40% | 100.000 | 5.00 |
| 01/01/2034 | 1,540,000 | Par Serial | 3.50% | 3.50% | 100.000 | 6.25 |
| 07/01/2034 | 1,590,000 | Par Serial | 3.55% | 3.55% | 100.000 | 6.25 |
| 01/01/2035 | 1,640,000 | Par Serial | 3.60% | 3.60% | 100.000 | 6.25 |
| 07/01/2035 | 1,695,000 | Par Serial | 3.70% | 3.70% | 100.000 | 6.25 |
| 01/01/2036 | 1,750,000 | Par Serial | 3.75% | 3.75% | 100.000 | 6.25 |
| 07/01/2036 | 1,810,000 | Par Serial | 3.80% | 3.80% | 100.000 | 6.25 |
| 01/01/2037 | 1,870,000 | Par Serial | 3.85% | 3.85% | 100.000 | 6.25 |
| 07/01/2037 | 1,930,000 | Par Serial | 3.95% | 3.95% | 100.000 | 6.25 |
| 01/01/2038 | 1,995,000 | Par Serial | 4.00% | 4.00% | 100.000 | 6.25 |
| 07/01/2038 | 2,060,000 | Par Serial | 4.00% | 4.00% | 100.000 | 6.25 |
| 07/01/2041 | 13,855,000 | Par Term | 4.25% | 4.25% | 100.000 | 6.25 |
| 07/01/2046 | 29,975,000 | Par Term | 4.70% | 4.70% | 100.000 | 6.25 |
| 07/01/2051 | 41,315,000 | Par Term | 4.75% | 4.75% | 100.000 | 6.25 |
| 07/01/2056 | 56,915,000 | Par Term | 4.80% | 4.80% | 100.000 | 6.25 |
| **PAC Bonds** | | 50% - 500% | CPN | YLD | Px | |
| 01/01/2057 | 74,000,000 | 6.0 year PAC | **6.000%** | **3.72%** | 111.653 | **5.00** |
| **TOTAL** | **250,000,000** | | | | | **5.7572** |

RBC Capital Markets

# SECTION 4
# Order Book

| 2026B DESIGNATIONS BY SYNDICATE MEMBER ($000s) | | | |
|---|---|---|---|
| SYNDICATE MEMBER | MEMBER ORDER REVENUE | NET DESIGNATIONS | TOTAL |
| RBC Capital Markets | | $679,818 | $679,818 |
| Morgan Stanley | | 88,441 | 88,441 |
| Jefferies | | 76,217 | 76,217 |
| J.P. Morgan | | 88,864 | 88,864 |
| Loop Capital Markets | | 18,319 | 18,319 |
| Ramirez & Co. | | 23,558 | 23,558 |
| Wells Fargo | | 103,621 | 103,621 |
| Fidelity Capital | | 809 | 809 |
| BofA Securities | 73,444 | 56,378 | 129,822 |
| **Total: ($M)** | **$73,444** | **$1,136,025.22** | **$1,209,469** |

| ORDERS AND ALLOTMENTS BY MATURITY ($000s) | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| SERIES 2026B | | RETAIL - TEXAS | | RETAIL- NATIONAL | | INSTITUTIONAL | | MEMBER | | TOTAL | |
| Maturity | Total Bonds ($M) | ORDERS | ALLOTMENTS | ORDERS | ALLOTMENTS | ORDERS | ALLOTMENTS | ORDERS | ALLOTMENTS | ORDERS | ALLOTMENTS |
| 07/01/2027 | 1,010 | 685 | 505 | 1,220 | - | 1,145 | 505 | 100 | - | 3,150 | 1,010 |
| 01/01/2028 | 1,040 | 25 | 40 | 1,405 | 1,000 | - | - | 100 | - | 1,530 | 1,040 |
| 07/01/2028 | 1,075 | 215 | 215 | 1,395 | 860 | - | - | 100 | - | 1,710 | 1,075 |
| 01/01/2029 | 1,110 | 1,120 | 1,110 | 330 | - | - | - | 100 | - | 1,550 | 1,110 |
| 07/01/2029 | 1,150 | 40 | 40 | 1,030 | 1,030 | - | - | 100 | 80 | 1,170 | 1,150 |
| 01/01/2030 | 1,190 | 10 | 10 | 2,400 | 1,180 | - | - | 100 | - | 2,510 | 1,190 |
| 07/01/2030 | 1,225 | - | - | 1,335 | 1,225 | - | - | 100 | - | 1,435 | 1,225 |
| 01/01/2031 | 1,270 | 1,275 | 635 | 1,325 | - | 2,585 | 635 | 100 | - | 5,285 | 1,270 |
| 07/01/2031 | 1,310 | 1,310 | 655 | 400 | - | 1,310 | 655 | 100 | - | 3,120 | 1,310 |
| 01/01/2032 | 1,350 | 1,350 | 1,350 | - | - | - | - | 100 | - | 1,450 | 1,350 |
| 07/01/2032 | 1,395 | - | - | 155 | 155 | 25 | 25 | 100 | 1,215 | 280 | 1,395 |
| 01/01/2033 | 1,445 | - | - | 1,170 | 1,170 | - | - | 100 | 275 | 1,270 | 1,445 |
| 07/01/2033 | 1,490 | - | - | 1,395 | 1,395 | 50 | 50 | 145 | 45 | 1,590 | 1,490 |
| 01/01/2034 | 1,540 | 100 | 100 | 60 | 60 | - | - | 100 | 1,380 | 260 | 1,540 |
| 07/01/2034 | 1,590 | - | - | 415 | 415 | - | - | 100 | 1,175 | 515 | 1,590 |
| 01/01/2035 | 1,640 | - | - | 595 | 595 | - | - | 100 | 1,045 | 695 | 1,640 |
| 07/01/2035 | 1,695 | 250 | 250 | 725 | 725 | - | - | 100 | 720 | 1,075 | 1,695 |
| 01/01/2036 | 1,750 | - | - | 195 | 195 | - | - | 100 | 1,555 | 295 | 1,750 |
| 07/01/2036 | 1,810 | - | - | 1,335 | 1,335 | - | - | 100 | 475 | 1,435 | 1,810 |
| 01/01/2037 | 1,870 | - | - | 100 | 100 | - | - | 100 | 1,770 | 200 | 1,870 |
| 07/01/2037 | 1,930 | 190 | 190 | 285 | 285 | 35 | 35 | 100 | 1,420 | 610 | 1,930 |
| 01/01/2038 | 1,995 | 20 | 20 | 280 | 280 | 1,695 | 1,695 | 100 | - | 2,095 | 1,995 |
| 07/01/2038 | 2,060 | 15 | 15 | 495 | 495 | 615 | 615 | 100 | 935 | 1,225 | 2,060 |
| | - | | | | | | | | | - | - |
| 07/01/2041 | 13,855 | 1,130 | 1,130 | 1,860 | 1,860 | 10,865 | 10,865 | 4,000 | - | 17,855 | 13,855 |
| 07/01/2046 | 29,975 | 2,280 | 2,280 | 12,420 | 12,420 | 44,090 | 15,275 | 13,000 | - | 71,790 | 29,975 |
| 07/01/2051 | 41,315 | 10 | 10 | 430 | 430 | 68,400 | 40,875 | 25,000 | - | 93,840 | 41,315 |
| 07/01/2056 | 56,915 | 960 | 960 | 4,045 | 4,045 | 196,980 | 51,910 | 30,000 | - | 231,985 | 56,915 |
| 01/01/2057 | 74,000 | - | - | - | - | 89,000 | 74,000 | 42,500 | - | 131,500 | 74,000 |
| **Total: ($M)** | **250,000** | **10,985** | **9,515** | **36,800** | **31,255** | **416,795** | **197,140** | **116,845** | **12,090** | **581,425** | **250,000** |

| ORDERS AND ALLOTMENTS BY MANAGER ($000s) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| SERIES 2026B | RETAIL - TEXAS | | RETAIL- NATIONAL | | INSTITUTIONAL | | MEMBER | | TOTAL | |
| Maturity | ORDERS | ALLOT-MENTS | ORDERS | ALLOT-MENTS | ORDERS | ALLOT-MENTS | ORDERS | ALLOT-MENTS | ORDERS | ALLOT-MENTS |
| RBC Capital Markets | 6,275 | 4,970 | 15,770 | 14,405 | 415,995 | 196,390 | - | - | 438,040 | 215,765 |
| Morgan Stanley | 260 | 260 | 1,630 | 1,230 | 500 | 500 | 37,500 | - | 39,890 | 1,990 |
| Jefferies | | | | | - | - | 15,000 | - | 15,000 | - |
| J.P. Morgan | 500 | 350 | 5,275 | 4,575 | 300 | 250 | - | - | 6,075 | 5,175 |
| Loop Capital Markets | | | | | - | | 10,000 | - | 10,000 | - |
| Ramirez & Co. | | | | | - | | 10,000 | - | 10,000 | - |
| Wells Fargo | 1,595 | 1,595 | 1,635 | 750 | - | | 20,000 | - | 23,230 | 2,345 |
| Fidelity Capital | 2,080 | 2,050 | 5,985 | 4,720 | - | | - | - | 8,065 | 6,770 |
| BofA Securities | 310 | 310 | 6,470 | 5,555 | - | | 24,345 | 12,090 | 31,125 | 17,955 |
| **Total: ($M)** | **11,020** | **9,535** | **36,765** | **31,235** | **416,795** | **197,140** | **116,845** | **12,090** | **581,425** | **250,000** |

# SECTION 5
# Rating Reports

MOODY'S
RATINGS

# Rating Action: Moody's Ratings assigns Aa1 to TDHCA's Residential Mortgage Revenue Bonds, Series 2026B; outlook stable

06 Apr 2026

New York, April 06, 2026 -- Moody's Ratings (Moody's) has assigned a rating of Aa1 to the proposed Texas Department of Housing and Community Affairs' (TDHCA) $250 million Residential Mortgage Revenue Bonds, Series 2026B. We maintain Aa1 ratings on all outstanding parity debt issued under the Residential Mortgage Revenue Bonds (RMRB) Indenture. The outlook is stable.

RATINGS RATIONALE

The Aa1 rating reflects that the RMRB indenture will continue to maintain its strong credit quality due to the buffer provided by the program asset-to-debt ratio (PADR), which was 1.14x (1.04x excluding all second lien loans) as of August 31, 2025, and solid though variable margins (13% in fiscal year 2025). The first lien loan portfolio consists of essentially all Government National Mortgage Association (Ginnie Mae) mortgage-backed securities (MBS), which compliments the program's sound legal structure, cash flow projections that demonstrate sufficiency under all our stress case scenarios, and the oversight of a solid management team. The program's asset-to-debt ratio has declined in recent years due to strong issuance. Continued active issuance will likely result in future PADR dilution and pressure on margins, however, the full-spread MBS previously added to the portfolio will boost income.

RATING OUTLOOK

The stable outlook reflects RMRB's solid over-collateralization buffer and margins, which will continue.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Material improvement in risk-adjusted PADR.

- Upgrade of the US government rating (Aa1 stable).

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Material decline in risk-adjusted PADR and/or a significant and sustained decline in three-year average margins.

- Downgrade of the US government rating.

PROFILE

The RMRB program was established in 1987. The proceeds of bonds issued under this indenture are used to finance mortgage loans to low and moderate income persons in the State of Texas. All RMRB program bonds are secured equally by all of the mortgage loans and other assets under the indenture.

METHODOLOGY

The principal methodology used in this rating was US Housing Finance Agency Single-Family Housing published in October 2024 and available at https://ratings.moodys.com/rmc-documents/430701. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

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Research Update:

# Texas Department Of Housing And Community Affairs Series 2026B Revenue Bonds Assigned ‘AA+’ Rating

**April 2, 2026**

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## Overview

- S&P Global Ratings assigned its 'AA+' rating to Texas Department of Housing and Community Affairs (TDHCA)'s $250 million series 2026B residential mortgage revenue bonds (RMRBs).
- We also affirmed our 'AA+' rating on TDHCA's parity debt under the RMRB indenture.
- The outlook is stable.

## Rationale

### Security

Bonds issued within the RMRB indenture are limited obligations of TDHCA, payable solely from revenue, assets, and money pledged under the master indenture on a parity basis with parity obligations outstanding under the master indenture.

Pledged assets include revenue, mortgages, mortgage loans, investment securities, money held in the funds (excluding the rebate fund), and other property held under the trust estate. The trust estate currently includes mortgage certificates purchased with prior bond proceeds, guaranteed by Ginnie Mae or Fannie Mae.

According to preliminary transaction documents, TDHCA will use bond proceeds to purchase mortgage-backed securities (MBS), fund loans for down payment and closing cost assistance, pay lender compensation related to mortgage loans, and repay Federal Home Loan Bank of Dallas advances to provide funds for the purchase of MBS. Ginnie Mae will guarantee the timely principal and interest payments for the MBS.

The bonds will bear interest payable semiannually on January 1 and July 1, with interest payments starting Jan. 1, 2027. Bonds are subject to special, optional, and mandatory sinking fund redemptions, as described in transaction documents.

## Credit highlights

The rating reflects our view of the program's:

- Legal framework that links duties of key transaction parties with the program's proper execution, in alignment with our criteria, coupled with no bankruptcy or other legal risks identified;
- Program management and operational risk assessment, which we consider neutral;
- Overcollateralization and cash flow capable of withstanding our projected loss assumptions based on the asset pool's credit quality in all provided cash-flow stress scenarios, with a minimum stressed projected asset-to-liability parity ratio of 101.0%;
- Sufficient liquidity to cover short-term disruptions in asset cash flows; and
- Market position characteristics in line with the national housing market.

## Environmental, social, and governance

We analyzed the program's environmental, social, and governance factors relative to the legal framework, program management and operational risk, asset pool's credit quality, cash flow analysis, liquidity, and market position. In our opinion, the program exhibits social opportunities related to social capital based on the mission to improve housing affordability for low- and moderate-income households. We view environmental and governance factors for the program as neutral in our credit analysis.

# Outlook

The stable outlook reflects S&P Global Ratings' opinion of the credit quality of the underlying MBS assets, supported by Ginnie Mae and Fannie Mae, and our assessment of program management and operational risk, albeit with thinning overcollateralization. In addition, we expect our market position modifier assessment will remain neutral.

## Downside scenario

We could lower the rating or revise the outlook to negative if our assessment of program management and operational risk changes due to negative assessments, or if the credit quality of the underlying assets deteriorates or parity weakens below our threshold for the current anchor.

## Upside scenario

Alternatively, with all other program rating factors remaining the same or improving, we could raise the rating or revise the outlook to positive if consolidated cash flows reflect stressed reinvestment rates in line with the 'AAA' rating requirement while TDHCA meets overcollateralization thresholds and requirements to be rated above the sovereign.

### MRB program rating summary

| | |
|---|---|
| Legal framework | No cap |
| Program management and operational risk | No cap |
| Factors constraining the anchor | 0 |
| **Cash flow analysis** | |
| Overcollateralization | GE/GSE rating (aa+) |

## MRB program rating summary

| | |
|---|---|
| Stressed cash flows | aa+ |
| Hedging risk | N/A |
| HFA general obligation pledge | N/A |
| **Anchor** | |
| Anchor | aa+ |
| **Modifiers and holistic analysis** | |
| Liquidity reserves | No modifier |
| Market position | No modifier |
| Holistic analysis | No modifier |
| **Stand-alone credit profile** | |
| SACP | aa+ |
| Other applicable criteria | No cap |
| **Final** | |
| Final rating | AA+ |

N/A--Not applicable. GE -- Governmental entity. GSE -- Government-sponsored enterprise.

## Program summary & assumptions

| | July 23, 2025 |
|---|---|
| **Program assets (% of balance)** | |
| Single-family whole loans | 0 |
| Single-family MBS | 100 |
| Single-family subordinate loans | 0 |
| Multifamily whole loans | 0 |
| Multifamily MBS or federally enhanced pass-through | 0 |
| Other assets | 0 |
| **Debt & derivative summary (% of balance)** | |
| Fixed-rate debt (% of balance) | 100.0 |
| Hedged variable-rate debt (% of balance) | 0 |
| Unhedged variable-rate debt (% of balance) | 0.0 |
| Total variable-rate debt (% of balance) | 0 |
| **Single-family program assumptions** | |
| No. of loans in portfolio | 14,252 |
| Total loan balance ($000s) | 1,879.6 |
| Loans 30-year fixed (% of balance) | 100.0 |
| Loans with balloons or negative amortization (% of balance) | 0.0 |
| Loans - other terms (% of balance) | 0.0 |
| Weighted average FICO score | 678 |
| Weighted average mortgage rate (%) | 5.6 |
| Weighted average LTV (%) | 0.0 |
| **Loan seasoning** | |
| < 5 years (% of balance) | 92.9 |

## Program summary & assumptions

| | July 23, 2025 |
|---|---|
| 5-10 years (% of balance) | 7.1 |
| 10+ years (% of balance) | 0.0 |
| **Property type** | |
| Single-family residences (% of balance) | 100.0 |
| 2-4 family residences (% of balance) | 0.0 |
| Condo or cooperative apartment (owner-occupied) (% of balance) | 0.0 |
| Other property type (% of balance) | 0.0 |
| **Delinquency status** | |
| 30-59 days (% of balance) | 0.0 |
| 60-89 days (% of balance) | 0.0 |
| 90-119 days (% of balance) | 0.0 |
| 120+ days or in foreclosure (% of balance) | 0.0 |
| **Insurance/guarantees** | |
| Ginnie Mae (% of balance) | 99.8 |
| Fannie Mae (% of balance) | 0.2 |
| Freddie Mac (% of balance) | 0.0 |
| PMI (% of balance) | 0 |
| FHA (% of balance) | 0 |
| VA (% of balance) | 0 |
| USDA/RD (% of balance) | 0 |
| Uninsured (% of balance) | 0 |
| Liquidation timeline adjustment (months) | 0 |
| Pool level foreclosure frequency adjustment | 0 |

FICO--Fair Isaac Co. LTV--Loan-to-value. PMI--Private mortgage insurance. FHA--Federal Housing Administration. VA--Veterans Administration. USDA/RD--U.S. Department of Agriculture/Rural Development. N/A--Not applicable.

## Overcollateralization

| | Series 2026B | Series 2026A |
|---|---|---|
| Opening asset/liability parity (%) | 102.9 | 102.9 |
| Minimum asset/liability parity (%) | 101.0 | 101.8 |
| Total projected credit loss (%)* | 0.0 | 0.0 |
| Loss/liabilities (%) | 0.0 | 0.0 |
| Net asset/liability parity, after losses (%) | 101.0 | 101.8 |

*At the highest rating level at which the MRB program's available overcollateralization is sufficient to cover.

| Ratings List |
|---|
| **New Issue Ratings** |
| US$250,000,000 Texas Department Of Housing & Community Affairs, Texas, Residential Mortgage Revenue & Refunding Bonds, Series 2026B ("Series 2026B Bonds"), dated: Date of delivery, due: January 01, 2057 |

| **Ratings List** | |
|---|---|
| Long Term Rating | AA+/Stable |
| **Ratings Affirmed** | |
| **Housing** | |
| Texas Department of Housing & Community Affairs Single Family Mortgage Rev Bnd Indenture | AA+/Stable |

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 1505 **Agenda Date:** 7/9/2026 **Agenda #:** 22.

Presentation and discussion regarding the issuance of Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, Series 2026 C (Non-AMT)

## BACKGROUND

On October 9, 2025, the Governing Board approved Resolution 26-001 authorizing the issuance of up to $1.1 billion in Mortgage Revenue Bonds for Fiscal Year 2026.

The Department issued $250 million in Residential Mortgage Revenue Bonds, Series 2026 A in January 2026, and $250 million in Residential Mortgage Revenue Bonds, Series 2026 B in May 2026.

The Department continues to operate a continuous lending model, under which bond-funded mortgage loans remain available on an ongoing basis. Pipeline reservations currently total approximately $75 million, to be funded through the Series 2026 C issuance.

**Issuance Overview**
The Department anticipates issuing Residential Mortgage Revenue Bonds, Series 2026 C, in a maximum par amount of $300 million, with total proceeds, including any premium, expected to be $9.1 million, not to exceed $18 million. This issuance is expected to support approximately $300 million in mortgage loan originations through the Department's bond-funded mortgage program. $34,105,000 of this issuance utilizes recycled volume cap.

**Bond Structure and Use of Proceeds**
The Series 2026 C Bonds are expected to be structured as traditional Residential Mortgage Revenue Bonds, including par serial bonds, par term bonds, and premium Planned Amortization Class bonds, and will be issued on a fully tax-exempt basis.

Proceeds from the bonds will be used to finance the acquisition of tax-exempt eligible mortgage loans, including down payment assistance second lien loans, and to pay costs of issuance associated with the transaction.

Pending disbursement, bond proceeds may be invested in a Guaranteed Investment Contract or held in overnight investments in accordance with the requirements of the indenture.

Issuer contribution is estimated at approximately $9.7 million and will not exceed $10 million. In addition, capitalized interest may be funded in an amount not to exceed $10 million, with current projections estimating approximately $2 million.

**Mortgage Loans and Down Payment Assistance (DPA)**

Mortgage rates remain elevated relative to historical lows; however, demand for affordable homeownership among low- and moderate-income borrowers remains strong. The Department's bond-funded mortgage program is currently offering interest rates approximately 37.5 to 50 basis points below those available through the TMP (TBA) program.

Mortgage loans financed through this issuance will consist of 30-year, fixed-rate loans insured or guaranteed by FHA, VA, or USDA and securitized into Ginnie Mae mortgage-backed securities. Borrowers will have the option of unassisted loans as well as loans paired with either 3 percent or 4 percent Down Payment Assistance.

DPA will be structured as a 0 percent interest, non-amortizing second lien with a 30-year term, repayable upon sale, refinance, or payoff of the first mortgage. Based on current market conditions, interest rates are projected to be approximately 5.750% for unassisted loans, 6.000% for loans with 3 percent down payment assistance, and 6.125% for loans with 4 percent down payment assistance, though final rates will be determined at the time of pricing.

**Financing Team**
Jefferies will serve as book-running senior manager for the transaction, with Morgan Stanley and RBC Capital Markets serving as co-senior managers. Bank of America, Fidelity Capital Markets, Ramirez & Co., JPMorgan Chase, Wells Fargo, and Loop Capital Markets will serve as co-managers. Piper Sandler will participate as a member of the selling group.

**Schedule**
The preliminary schedule for the Series 2026 C issuance is as follows: the Preliminary Official Statement is expected to be released on July 13, 2026; pricing is anticipated on July 21 and 22, 2026; the Official Statement is expected to be released on July 29, 2026; and closing is anticipated on August 20, 2026.

**Summary**
The Series 2026 C issuance continues the Department's bond-funded mortgage program consistent with prior series. No material changes to program structure or bond execution are anticipated at this time. Final bond sizing and pricing will be determined based on market conditions at the time of issuance.

**Exhibits**
Additional materials are available on the Department's Board Meeting Information Center website:
<http://www.tdhca.texas.gov/board/meetings.htm>

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 26-017 **Agenda Date:** 7/9/2026 **Agenda #:** 23.

Presentation, discussion, and possible action on Resolution No. 26-017 approving Assignment Agreements relating to Private Activity Bond Authority, and containing other provisions relating to the subject

## RECOMMENDED ACTION

Adopt attached resolution

## BACKGROUND

Chapter 394 of the Texas Local Government Code authorizes the creation of local housing finance corporations (HFCs) to support affordable homeownership through the issuance of Mortgage Revenue Bonds (MRBs) and Mortgage Credit Certificates (MCCs). Federal tax law limits the issuance of MRBs and MCCs through the allocation of private activity bond volume cap. Chapter 1372 of the Texas Government Code (the Allocation Act) establishes the procedures governing the allocation of volume cap in Texas.

Each year through August 7, approximately 33 percent of the state's available volume cap for Sub-Ceiling One - Mortgage Revenue Bonds is reserved for the Texas Department of Housing and Community Affairs (The Department), and 10 percent is reserved for the Texas State Affordable Housing Corporation (TSAHC). The remaining approximately 57 percent is available to HFCs for MRB and MCC programs.

| | |
|---|---|
| Texas Department of Housing and Community Affairs | $460,280,815 |
| Texas State Affordable Housing Corporation | $138,056,633 |
| Local Housing Finance Corporations | $782,228,884 |
| Total Sub-Ceiling One Mortgage Revenue Bond Volume Cap | $1,380,566,332 |

Beginning August 8, all single-family set-asides collapse into a common single-family pool that is available to the Department, TSAHC, and HFCs on a first-come, first-served basis. Beginning August 17, any unreserved MRB volume cap becomes available for allocation to issuers of private activity bonds for any authorized purpose.

Historically, HFCs have played an important role in expanding affordable homeownership opportunities for low - and moderate-income Texans. In recent years, however, increasing program complexity, interest rate volatility, compliance requirements, administrative costs, lender network development, and other operational challenges have made it more difficult for many HFCs to independently issue MRBs or administer MCC programs.

Section 394.032(e) of the Texas Local Government Code authorizes an HFC to delegate to the Department the authority to act on its behalf in the financing, refinancing, acquisition, leasing, ownership, improvement, and disposal of home mortgages or residential developments, including the authority to issue bonds for those

purposes. In connection with this delegation, an HFC may assign its private activity bond volume cap to the Department.

Through these assignments, the Department originates mortgage loans on behalf of participating HFCs within their jurisdictions through the Department's My First Texas Home Program. These loans are financed through the Department's MRB issuances. Assigned volume cap may also be used to support the issuance of MCCs.

The Department received its first volume cap assignment from Harris County HFC in 2020. Since then, 19 HFCs have participated in the program, assigning over $1.3 billion in volume cap to the Department. For 2026, the Department anticipates receiving approximately $587 million in volume cap assignments from 16 participating HFCs.

The Assignment Agreements, substantially in the form attached to the resolution, provide for the assignment of private activity bond volume cap from participating HFCs to the Department.

Approval of the Assignment Agreements provides significant benefits to participating HFCs. HFCs receive quarterly reporting on mortgage activity within their jurisdictions, an annual fee based on outstanding loans originated through the program, and access to the Department's established lender network, administrative infrastructure, marketing resources, and mortgage financing programs. These benefits allow HFCs to support affordable homeownership in their communities without independently administering MRB or MCC programs.

The Department benefits from expanded access to volume cap, which is critical to maintaining its Mortgage Revenue Bond and MCC programs. Because the Department's annual mortgage production significantly exceeds its annual volume cap set-aside, these assignments help sustain current lending levels and expand affordable homeownership opportunities for low- and moderate-income Texans statewide.

**RESOLUTION NO. 26-017**

RESOLUTION APPROVING ASSIGNMENT AGREEMENTS RELATING TO PRIVATE ACTIVITY BOND AUTHORITY; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs, a public and official agency of the State of Texas (the "Department"), was created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (together with other laws of the State applicable to the Department, collectively, the "Act"); and

WHEREAS, pursuant to Section 394.032(e), Texas Local Government Code (as it may be amended, the "HFC Statutory Provision") and resolutions adopted or expected to be adopted by the respective Board of Directors of each housing finance corporation identified on Exhibit A hereto (each individually referred to herein as the "HFC"), the HFC has determined or is expected to determine to delegate to the Department the authority to act on its behalf in the financing, refinancing, acquisition, leasing, ownership, improvement, and disposal of home mortgages or residential developments as permitted under the HFC Statutory Provision, including its authority to issue bonds for those purposes; and

WHEREAS, in connection with such delegation, Section 1372.044, Texas Government Code, authorizes the HFC to assign to the Department a reservation of a portion of the "State ceiling" as defined in Chapter 1372, Texas Government Code (the "Allocation Act"); and

WHEREAS, pursuant to the Act and the Allocation Act, the Governing Board of the Department (the "Board") desires to approve an Assignment Agreement with the HFC in substantially the form attached as Exhibit B (the "Assignment Agreement"); and

WHEREAS, the Board has examined the proposed form of the Assignment Agreement (which is attached to and comprises a part of this Resolution); has found the form and substance of such document to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article 1, to authorize the execution and delivery of the Assignment Agreement and the taking of such other actions as may be necessary or convenient in connection therewith;

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

ARTICLE 1

APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1 Approval, Execution and Delivery of Assignment Agreement. The Assignment Agreement, in substantially the form presented at this meeting and attached

hereto as Exhibit B, is hereby approved and adopted by the Department, and the Authorized Representatives of the Department named in this Resolution are each hereby authorized and empowered to execute and deliver the Assignment Agreement on behalf of the Department, with such changes as may be approved by the Authorized Representative executing the same, such approval to be evidenced by such Authorized Representative's execution thereof.

Section 1.2 Taking of Any Action; Execution and Delivery of Other Documents. That the Authorized Representatives are each hereby authorized to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.3 Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the Authorized Representatives are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such Authorized Representative, and in the opinion of Bracewell LLP, Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the Authorized Representatives.

Section 1.4 Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit A - List of Participating HFCs

Exhibit B - Form of Assignment Agreement

Section 1.5 Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Deputy Executive Director – Housing Finance of the Department and the Secretary or Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

Section 1.6 Ratifying Other Actions. That all other actions taken by the Executive Director of the Department and the Department staff in connection with the execution of the Assignment Agreement are hereby ratified and confirmed.

ARTICLE 2

GENERAL PROVISIONS

Section 2.1 Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 2.2 Certification of the Minutes and Records. That the Secretary or Assistant Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.3 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Governing Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with Section 2306.032 of the Texas Government Code regarding meetings of the Governing Board.

Section 2.4 Effective Date. This resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 9th day of July, 2026.

## Exhibit A

### 2026 HFC Participants

City of Arlington HFC

Capital Area HFC

Cameron County HFC

City of Dallas HFC

Denton County HFC

City of El Paso HFC

Fort Bend County HFC

City of Grand Prairie HFC

Harris County HFC

City of Houston HFC

City of Lubbock HFC

City of McKinney HFC

Southeast Texas HFC

City of Rowlett HFC

Tarrant County HFC

Travis County HFC

**Exhibit B**

**Form of Assignment Agreement**

[continued next page]

**Exhibits:**

Exhibit A – Term Sheet

## ASSIGNMENT AGREEMENT

This **ASSIGNMENT AGREEMENT** (this "**Agreement**") is made as of the _____day of _____, 20__ by and between **[NAME OF ENTITY] HOUSING FINANCE CORPORATION** ("**HFC**"), a Texas non-profit housing finance corporation and the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS** ("**TDHCA**"), a public and official agency of the State of Texas.

**RECITALS:**

A. HFC has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Texas Local Government Code, Chapter 394 (as it may be amended, the "**Act**"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices they can afford.

B. The Act authorizes HFC to issue bonds for the purpose of obtaining funds to financehome mortgage loans (or participation interests therein) for persons of low and moderate income forhomes within the geographic limits of [**JURISDICTION**].

C. Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "**Code**"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code.

D. Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes.

E. The private activity bond "State ceiling" (as defined in Section 146(d) of the Code) applicable to the State of Texas (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**").

F. The Allocation Act requires HFC, in order to reserve a portion of the State ceiling for qualified mortgage bonds and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (an "**Application for Reservation**") with the Texas Bond Review Board (the "**Bond Review Board**"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds.

G. The Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "**Allocation Rules**") require that an Application for Reservation be accompanied by a copy of the certified resolution of the issuer authorizing the filing of the Application for Reservation.

H. By resolution adopted on [**DATE OF RESOLUTION APPROVING FILING VOLUME CAP APPLICATION**], HFC authorized the filing of an Application for Reservation with the Bond Review Board in the maximum amount of $[**RESERVATION AMOUNT**] with respect to qualified mortgage bonds, and the Bond Review Board has issued or is expected to issue a reservation of "State Ceiling" in connection with such

Application for Reservation (the "**Reservation**").

I. HFC has determined to (a) delegate to TDHCA HFC's authority to issue bonds or mortgage credit certificates ("**MCCs**") for the purposes specified above, pursuant to Section 394.032(e) of the Act, which provides that a housing finance corporation may delegate to the Texas Department of Housing and Community Affairs the authority to act on its behalf in the financing, refinancing, acquisition, leasing, ownership, improvement, and disposal of home mortgages or residential developments as permitted under the Act, including its authority to issue bonds for those purposes, and (b) assign the Reservation to TDHCA, pursuant to Section 1372.044 of the Texas Government Code.

J. HFC was created by [**NAME OF SPONSOR**] (the "Sponsor") pursuant to the Act.

K. As the governmental unit that created HFC, the Sponsor has approved the assignment of the Reservation to TDHCA in accordance with Section 1372.044 of the Texas Government Code.

NOW THEREFORE, in consideration of the foregoing and the mutual representations, warranties,covenants and conditions contained herein, the parties hereto hereby agree as follows:

1. **Assignment**. HFC hereby assigns, conveys and transfers to TDHCA, to the full extent assignable under applicable law, all of HFC's right, title and interest in, to and under the Reservation (the "**Assignment**"), including without limitation, the right to file a carryforward designation request and to elect to use the Reservation to issue MCCs. The Assignment is irrevocable and applies only to the Reservation for the 2026 program year.

2. **Consents**. HFC agrees to obtain and deliver to TDHCA, such consents to the Assignment of the Reservation as may be required.

3. **Expenses**. TDHCA shall be responsible for payment of all fees and expenses incurred from and after the date of this Agreement with respect to the Reservation, including any carryforward application fee and/or closing fees payable to the Bond Review Board; and TDHCA will pay all costs associated with the issuance of the bonds.

4. **Agreement**. In exchange for the Assignment, TDHCA agrees to originate in the geographic service area of HFC (a) mortgage loans that are eligible for pooling into mortgage certificates and purchase by the trustee for one or more series of tax-exempt bonds issued by TDHCA ("Pooled Loans"), and/or (b) My First Texas Home Combo Loans with MCCs ("Combo Loans", and referred to herein together with the Pooled Loans collectively as "HFC Loans"), until an aggregate amount of $[AMOUNT] of HFC Loans (accounting for the amount of Pooled Loans originated, pooled and purchased by the trustee, and the amount of volume cap used to originate the Combo Loans) have been originated or issued, respectively. HFC Loans will be originated on a first-in, first-out basis. The provisions in the Term Sheet attached hereto as Exhibit A (the "Term Sheet") are incorporated herein and supplement the provisions of this Agreement; however, in the event of any inconsistency between the provisions of this Agreement and the Term Sheet, the provisions of this Agreement shall supersede those of the Term Sheet.

5. **Fees**. TDHCA will pay an ongoing fee in the amount identified in, and in accordance with the provisions of, the Term Sheet (collectively, the "HFC Fees"). HFC Fees will be paid for a period as described in the Term Sheet for each HFC Loan. The outstanding balance of HFC Loans will be reduced monthly to reflect principal repayments and prepayments (including foreclosures of HFC Loans). HFC Fees cease to accrue with respect to any HFC Loan once that HFC Loan has been repaid or prepaid. HFC Fees will be paid annually, in accordance with payment instructions to be provided by HFC.

6. **Reporting**. Once HFC Loans have been pooled into mortgage-backed securities or an MCC has been issued, TDHCA will provide quarterly loan level detail with respect to the outstanding loan balances as provided in the Term Sheet.

7. **Governing Law**. This Agreement shall be governed by and enforced in accordance with the laws of the State of Texas.

8. **Severability**. The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

9. **Entire Agreement; Amendment and Waiver**. This Agreement contains the complete and entire understanding of the parties with respect to the matters covered herein. This Agreement may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Agreement shall be considered as a general waiver.

10. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which is an original and all of which together constitute one and the same Agreement. Electronically transmitted counterparts shall be deemed originals.

[*Execution pages follow*]

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement to be effective as of the date first set forth above.

**[NAME OF ENTITY] HOUSING FINANCE CORPORATION**

By: _____

Name: _____

Title: _____

[signatures continue next page]

**TEXAS DEPARTMENT OF HOUSING ANDCOMMUNITY AFFAIRS**

By: _____

Name: _____

Title: _____

EXHIBIT A – TERM SHEET

# 2026 Term Sheet

## Housing Finance Corporation Volume Cap Assignment

| | |
|---|---|
| Issuer: | Texas Department of Housing and Community Affairs ("TDHCA") |
| HFC Partner: | Housing Finance Corporation ("HFC") |
| Volume Cap: | To be reserved by the HFC for subsequent assignment to TDHCA ("Reservation"). |
| Assignment: | TDHCA and the HFC will execute an Assignment Agreement to assign the Reservation to TDHCA. The HFC's governing body will be required to approve the Assignment. |
| Assignment Purpose: | To be used by TDHCA to originate (a) My First Texas Home Bond Loans that are eligible for pooling into mortgage backed securities and purchased by tax-exempt bonds issued by TDHCA ("Pooled Loans"), and/or (b) My First Texas Home Combo Loans with MCCs ("Combo Loans", collectively "HFC Loans"). |
| Loan Prioritization | The HFC Loans shall be recorded on a first in first out ("FIFO") basis until the equivalent of the assigned volume cap has been exhausted. |
| Volume Cap Utilization: | Pooled Loans will be credited at par. Combo Loans will be credited in accordance with the volume cap used to originate such loan. |
| HFC Fees: | TDHCA will pay an ongoing fee of 4.75 basis points against the aggregate outstanding balance of HFC Loans that have been pooled into mortgage-backed securities or for which an MCC has been issued.<br><br>The HFC Fees will be paid for a period of ten years for each loan originated under the Assignment Agreement that is not more than 30-days delinquent at the time the Pooled Loan Fee is calculated. The outstanding balance will be reduced monthly to reflect principal repayments and prepayments (including foreclosures). HFC Fees cease to accrue with respect to any HFC Loan once that loan has been repaid or prepaid.<br><br>HFC Fees will be paid annually, in accordance with payment instructions to be provided by the HFC. |
| Related Costs: | TDHCA shall be responsible for payment of all fees and expenses incurred from and after the date of the Assignment Agreement with respect to the Reservation, including any carryforward application fee and/or closing fees payable to the Bond Review Board; and will pay all costs associated with the issuance of the bonds. |

Reporting: Once HFC Loans have been pooled into mortgage-backed securities or an MCC has been issued, TDHCA will provide quarterly loan level detail with respect to the outstanding loan balances; no personally identifiable information will be included.

**Mortgage Loan Program**

While TDHCA may originate more loans within the HFC's jurisdiction, the maximum amount of HFC Loans is limited to the volume cap assigned.

Loans originated through a bond issue include FHA, VA, and USDA loans (no conventional loans). All loans must have a term of 30 years.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 26-018 **Agenda Date:** 7/9/2026 **Agenda #:** 24.

Presentation, discussion, and possible action on Resolution No. 26-018 authorizing the filing of one or more applications for reservation to the Texas Bond Review Board with respect to Qualified Mortgage Bonds and containing other provisions relating to the subject

## RECOMMENDED ACTION

Adopt the attached resolution.

## BACKGROUND

The Texas Department of Housing and Community Affairs (the Department) administers statewide homeownership programs that provide affordable mortgage financing and down payment assistance to eligible low- and moderate-income Texas households. These programs are financed in part through the issuance of tax-exempt Qualified Mortgage Bonds authorized under Section 143 of the Internal Revenue Code.

Under federal law, Qualified Mortgage Bonds require an allocation of the State's private activity bond authority, commonly referred to as "volume cap." Pursuant to Chapter 1372, Texas Government Code, issuers seeking volume cap must submit an application for reservation to the Texas Bond Review Board. In addition, Chapter 1231, Texas Government Code, requires approval by the Texas Bond Review Board prior to the issuance of bonds.

Demand for affordable homeownership financing in Texas remains strong. Over the past four calendar years, the Department has assisted 16,000 households through the origination of approximately $3.6 billion in bond-financed first mortgage loans and Mortgage Credit Certificates. An additional 9,000 Texas households have obtained more than $2.08 billion in first mortgage loans through the Department’s TBA program, which does not rely on Private Activity Bond volume cap. The Department provides Down Payment Assistance in connection with all of these mortgage loans, helping Texas families overcome one of the primary barriers to homeownership.

To preserve the Department's ability to finance future homeownership activities and respond to market opportunities as they arise, staff recommends authorizing the filing of one or more applications for reservation of volume cap for Qualified Mortgage Bonds in an aggregate amount not to exceed $2,000,000,000. The requested authorization would also permit the submission of any required state debt applications and related filings, including carryforward designations, in connection with such reservations.

Approval of this resolution does not authorize the issuance of bonds. Any future bond issuance utilizing reserved volume cap will be presented to the Board for separate consideration and approval.

**RESOLUTION NO. 26-018**

RESOLUTION AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR RESERVATION WITH THE TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AUTHORIZING STATE DEBT APPLICATION; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended from time to time (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (a) to make, acquire and finance, and to enter into advance commitments to make, acquire and finance, mortgage loans and participating interests therein, secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds, for the purpose, among others, of obtaining funds to acquire or finance such mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such single family mortgage loans or participating interests, and to mortgage, pledge or grant security interests in such mortgages or participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and (d) to issue its revenue bonds for the purpose of refunding any bonds theretofore issued by the Department; and

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences will be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State ceiling" (as defined in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e)

of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act requires the Department, in order to reserve a portion of the State ceiling for qualified mortgage bonds (the "Reservation") and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (the "Application for Reservation") with the Texas Bond Review Board (the "Bond Review Board"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "Allocation Rules") require that the Application for Reservation be accompanied by a certified copy of the resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Board has determined to authorize the filing of one or more Applications for Reservation in the maximum aggregate amount of $2,000,000,000 with respect to qualified mortgage bonds; and

WHEREAS, the Board further desires to approve one or more applications to the Bond Review Board for approval of state bonds;

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

ARTICLE 1

APPROVAL OF CERTAIN ACTIONS

Section 1.1 Applications for Reservation. The Board hereby authorizes Bracewell LLP, as Bond Counsel to the Department, to file on its behalf with the Bond Review Board one or more Applications for Reservation in the maximum aggregate amount of $2,000,000,000 with respect to qualified mortgage bonds, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of one or more Reservations.

Section 1.2 State Debt Applications. The Board hereby authorizes and approves the submission of one or more applications for approval of state bonds to the Bond Review Board on behalf of the Department in accordance with Chapter 1231, Texas Government Code.

Section 1.3 Authorization of Certain Actions. The Authorized Representatives of the Department named in this Resolution are hereby authorized to take such actions on behalf of the Department as may be necessary to carry out the purposes of this Resolution, including the submission of any carryforward designation requests for such Reservations.

Section 1.4 Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the

Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the 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 9th day of July, 2026.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 26-019 **Agenda Date:** 7/9/2026 **Agenda #:** 25.

Presentation, discussion and possible action on Resolution No. 26-019 approving consent to sale of Master Servicing Rights in connection with the Department's Single Family Mortgage purchase program: approving the execution of a new servicing agreement and other agreements in connection with such sale; authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this resolution' and containing other provisions relating to the subject

## RECOMMENDED ACTION

**WHEREAS**, since 2017, the Idaho Housing and Finance Association (IHFA) has served as the Department's master servicer for mortgage loans originated through the Department's Single Family Mortgage Purchase Program pursuant to a Mortgage Acquisition, Pooling and Servicing Agreement approved by the Board;

**WHEREAS**, IHFA has notified the Department of its intent to sell the master servicing rights associated with the Department's mortgage portfolio to a successor servicer. Under the existing servicing agreement, the Department's consent is required before the sale and transfer of those servicing rights may occur; and

**WHEREAS**, the proposed resolution authorizes the Department to consent to the sale, negotiate and execute a new servicing agreement and related agreements, and authorize designated Department representatives to execute the documents and take the actions necessary or convenient to implement the transaction.

**NOW, therefore, it is hereby,**

**RESOLVED**, that the Board approve Resolution No. 26-019, approving consent to sale of Master Servicing Rights in connection with the Department's Single Family Mortgage purchase program: approving the execution of a new servicing agreement and other agreements in connection with such sale; authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this resolution' and containing other provisions relating to the subject

## BACKGROUND

Staff is requesting that the Board adopt Resolution 26-019, which would approve the Department's consent to the sale of the master servicing rights associated with the Department's Single Family Mortgage Purchase Program by the IHFA, subject to a determination by an Authorized Representative that the transaction is in the best interests of the Department.

Staff also seeks approval for the negotiation, execution, and delivery of a new servicing agreement with the successor servicer and any related agreements necessary in connection with the sale; and authorization for designated Department representatives to execute the consent, servicing agreement, related agreements and

all other documents and instruments necessary or convenient to carry out the purposes of the resolution.

This action would ratify actions previously taken by the Executive Director and Department staff in connection with the Program.

**RESOLUTION NO. 26-019**

RESOLUTION APPROVING CONSENT TO SALE OF MASTER SERVICING RIGHTS IN CONNECTION WITH THE DEPARTMENT'S SINGLE FAMILY MORTGAGE PURCHASE PROGRAM; APPROVING THE EXECUTION OF A NEW SERVICING AGREEMENT AND OTHER AGREEMENTS IN CONNECTION WITH SUCH SALE; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended from time to time ("Chapter 2306"), for the purpose of providing for the housing needs of individuals and families of low, very low, and extremely low income and families of moderate income (as described in Chapter 2306 as determined by the Governing Board of the Department (the "Board") from time to time) at prices they can afford; and

WHEREAS, Chapter 2306 authorizes the Department: (a) to purchase notes and other obligations evidencing loans or interest in loans for individuals and families of low, very low and extremely low income and families of moderate income and (b) to sell, at public or private sale, with or without public bidding, a mortgage or other obligation held by the Department; and

WHEREAS, the Department has a single family mortgage purchase program (the "Program") to fund all or a portion of the Department's single family loan production; and

WHEREAS, pursuant to Resolution 17-003, the Governing Board authorized, and the Department executed and delivered, a Mortgage Acquisition, Pooling and Servicing Agreement (as heretofore amended, restated and modified, the "IHFA Servicing Agreement") with Idaho Housing and Finance Association ("IHFA"), pursuant to which IHFA has provided certain mortgage loan servicing services for the mortgage loans originated under the Program (the "Mortgage Loans"); and

WHEREAS, IHFA has notified the Department of its desire to sell all or a portion of its servicing rights with respect to the Mortgage Loans to a new servicer (the "Servicer"), subject to the execution of a consent to such sale (the "Consent") by the Department, pursuant to and in accordance with the IHFA Servicing Agreement; and

WHEREAS, the Governing Board has determined to authorize the execution of the Consent by an Authorized Representative (as hereinafter defined), subject to the terms and in the manner such Authorized Representative deems to be in the best interests of the Department; and

WHEREAS, the Board desires to authorize the execution and delivery of a servicing agreement or similarly titled document (the "New Servicing Agreement") with the Servicer setting forth the terms under which the Servicer will service the Mortgage Loans, and the taking

of such other actions as may be necessary or convenient to carry out the purposes of this Resolution; and

WHEREAS, it is anticipated that the execution of the New Servicing Agreement will necessitate negotiation, execution and delivery of various additional agreements (collectively, the "Related Agreements"), including amendments and modification to existing agreements, relating to the Program; and

WHEREAS, the Governing Board desires to approve the negotiation, execution and delivery of the Related Agreements and any such other documents and the taking of such other actions, all as may be determined by an Authorized Representative to be necessary or convenient to carry out the purposes of this Resolution;

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

ARTICLE 1
APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1 Authorization of the Execution and Delivery of Consent. The Authorized Representatives each are hereby authorized, upon a determination that the terms thereof are in the best interest of the Department, to (i) execute the Consent and to deliver the Consent to IHFA, and (ii) to take all other actions deemed necessary by such Authorized Representative with respect to the sale by IHFA of the servicing rights.

Section 1.2 Execution and Delivery of New Servicing Agreement, Related Agreements and Other Documents. The Authorized Representatives are each hereby authorized to negotiate, execute and deliver the New Servicing Agreement, the Related Agreements and all other agreements, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.3 Authorized Representatives. The following persons are each 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 Resolution: 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 Assistant Secretary to the Board. Such persons are referred to herein as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

Section 1.4 Ratifying Other Actions. All other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Program are hereby ratified and confirmed.

ARTICLE 2
GENERAL PROVISIONS

Section 2.1 Notice of Meeting. That 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. That this Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 9th day of July, 2026.

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 1522 **Agenda Date:** 7/9/2026 **Agenda #:** 26.

Presentation, discussion, and possible action regarding a Material Amendment to the Land Use Restriction Agreement and changes to the ownership structure for Riverstone Apartments (HTC #20465)

## RECOMMENDED ACTION

**WHEREAS,** Riverstone Apartments (the Development) received a 4% Housing Tax Credit (HTC) award in 2020 for the new construction of 336 units, all of which are designated as low-income units, in San Marcos, Hays County;

**WHEREAS,** to improve the financial feasibility of the Development by obtaining a property tax exemption, LDG Riverstone, LP (the Development Owner or Owner) is seeking to replace the originally proposed General Partner, LDG Riverstone GP, LLC, with THF Riverstone GP, LLC, of which THF Housing Development Corporation, a 501(c)(3) nonprofit corporation, will be the sole member;

**WHEREAS,** Texas Housing Foundation (THF) will acquire fee simple title to the land and then enter into a ground lease with the Development Owner;

**WHEREAS,** as part of the addition of the nonprofit to the ownership structure of the Development, the Owner also requests approval to change the income and rent restrictions by changing 15% of the units (51 units) from 60% to 30% of Area Median Income (AMI), resulting in a reduction to the number of units at 60% AMI from 336 to 285 units;

**WHEREAS,** the Owner is seeking to further revise the ownership structure by moving the current General Partner, LDG Riverstone GP, LLC, to a Class B Limited Partner role; and

**WHEREAS,** the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the selection of the Application, or impact the HTC amount;

**NOW, therefore, it is hereby**

**RESOLVED,** that the requested material amendment to the Land Use Restriction Agreement and changes to the ownership structure of the Development are each approved, subject to clearance of the previous participation review, 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**

Riverstone Apartments (HTC #20465) was approved for a 4% HTC award in 2020 for the new construction of 336 units, all of which are designated as low-income units, for the general population in San Marcos, Hays County. Construction of the Development is complete, and IRS Forms 8609 for the Development were issued by the Department on April 7, 2026.

In a letter dated May 8, 2026, Chris Dischinger, the representative for the Owner, requested approval for a material amendment to the LURA to revise the income targeting in order to facilitate the addition of a new nonprofit general partner. With this change, 15% of units or 51 units will be changing from 60% to 30% AMI, decreasing the number of 60% AMI units from 336 to 285.

In addition to the amendment for the change in income targeting, the Owner is requesting approval to modify its ownership structure by adding a nonprofit to the general partner position. The new general partner will be THF Riverstone GP, LLC (0.005% ownership interest) with THF Housing Development Corporation, a 501(c)(3) nonprofit corporation, as its sole member. The current General Partner, LDG Riverstone GP, LLC (0.005% ownership interest) will move to a Class B Limited Partner role. Citi-ESG LIHTC Partners I, LLC is identified as the Investor Limited Partner (99.99% ownership interest) and LP Purchaser, LLC is serving as a Special Limited Partner. The requested changes to the ownership structure, along with a ground lease structure, will improve the financial feasibility of the Development by providing an ad valorem tax exemption.

The Owner complied with the requirements for requesting a material LURA amendment, including holding a public hearing. The public hearing was held on May 20, 2026. According to the sign in sheet, two residents attended the meeting. The meeting minutes reflect that one resident asked questions related to the impact of the proposed change on her ability to reside at the property and the impact on her rental rate. Responses were provided that the changes would not impact her ability to reside at the property and or impact her rental rate. There were no other comments regarding the proposed amendment.

The Owner submitted a revised Rent Schedule as part of the amendment request. The financial analysis completed by staff supports an improved net operating income and Debt Coverage Ratio (DCR) due to the removal of the property tax expense. At cost certification, it was anticipated that the first lien debt would be paid down from $43,502,000 to $37,500,000 for conversion to permanent. Staff's revised analysis including 51 units at 30% AMI and a 100% property tax exemption indicates the Development would support the full debt amount with a projected DCR of 1.31. This increase to the debt amount does not impact the HTC amount.

Staff recommends approval of the material amendment to the LURA and changes to the ownership structure subject to clearance of the previous participation review. Furthermore, tenants at 60% AMI may not be evicted or non-renewed to achieve the income targeting described in this amendment; currently occupied units may only be leased to 30% AMI tenants upon turnover.

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LDG DEVELOPMENT

May 8, 2026

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

Re: Riverstone #20465 – Adding a Non-Profit to the GP

Mr. Banuelos:

LDG Riverstone, LP (TDHCA #20465) is hereby requesting to modify its Organizational Chart to add a nonprofit (Texas Housing Foundation) to the GP position. The entity name of the new GP will be "THF Riverstone GP, LLC" and the percentages of interest are detailed on the new Organization Chart under Tab 4.

It was determined post-closing that the addition of a nonprofit, and associated exemption from real estate taxes, was imperative to the financial viability of the property's operation. Overall, this change will be a net positive and will not cause any negative financial impact to the Development. Concurrently with this Ownership Transfer, Riverstone will be adding deeper affordability at this project as 15% of the units will be changing from 60% to 30% AMI.

If you need any additional information on the above request, please contact:

Jason Trevino
512-578-8488
jtrevino@ldgdevelopment.com

Sincerely,

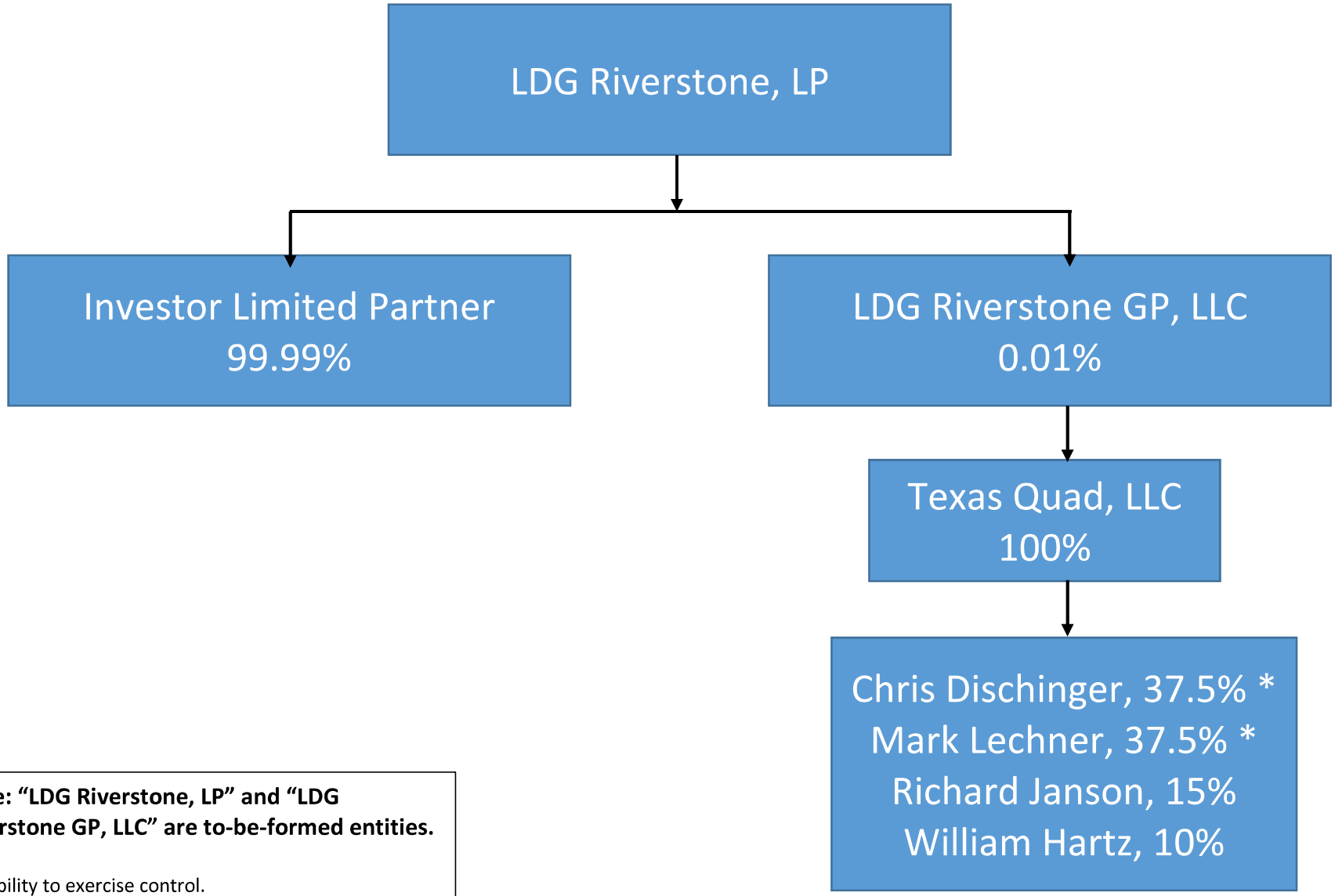
Chris Dischinger
LDG Riverstone GP, LLC

Cc: Rene Ruiz, Senior Asset manager

AT TIME OF APPLICATION

# Riverstone Apartments

## Applicant / Owner Organizational Chart

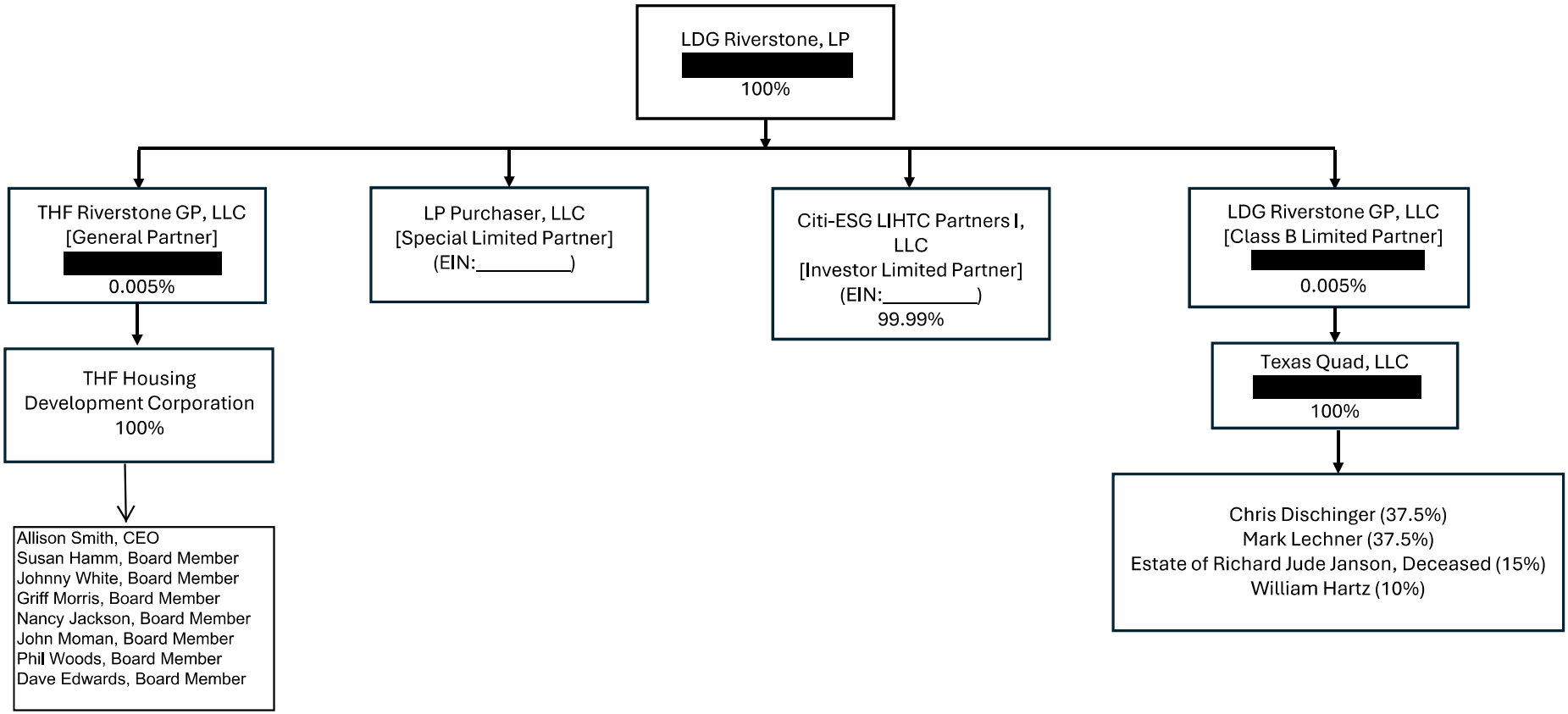



**Note: "LDG Riverstone, LP" and "LDG Riverstone GP, LLC" are to-be-formed entities.**

* = Ability to exercise control.

POST OWNERSHIP TRANSFER

# ORGANIZATIONAL CHART
# RIVERSTONE



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #:** 1500 **Agenda Date:** 7/9/2026 **Agenda #:** 27.

Presentation, discussion, and possible action on recommendation to debar Tracy Andrus Foundation and Tracy Andrus

**RECOMMENDED ACTION**

**WHEREAS,** Tracy Andrus Foundation (TAF) signed HOME Investment Partnerships Program Reservation System Participant Agreement #2023-0033 in 2024, to act as an administrator for the HOME TBRA program;

**WHEREAS,** the Department performed a compliance monitoring review and subsequent program investigation after receiving unusual and suspicious emails from Elvisha Brightman, a former employee of TAF;

**WHEREAS,** the Department identified significant problems with program administration;

**WHEREAS,** a compliance monitoring review identified disallowed costs of $26,489.12, which have been paid in full;

**WHEREAS**, a parallel investigation conducted by TDHCA program staff to verify tenants, identified serious misrepresentations and further disallowed costs of $43,381.00, which have been paid in full;

**WHEREAS,** TAF and Tracy Andrus were referred for debarment consideration for submitting fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department, as identified during a program investigation, a violation of 10 TAC §2.401(a)(5) that is not susceptible to cure;

**WHEREAS,** Elvisha Brightman was referred for debarment consideration for submitting fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department, as identified during a program investigation, a violation of 10 TAC §2.401(a)(5) that is not susceptible to cure;

**WHEREAS,** Ms. Brightman attended an informal conference with the Enforcement Committee (Committee) on January 22, 2026;

**WHEREAS**, the Committee tabled a debarment recommendation for Ms. Brightman, pending an informal conference for Mr. Andrus;

**WHEREAS,** Mr. Andrus attended an informal conference with the Enforcement Committee (Committee) on April 16, 2026;

**WHEREAS,** after the April 16, 2026 informal conference the Committee recommended a 10-year debarment term for TAF and Mr. Andrus, and a five-year term for Ms. Brightman;

**WHEREAS,** on May 5, 2026, the TDHCA Executive Director issued determination notices offering

to settle the debarment matters via a 10-year Voluntary Non-Participation Agreement (VNA) for TAF and Mr. Andrus, and a 5-year VNA for Ms. Brightman, and notifying the Responsible Parties of options to appeal an alternative debarment recommendation if the VNA offers were rejected;

**WHEREAS**, Ms. Brightman accepted the VNA offer and has signed a VNA with the Department for a five-year term expiring June 10, 2031;

**WHEREAS,** Mr. Andrus rejected the VNA offer and submitted a debarment appeal on May 7, 2026; and

**WHEREAS,** staff has based the 10-year debarment recommendation for TAF and Tracy Andrus on the Department's rules for debarment, and an assessment of each and all of the material factors that are to be considered in determining a recommended period of debarment, applied specifically to the facts and circumstances present in this case.

**NOW, therefore, it is hereby**

**RESOLVED**, that a Final Order of Debarment for a 10-year term for Tracy Andrus Foundation and Tracy Andrus, substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

## BACKGROUND

**VIOLATIONS SUBJECT TO DEBARMENT:**

1. Tex. Gov't. Code 2306.0504(b) states, "(b) The department may debar a person from participation in a department program on the basis of the person's past failure to comply with any condition imposed by the department in the administration of its programs."

2. 10 TAC §2.401(a)(5) states:

   "(a) The Department may debar a Responsible Party, a Consultant and/or a Vendor who has exhibited past failure to comply with any condition imposed by the Department in the administration of its programs. A Responsible Party, Consultant or Vendor may be referred to the Committee for Debarment for any of the following:

   […] (5) Providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department."

3. TAF and Tracy Andrus (collectively, the TAF Responsible Parties) were referred for debarment under 10 TAC §2.401(a)(5) for submitting fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department, identified by a subsequent program investigation, including the following inappropriately drawn HOME TBRA subsidies, with findings that are not

susceptible to cure. An informal conference was held on April 16, 2026.

a. One tenant under activity 54881 with disqualifying factors, including the incorrect name, and misrepresentation of household composition and income, a violation of 24 CFR 92.203. TAF ultimately repaid disallowed costs of $5,841.00.
b. Three tenants under activities 54843, 54887, and 55112, that were occupying units owned by a close family member, such as a parent or grandparent, without disclosing a conflict of interest, a violation of Section 10.4 of the RSP Agreement, 10 TAC §23.50(h), and 24 CFR §92.356. TAF ultimately repaid collective disallowed costs of $27,606.00.
c. Of those, one property owner also appeared to be living in the unit, a further misrepresentation and factor of ineligibility for activity 55112. An owner renting from themselves and receiving a rental subsidy is a violation of 24 CFR §92.2.
d. One tenant under activity 54892 that was verified to not exist; no subsidy had been paid on behalf of the tenant per the landlord. TAF ultimately repaid disallowed costs of $3,363.00.
e. Three tenants and landlords under activities 54844, 54985, and 55211, reported not receiving subsidy payments for which TDHCA had provided reimbursement. Of those, TAF ultimately repaid disallowed costs of $6,571.00, and provided documentation verifying payments of $9,606.00.

4. TAF avoided an administrative penalty referral by repaying disallowed costs as required for all of the activities listed above, but these matters remain eligible for debarment.

**PROGRAM INFORMATION:** TAF is a subrecipient of the Department's HOME Program. The referrals in question relate to the HOME TBRA Program, which is a HUD-funded program that provides a monthly rental subsidy to households at or below 80% AMFI, utilizing the Section 8 Housing Choice Voucher subsidy calculation method. The program is governed primarily by 24 CFR Part 92, 10 TAC Chapters 20 and 23, and the RSP Agreement. TDHCA operates as a pass-through entity, contracting with subrecipients and state recipients known as Administrators to provide services in their community. TDHCA staff performs a limited review to ensure basic factors of eligibility, relying upon information and documentation input by the Administrator into the Housing Contract System. At its most basic, an eligible tenant must live in an eligible unit, and must be approved by TDHCA prior to drawdown of funds. COI's must be disclosed, and procedures must be followed by the subrecipient to establish eligibility prior to submission to TDHCA. Federal regulations also require the start date of assistance to the be same as the lease start date, and the amount of tenant paid rent is limited, based upon income. TAF staff violated these basic principles of the program, and those violations were systemic to TAF's administration of the program.

**RESPONSIBLE PARTY:** Tracy Andrus is TAF's president and chief executive officer, and is the sole control party. He confirms there are no other board members, a further concern since nonprofits in Texas are required to have at least three board members. He attended an informal conference with the Enforcement Committee (Committee) on April 16, 2026, and has repaid all

required disallowed costs to date, but denies any responsibility, blaming Ms. Brightman and other staff for misrepresentations.

**PROBLEM DISCOVERED:** The Department was first alerted to the issues resulting in this referral on May 15, 2025, when Ms. Brightman, a former employee at TAF, contacted the Department. Ms. Brightman alleged that she was fired in retaliation for submitting inquiries to HUD. She emailed TDHCA multiple times after she was terminated, requesting information about when the May rental subsidy would be paid for Activity 54832, and she made allegations of fraud against Mr. Andrus. Her inquiries were unusual and suspicious, causing program staff to research Ms. Brightman and the household members for Activity 54832, uncovering significant omissions and misrepresentation. Upon further investigation, the Department found that Ms. Brightman received a direct personal benefit in the form of TBRA rental and utility subsidies for her own residence, under Activity 54832, without disclosing a conflict of interest (COI) on Section F of the application as required by Section 10.4 of the Reservation System Participant Agreement (RSP Agreement), 10 TAC §23.50(h), and 24 CFR §92.356. Employees are prohibited from receiving rental subsidies without going through COI procedures.

Ms. Brightman also altered the application and lease documentation for Activity 54832 to omit her own name, and substituted the name of her mother, a second misrepresentation, and a second conflict of interest. An employee's immediate family member is prohibited from receiving rental subsidies without going through COI procedures. Lease dates were also altered.

Ms. Brightman alleges that in her role at TAF as a case manager, she submitted altered documentation for Activity 54832 to the Department on behalf of TAF at the behest of Tracy Andrus, with his full knowledge and consent. During her informal conference, Ms. Brightman alleged that Mr. Andrus was aware of the document alterations and that he directed TAF staff to alter leases to ensure eligibility and to use another household member's name to avoid the COI process. Elvisha Brightman was referred for debarment by program staff for Activity 54832.

An associated misrepresentation and COI for activity 54984 was subsequently identified, where Ms. Brightman had also altered application and lease documentation to replace her brother's name with a fictional name.

**TRACY ANDRUS RESPONSE:** Mr. Andrus denies all of the allegations, takes no responsibility for any of the misrepresentations, and blames Ms. Brightman and other TAF staff for all misrepresentations.

**TDHCA INVESTIGATION AND ACTIONS:** TDHCA monitored TAF for program compliance and identified disallowed costs of $26,489.12, which have been paid in full. Concurrent with the monitoring review, program staff also performed an independent investigation, sending a survey to each tenant noted as an active participant in TDHCA's records, and reviewing county records in order to determine whether the Department could assist former TAF clients directly. The Department terminated its contract with TAF for cause as of November 4, 2025, citing violations of the COI provisions at Section 10.4 of the RSP Agreement relating to the misrepresentations noted above for activity 54832, along with associated activity 54984.

**TDHCA COMPLIANCE MONITORING AND PROGRAM INVESTIGATION BOTH UNCOVER MISREPRESENTATIONS:**

1. **Subrecipient Compliance Monitoring Review:** 12 client files and two administrative draws were selected for review. Of the 12 files selected, 10 were found to be noncompliant, and 100% of the reviewed administrative costs were determined to be ineligible. TAF appealed the results of the monitoring review, and stated as one of the three primary reasons for its appeal that TAF does not approve applications, contracts, or funding. It stated that its only role is to gather documents and information, then submit them to TDHCA for review. This is factually incorrect, and the appeal was denied. Pursuant to the RSP Agreement between the Department and TAF, as a subrecipient of TDHCA HOME Program funds, TAF is solely responsible for adhering to program rules and regulations, and for ensuring that activities carried out by staff at their organization meet all program requirements. TDHCA, as the recipient, does work to ensure that activity files have been reviewed for certain high-risk factors, and will not recommend activities for funding until certain requirements are met; however, this is not to be construed as a complete file review or a guarantee of eligibility of an activity. TDHCA does not require submission of an entire activity file; many documents are to be retained by TAF and are not subject to prior review as shown in the TBRA Project File Documentation Checklist, which is separate and apart from the TBRA Project Setup Checklist used to prepare the submission of an activity for TDHCA review. Section 10.11, Subsection (c) of the RSP Agreement explicitly states, “Administrator shall comply with all federal, state and local laws, statutes, ordinances, rules, regulations, order and decrees of any court or administrative body or tribunal related to the Activities and performances of Administrator under this Agreement including, but not limited to: (1) the Program Requirements”.

   TAF subsequently submitted partial corrections and repaid $26,489.12 for all disallowed costs identified during monitoring, but noted on each check that payment was made under duress. In addition to administrative costs, disallowed costs from the monitoring review included Activity 54832, involving Ms. Brightman, and seven additional activities with programmatic and financial noncompliance. When all costs were repaid, Subrecipient Monitoring closed its review without referring TAF or Tracy Andrus for enforcement in accordance with its standard procedures, but the noncompliance remains a relevant factor that can be considered in this debarment referral. TAF also voluntarily repaid $3,625.00 relating to Activity 54984 before monitoring findings were assessed.

2. **Contract termination for cause:** The RSP Agreement was terminated for cause on November 4, 2025, effective as of December 1, 2025. The termination notice referenced activities 54832 and 54984, and included a determination that the failure of TAF to monitor for and prevent such COI’s, met the threshold for termination of the RSP Agreement due to gross negligence. Aside from terminating Ms. Brightman, no other action was taken by TAF to identify this COI and to correct the matter with TDHCA (or

the additional matters where COI was evident) until it became clear to TAF that TDHCA was investigating the activity.

3. **Single Family HOME Program (SFHP) Survey Investigation:** SFHP began preparations to directly administer HOME TBRA to individual households, recognizing the negative impact of termination for the eligible families being served by TAF. As part of this effort, SFHP staff sent surveys to active participants, and reviewed tax records to verify that the landlord shown in the records submitted to TDHCA was the property owner or verified manager. During its investigation, SFHP found the misrepresentations outlined above, for which it referred TAF and Tracy Andrus for debarment and required additional repayments. These misrepresentations were submitted by multiple TAF staff members, using multiple logins to the HCS system, including Mr. Andrus' login. HCS Users are instructed not to share their login information as the usernames are assigned per person, not per organization, but it appears this was a common practice at TAF.

   The surveys also identified further lease misrepresentations by three TAF staff members. There were only four employees at TAF. These lease misrepresentations were not referred for debarment, but should be considered as a factor. HOME has restrictions on the percentage of a household's income that may be expended on rent. The rent amounts on the leases submitted by TAF showed an altered reduced rate that made the units appear to be affordable for five activities. This left vulnerable households in a position where, even though their rent was supposed to be affordable under the program, it was still greater than 40% of their adjusted gross income since the actual rent due was not the amount shown in the leases submitted by TAF. Additionally, federal rules require the start date of assistance to be the same as the lease start date; two activities showed altered lease start dates to avoid this limitation. The new HOME Final Rule removes the 40% rent limitation, so repayment was not requested by TDHCA, and these misrepresentations were not referred for enforcement. However, the limitation existed at the time that altered documentation was submitted to the Department, and TAF staff intentionally altered these documents to make it appear that the activities were eligible. This is a factor relevant to the debarment.

**FACTORS CONSIDERED TO DETERMINE RECOMMENDED DEBARMENT TERM:** The Enforcement Committee considered the following factors, pursuant to 10 TAC §2.401(j):

1. **Debarment is discretionary:** 10 TAC §2.401(a)(5) is not a mandatory debarment category.

   a. For TAF and Tracy Andrus, program staff's investigatory results formed the basis of the debarment referral for intentional or negligent misrepresentations, which do not include the above-referenced noncompliance for Activities 54832 and 54984, both of which had already been repaid. The Subrecipient Monitoring Review was ultimately closed without referral to the Enforcement Committee after the full repayment of $26,489.12 in disallowed costs, but the underlying pattern of noncompliant files and misrepresentations remain a relevant factor

for consideration. Likewise, the contract cancellation relating to misrepresentations and negligence for activities 54832 and 54984 is a relevant factor for consideration. The additional lease misrepresentations identified by program staff are also a relevant factor.

2. **Repeated enforcement occurrences and history of previous violations**:

   a. **Debarment:** There are no prior debarment referrals for any of the Responsible Parties.

   b. **Administrative Penalty:** There are no prior administrative penalty referrals for any of the Responsible Parties.

3. **Seriousness of underlying issues, and whether a hazard is posed to the health, safety, or economic welfare of the public:** There is no physical impact on the public, but there is significant economic impact on the public. The misrepresentations submitted to TDHCA are very serious, and appear to be based upon a pattern and practice for TAF staff rather than mere accidental omission, a single rogue employee, or misrepresentation to TAF by a tenant themselves. The misrepresentations submitted to TDHCA also reflect a troubling lack of supervision by Tracy Andrus, who told the Committee that he did not review the documentation submitted to the Department, other than ensuring that it was the type of documentation needed for the Program. The Committee was not able to establish clear intent by Mr. Andrus. However, intent is not required under the rule to warrant debarment. At minimum, even if TDHCA were to generously construe some of the misrepresentations as mistakes or unguided actions by TAF staff, there is a clear lack of oversight by Tracy Andrus, and negligence is a component of 10 TAC 2.401(a)(5). At best, TAF staff submitting consistently altered documents demonstrates gross negligence by TAF and Tracy Andrus. At worst, it demonstrates intentional misrepresentation.

4. **Presence or absence of corrective action:** Aside from terminating Ms. Brightman, TAF took no action to identify her COI and to correct the matter with TDHCA (or the additional matters where COI was evident) until it became clear to TAF that TDHCA was investigating the activity.

   TAF submitted partial corrective documentation, reducing the disallowed costs sought by TDHCA, and it has repaid all disallowed and ineligible costs requested by TDHCA. However, Tracy Andrus noted in the reference line of every check that repayment was made “under duress”, and he refuses to take any responsibility.

   During his informal conference on April 16, 2026, Mr. Andrus indicated that there were no set working schedules at TAF, and no requirement to “clock-in”. He admitted that TAF staff did not do any independent training, only the training provided by TDHCA. He indicated that he would like more training, and had requested more training. TAF staff was unqualified, yet Mr. Andrus allowed them to submit documentation to TDHCA with

insufficient supervision and training for their levels of aptitude. Ms. Brightman and Anitras Robinson, in particular, had little comprehension of program requirements, and clearly did not understand their training. Allowing them to work on files unsupervised demonstrates incredibly poor judgment, and is reflective of the overall negligence by Mr. Andrus and TAF.

Mr. Andrus confirmed during his conference that he reviewed a document checklist prior to application submission to TDHCA, but stated that he performed no substantive review of the documents themselves since he believes that is TDHCA's sole responsibility. Mr. Andrus did not provide any further details about supervision despite multiple Committee questions on the topic. TDHCA relies upon Administrators to verify eligibility, and then provide accurate and complete information and documentation to TDHCA; TDHCA's role in determining eligibility is secondary. It was not possible for TDHCA to identify the misrepresentations without independent investigatory efforts by TDHCA staff after the Brightman misrepresentations were uncovered. TAF knowingly, or at least negligently, violated these basic principles of the HOME TBRA program, and those violations were systemic to its operation of the program. Contract termination and debarment are appropriate since TAF cannot be trusted to reliably and accurately administer a TDHCA contract.

5. **Other material factors that justice may require**: In addition to the referred misrepresentations for TAF and Mr. Andrus, other misrepresentations by TAF staff are relevant considerations supporting a systemic pattern and practice of document alteration by staff employed by TAF in its administration of the HOME TBRA program, including the altered application and lease documentation submitted by Ms. Brightman for her own personal benefit and for the benefit of her family under activities 54832 and 54984, and the additional altered leases submitted by three different TAF staff members to misrepresent program eligibility.

   Mr. Andrus argues that he did nothing wrong, deflecting responsibility to his staff at TAF, and particularly Ms. Brightman. He assigned any remaining responsibility to TDHCA, which he alleges was solely responsible for reviewing tenant files. He denied any involvement in personally altering any documentation, and says that all disallowed costs were repaid under duress. Ms. Brightman also believes she did nothing wrong, deflecting all blame to Mr. Andrus, who she alleges directed her to alter the files. The Committee was unable to prove allegations by Mr. Andrus or Ms. Brightman as to who was the mastermind of the document alteration scheme, but it is ultimately unnecessary to do so.

   Mr. Andrus and TAF were initially offered a 10-year VNA, because all disallowed costs had been repaid and because TAF provides childcare services that receive state funding and Mr. Andrus expressed concern about a debarment affecting that other state funding.

6. **Appropriate debarment term:** In light of the above factors, the Committee

recommends a 10-year debarment term for TAF and Tracy Andrus, and it reports Ms. Brightman's signed VNA with a five-year term in lieu of a debarment recommendation.

**APPEAL RESPONSES BY THE RESPONSIBLE PARTIES:** Tracy Andrus rejected an offer for a 10-year Voluntary Non-Participation Agreement (VNA), and submitted the attached appeal. All disallowed costs are now repaid, including the $30.00 discussed in his appeal. He denies any wrongdoing, stating that he has "not been found guilty of fraud, unethical conduct, criminal wrongdoing, or intentional misconduct by any court, tribunal, or independent investigative body" and that there is no proof that he personally committed any unethical acts. He alleges that TDHCA has failed to identify any fraudulent acts or intentional misconduct personally committed by Tracy Andrus, and that there is no evidence to establish intent to defraud. He complains that he was not permitted to "face [his] accusers, cross-examine witnesses, or participate in any evidentiary hearing prior to the recommendation for debarment".

An informal conference was held with Mr. Andrus on April 16, 2026, in accordance with 10 TAC §2.401 so that he could discuss his perspective and any mitigating factors for Department consideration. Compliance and program staff were present until deliberations. The rule does not contemplate an informal conference being a proceeding where TDHCA witnesses are cross-examined. Mr. Andrus also submitted multiple public information requests that were fulfilled, except for documents should already be in his possession since TAF is responsible for maintaining household files in accordance with the RSP Agreement.

TAF indicates that there is active federal litigation filed in the United States District Court for the Eastern District of Texas by the Bernoudy Law Firm, raising "questions regarding TDHCA's investigative process, procedural fairness, selective enforcement, lack of due process, and the absence of sufficient factual findings supporting debarment threats." A similar prior lawsuit by Tracy Andrus was dismissed earlier this year.

The rest of Mr. Andrus' substantive appeal statements are addressed in the factors above.

**RECOMMENDATION:** After consideration of all appropriate factors, the Enforcement Committee and Executive Director recommend the issuance by the Board of a Final Order of Debarment for a 10-year term for TAF and Tracy Andrus.

Attachments:

1. Proposed Debarment Order for Tracy Andrus
2. 11/4/2025 Notice of Termination of RSP Agreement
3. 1/22/2026 email by Elvisha Brightman, after her informal conference
4. 3/3/2026 Enforcement Referral Notice
5. 3/17/2026 Email with Tracy Andrus regarding system access
6. 5/7/2026 appeal email by Tracy Andrus

| | | |
|---|---|---|
| ENFORCEMENT ACTION AGAINST | § | BEFORE THE |
| TRACY ANDRUS FOUNDATION AND | § | TEXAS DEPARTMENT OF HOUSING |
| TRACY ANDRUS | § | AND COMMUNITY AFFAIRS |

**FINAL ORDER OF DEBARMENT**

**General Remarks and official action taken:**

On this 9th day of July, 2026, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against Tracy Andrus Foundation, a Texas nonprofit corporation (TAF), and its chief executive officer and sole board member, Tracy Andrus, an individual (collectively, the Respondents), for providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department, a violation of 10 TAC §2.401(a)(5).

This Final Order is executed pursuant to the authority granted in Texas Government Code section 2306.0504, which requires the Board to adopt a policy providing for the debarment of a person from participation in Department programs because of a person's past failure to comply with conditions imposed by the Department in the administration of its programs. A policy was adopted by the Board and is set forth at 10 TAC §2.401.

Upon recommendation of the Executive Director, the Board makes the following findings of fact and conclusions of law and enters this Order:

**FINDINGS OF FACT**

*Jurisdiction:*

1. On June 27, 2024, TAF executed HOME Investment Partnerships Program Reservation System Participant Agreement #2024-0033 (RSP Agreement), committing to be a Reservation System Participant in multiple set-asides, including the Tenant-Based Rental Assistance (TBRA) Set-Aside #1003667 (Set-Aside 1003667) and the Single-Family Programs for Persons with Disabilities TBRA Set-Aside #1003669 (Set-Aside 1003669).

2. Entities eligible for debarment by the Department include Responsible Parties, Consultants, and Vendors, under 10 TAC §2.401.

3. Respondents are subject to the regulatory authority of the Department and, for purposes of this debarment recommendation, TAF and Tracy Andrus are collectively considered Responsible Parties, as defined by 10 TAC §2.102.

*Violations Subject To Debarment:*

1. The Department conducted a program investigation beginning on May 15, 2025, identifying multiple instances where Respondents violated 10 TAC §2.401(a)(5) by submitting fraudulent information, knowingly falsified documentation, or other intentional or negligent material

misrepresentation or omission with regard to any documentation, certification or other representation made to the Department, on behalf of TAF, in order to draw HOME TBRA subsidies, including:

a. One tenant under activity 54881 with disqualifying factors, including the incorrect name and misrepresentation of household composition and income, a violation of 24 CFR 92.203. TAF ultimately repaid disallowed costs of $5,841.00.

b. Three tenants under activities 54843, 54887, and 55112, that were occupying units owned by a close family member, such as a parent or grandparent, without disclosing a conflict of interest, a violation of Section 10.4 of the RSP Agreement, 10 TAC §23.50(h), and 24 CFR §92.356. TAF ultimately repaid collective disallowed costs of $27,606.00.

c. Of those, one property owner also appeared to be living in the unit, a further misrepresentation and factor of ineligibility for activity 55112. An owner renting from themselves and receiving a rental subsidy is a violation of 24 CFR §92.2.

d. One tenant under activity 54892 that was verified to not exist; no subsidy had been paid on behalf of the tenant per the landlord, a violation of the RSP Agreement and 10 TAC §23.51(b). TAF ultimately repaid disallowed costs of $3,363.00.

e. Three tenants and landlords under activities 54844, 54985, and 55211, reported not receiving subsidy payments for which TDHCA had provided reimbursement, a violation of the RSP Agreement and 10 TAC §23.51(b). Of those, TAF ultimately repaid disallowed costs of $6,571.00, and provided documentation verifying payments of $9,606.00.

2. All of the above matters are considered closed, but remain eligible for debarment.

## CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §2306.0504 and 10 TAC §2.401.

2. TDHCA is a designated Participating Jurisdiction within the meaning of 24 C.F.R. Part 92 and has the authority pursuant to Tex. Gov't Code Chapter 2306, Subchapter F, to make a subaward or otherwise contract with eligible organizations to participate in the administration of HOME funds provided to the State of Texas under the Cranston Gonzalez National Affordable Housing Act (42 U.S.C. Section 12704 et seq).

3. Pursuant to the RSP Agreement, Respondents are required to administer HOME funds in accordance with federal and state requirements, including but not limited to the HOME Investment Partnerships Act of 1990, 42 U.S.C. §§12721-12839; applicable Federal and CPD Notices issued by HUD; implementing regulations at 24 CFR Part 92; Chapter 2306 of the Texas Government Code; the State HOME Rules; the Application and Application Submission Procedures Manual, and the terms of the RSP Agreement.

4. Pursuant to 24 C.F.R. 504(a) and 10 TAC §20.14, TDHCA is required to monitor for noncompliance with all state and federal requirements under the HOME program.

5. TAF and Tracy Andrus are Responsible Parties as defined by 10 TAC §2.102.

6. Respondents violated 10 TAC §2.401(a)(5) by providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department.

7. Pursuant to Tex. Gov't. Code §2306.0504(b), the Department may debar a person from participation in a Department program on the basis of the person's past failure to comply with any condition imposed by the department in the administration of its programs.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of material factors including those set forth in 10 TAC §2.401(j) to be considered for a recommended period of debarment, as applied specifically to the facts and circumstances present in this case, the Board of the TDHCA orders the following:

**IT IS HEREBY ORDERED** that Respondents are barred from future participation in any capacity for all programs administered by the Department for a **ten-year term commencing on the date of board approval**. This debarment does not prohibit Respondents from participating in any existing engagements funded through the Department where funds have already been awarded or allocated, nor does it affect any responsibilities or duties thereunder.

**IT IS FURTHER ORDERED** that the terms of this Final Order shall be published on the TDHCA website.

*[signature page to follow]*

*Approved by the Governing Board of TDHCA on July 9th, 2026.*

By: _____
Name: Leo Vasquez
Title: Chair of the Board of TDHCA

By: _____
Name: James "Beau" Eccles
Title: Secretary of the Board of TDHCA

**THE STATE OF TEXAS §**
**§**
**COUNTY OF TRAVIS §**

Before me, the undersigned notary public, on this 9th day of July, 2026, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

**THE STATE OF TEXAS §**
**§**
**COUNTY OF TRAVIS §**

Before me, the undersigned notary public, on this 9th day of July, 2026, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

_____
Notary Public, State of Texas

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

*www.tdhca.texas.gov*

Greg Abbott
GOVERNOR

**BOARD MEMBERS**
Leo Vasquez, *Chair*
Kenny Marchant, *Vice Chair*
Cindy Conroy, Member
Anna Maria Farías, Member
Holland Harper, Member
Ajay Thomas, Member

November 4, 2025

*Writer's direct dial: (512) 475-0908*
*Email: abigail.versyp@tdhca.texas.gov*

Dr. Tracy Andrus
Chief Executive Officer
Tracy Andrus Foundation
Marshall, TX
Email: tandrus26@gmail.com

RE: TERMINATION OF RSP AGREEMENT 2024-0033

Dear Dr. Andrus:

After careful consideration, the Texas Department of Housing and Community Affairs (TDHCA or the Department) is terminating the HOME Investment Partnerships Program (HOME Program) Reservation System Participation Agreement (RSP Agreement) 2024-0033 between TDHCA and the Tracy Andrus Foundation (TAF). This is a termination for cause in accordance with Section 10.2(B)(2) of the RSP Agreement, which states:

> *"B. Department may terminate this Agreement, in whole or in part, for any of the following events and any other event agreed to by the parties in the Loan Documents or Grant Documents:*
>
> > *2) Gross negligence, fraud, willful misconduct, misappropriation of funds, or criminal activity by Administrator or any affiliate of the Administrator providing services to or in connection with this Agreement or Administrator;"*

After a careful review of the administration of the grant, we identified violations of the conflict of interest provisions as outlined in Section 10.4 of the RSP Agreement related to an employee of TAF, Elvisha Brightman, residing in the property at 713 Navajo Trail. The circumstances related to this conflict of interest are outlined in the Follow-Up Report of On-Site Monitoring letter dated October 20, 2025. TDHCA had previously reached out to TAF regarding this issue, and TAF acknowledged that the conflict of interest occurred, and terminated the activity; however, expenditures occurred prior to this acknowledgement. TDHCA staff met with TAF on May 20, 2025 and inquired about relatives of the employee that were either receiving or submitted for approval to receive rental subsidy. After this

meeting, TAF sent a request to cancel an additional activity because the employee's brother lived in the unit proposed for assistance, which was submitted in the name of a different party. TDHCA requested, and TAF submitted, a termination letter for the Activity. Subsequently, TAF sent an additional email requesting cancellation of four additional activities and was asked to provide a termination letter showing the reason for termination. This letter was not received by TDHCA.

It is the determination of the Department that the circumstances regarding conflict of interest, and the failure of TAF to monitor for and prevent such conflicts of interest, meets the threshold for termination of the RSP Agreement due to gross negligence by Administrator or any affiliate of the Administrator providing services to or in connection with this Agreement or Administrator. Although TAF did terminate the employee with the verified instance of conflict of interest, action to identify this conflict of interest and to correct the matter (or the additional matters where conflict of interest was evident) was not taken until TDCHA brought it to the attention of TAF.

TDHCA understands that termination of the RSP Agreement may impact tenants currently receiving assistance with monthly rental and utility subsidy; as such, the RSP Agreement will be terminated on December 1, 2025. Subsidy for eligible tenants may be drawn as early as November 11, 2025 for rents payable through December 31, 2025; however, no additional commitments of funds will be approved by TDHCA. As the termination of the RSP Agreement may impose a hardship on otherwise eligible households, TDHCA will be reaching out to tenants and landlords utilizing the contact information in existing records in the meantime to determine whether it will be possible for TDHCA to directly subsidize eligible households. TDHCA will only contact those tenants and landlords for activities for which a Household Commitment Contract was executed; no new activities will be reviewed or approved.

This termination does not relieve TAF from their responsibility to repay disallowed costs resulting from activities performed or funds drawn under the Agreement. As required by Section 10.2(c) of the Agreement, TAF must return any remaining funds on hand and all accounts receivable attributable to the use of funds under the Agreement within 10 calendar days of the date of the termination, or December 11, 2025.

Sincerely,

Abigail Versyp
Director of Single Family and Homeless Programs

**From:** elvisha brightma <ebrightmantaf@gmail.com>
**Sent:** Thursday, January 22, 2026 2:41 PM
**To:** Ysella Kaseman <Ysella.Kaseman@tdhca.texas.gov>
**Subject:** Re: Informal Conference Notice - Debarment

I feel I can explain better through email as you guys looking at the fact I received help which was the purpose as I stated I was not told cause I work at the foundation I can not apply for the program just would have to do a conflict of interest and to avoid that part I can use my mother name which it's nothing wrong with trying to avoid something that's complicated for easier so I did what was told to me

Post-Hearing Statement Regarding Alleged Misrepresentation

I am submitting this statement to clarify an important point discussed during my debarment hearing.

When I applied for assistance through the TDHCA program, I was employed at the Foundation. The director of the Foundation explicitly instructed me to list my mother as the applicant in order to avoid a conflict of interest due to my employment. He explained that because she was a member of my household, this was the proper and compliant way to proceed.

I relied on this guidance in good faith. At no point did I intend to misrepresent information or violate program rules. I followed the instructions given to me by the person responsible for overseeing program compliance. If the guidance I received was incorrect, the misunderstanding originated from the program's leadership, not from any intentional wrongdoing on my part.

I respectfully request that this be considered as a mitigating factor in your decision. My actions were based on the direction of the program director, and I believed I was following the correct procedure to avoid a conflict of interest.

Thank you for your time and consideration.

Sincerely,

Elvisha Brightman

Redaction note: Tenant names and addresses are redacted in the following pages for publication in the TDHCA Board Book

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

*www.tdhca.texas.gov*

Greg Abbott
GOVERNOR

**BOARD MEMBERS**
Leo Vasquez, Chair
Kenny Marchant, Vice Chair
Cindy Conroy, Member
Anna Maria Farías, Member
Holland Harper, Member
Ajay Thomas, Member

March 3, 2026

*(512) 475-0908*
*abigail.versyp@tdhca.state.tx.us*

Dr. Tracy Andrus
Chief Executive Officer
Tracy Andrus Foundation
Marshall, TX
Email: tandrus26@gmail.com

RE: THIRTY (30) DAY ENFORCEMENT NOTICE
HOME - HOME RESERVATION (SINGLE-FAMILY 2024) CONTRACT NO. 1003667
HOME - HOME RESERVATION (SINGLE-FAMILY 2024) CONTRACT NO. 1003669

Dear Dr. Andrus:

The Texas Department of Housing and Community Affairs (the Department) has been working with former clients and vendors of the Tracy Andrus Foundation's HOME Tenant-Based Rental Assistance (TBRA) Program to determine whether the clients may be assisted. While reviewing files, staff has become aware of additional costs that appear to be ineligible based on documentation received. Additional ineligible costs in the amount of $48,316 as shown in this notice have been identified as of the date of this notice, but this work is ongoing, and this may not be an exhaustive list of all costs that may ever be determined to be an ineligible use of HOME funds.

Tracy Andrus Foundation must reimburse additional ineligible costs which may not be documented to be eligible in the amount of **$33,447.00** no later than thirty (30) calendar days after the date of this notice. TAF must also submit funds in the amount of **$14,869.00** or documentation that establishes eligibility of the costs identified by the SFHP Division as correctable no later than April 2, 2025.

This letter serves as notice of both the ineligible costs, the request for curative documentation as applicable, and notice that TAF and Tracy Andrus have been referred to the Department's Enforcement Committee with a recommendation of debarment for providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department, a violation of 10 §TAC 2.401(a)(5). Within seven (7) days of the date of this notice, you must submit a current organizational chart showing ownership to the level of natural persons who are in Control of the nonprofit (board members) and must indicate which entities and natural persons have the ability to Control the nonprofit. Additional individual parties may also be named as referred for debarment and will be notified separately prior to the meeting.

If you have any questions, please contact me via email at abigial.versyp@tdhca.texas.gov.

Sincerely,

Abigail Versyp
Director of Single Family and Homeless Programs

cc: Earnest Hunt, Director of Subrecipient Monitoring
Chad Landry, Manager of Single Family Programs
Ysella Kaseman, TDHCA Enforcement Committee Secretary

**SFHP Program Area Cost Ineligibility Determinations**

During its course of business when working to verify eligibility of activities previously assisted by TAF, the Single Family and Homeless Programs (SFHP) Division noted the following activities which were ineligible for HOME Program assistance. The documentation submitted by TAF when the activities were submitted for review either excluded information that would have allowed the SFHP Division to determine the activities ineligible at the outset, or included documentation that did not accurately represent the client's income or household composition, or included altered or incomplete lease agreements, including submission of leases where the landlord and/or tenant was instructed that the lease of record was not the same lease as that submitted to TDHCA. TAF also appears to not have checked the owner of record prior to executing agreements, or if they did, disregarded close familial relationships between owners and tenants. While not an exhaustive list of all file issues noted by the SFHP Division, these issues would have resulted in outright disapproval of the activity commitment and/or funding request.

| Activity Number | Description of Factor(s) of Ineligibility | Reason for Ineligibility of Costs | Total Ineligible Costs Drawn |
|---|---|---|---|
| 54881 | Tenant was married and living with her spouse at the time she applied for and began to receive assistance. The name provided for this tenant is not the legal name of the tenant as shown on her State of Texas Driver License. Her spouse was not included on any documentation submitted by TAF. The tenant confirmed to me that she was married at the time she began receiving assistance. | 24 CFR 92.2 defines a household as one or more persons occupying a housing unit. All members of the household must be included when determining eligibility, including income eligibility, for a HOME assisted activity in accordance with 24 CFR 92.203. This must occur prior to the date of assistance, and all members must be included on application and income determination materials.<br><br>This violation of rule cannot be corrected. These costs are ineligible as the household was not determined to be eligible based on all household members. | $5,841 |
| 54843 | Tenant occupied a unit owned by his father. TAF reported that the unit was owned by his uncle, which is not a conflict, but in reviewing ownership records during research for self-administration, TDHCA determined that the owner of record was not the owner or landlord on the documents submitted by TAF. | 10 TAC 23.50(h) (previously 10 TAC 23.51(i)) prohibits Administrator from approving a unit if the owner is by consanguinity, affinity, or adoption the parent, child, grandparent, grandchild, sister, or brother of any member of the assisted Household, unless the Administrator determines that approving the unit would provide Reasonable Accommodation for a Household member who is a Person with Disabilities. Additionally, TAF must ensure that payment of rent is being made to a person or entity with authority to lease a unit and collect rent. | $10,272 |

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| | | These costs may not be determined to be eligible. If they were paid to a person other than the owner of record for the property and improvement in which the tenant resided, the costs are ineligible. The .0016% ownership if mineral rights owned by [redacted] (uncle of the tenant and landlord shown in the records TAF submitted for TDHCA review) does not evidence that he is the owner of the surface or improvements.<br><br>This violation of rule cannot be corrected, and the activity costs are ineligible. | |
| 54887 | Tenant occupied a unit owned by her mother. TAF did not report the relationship between the tenant and the landlord and there is no indication that this was permitted as a reasonable accommodation or that her mother didn't also live in the unit. TAF acknowledged this occurred in an email to TDHCA dated 11/19/2025. | 10 TAC 23.50(h) (previously 10 TAC 23.51(i)) prohibits Administrator from approving a unit if the owner is by consanguinity, affinity, or adoption the parent, child, grandparent, grandchild, sister, or brother of any member of the assisted Household, unless the Administrator determines that approving the unit would provide Reasonable Accommodation for a Household member who is a Person with Disabilities.<br><br>This violation of rule cannot be corrected and all funds expended must be repaid. | $8,834 |
| 55112 | Tenant was assisted in a unit which appears to be also occupied by the owner, [redacted]. TDHCA noted that there was a homestead exemption in the tax record and asked the landlord about this. She denied that she lived in the unit, but her driver license shows the unit as her address, and she did not respond to TDHCA requests for follow up information so that we may be able to assist the tenant. The unit was not presented as shared housing and was shown to | It appears that the household should have included the owner if the owner lived in the home in accordance with 24 CFR 92.2, in which case the activity would have been ineligible as you cannot rent from yourself and receive rental subsidy. If assistance was provided as shared housing, documents should have reflected this and the subsidy payment was incorrectly calculated as funds may not be utilized to pay subsidy at the one-bedroom rate for a tenant assisted in shared housing. | $8,500 |

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| | be a single family detached house on the inspection submitted by TAF. | This violation of rule cannot be corrected and all funds expended must be repaid. | |
| | | **Total:** | **$33,437** |

| **Additional Documentation Required to Determine Eligibility of Cost** | | | |
|---|---|---|---|
| Activity Number | Description of Factor(s) of Ineligibility | Reason for Ineligibility of Costs | Total Ineligible Costs Drawn |
| 54516 | Security deposit was drawn, but the landlord reports that the security deposit was paid by the tenant personally before the tenant began receiving rental assistance. | The security deposit was not paid to the landlord by TAF according to the landlord. The security deposit is not an eligible cost if it was not paid to the landlord on behalf of the tenant.<br><br>Provide verification of payment (cancelled check) made to [redacted] in the amount of $1,450 for the security deposit for the unit at [redacted], Marshall, TX. | $1,450 |
| 54892 | Landlord reported that tenant never received any subsidy at this address. The persons shown as the landlord in the files submitted by TAF is not the owner or the owner's agent, and the tenant does not occupy this unit. | Assistance is reported to never have been provided so there are no eligible costs.<br><br>Provide verification of payments (cancelled checks) made to [redacted] and/or [redacted] in accordance with the Rental Coupon Contract for payment for subsidy for the unit at [redacted] for $3,363 ($500 in security deposit and $2,454 in rental subsidy for the months of 12/2024-5/2025. | $3,363 |
| 54844 | Tenant reported that she never received subsidy, and the landlord reports that they do not accept assistance programs. | Assistance is reported to never have been provided so there are no eligible costs.<br><br>Provide verification of payments (cancelled checks) made to [redacted] in accordance with the Rental Coupon Contract for payment for subsidy for the unit at [redacted] for $4,224 in rental | $4,224 |

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|---|---|---|---|
| | | subsidy for the months of 2/2025-12/2025. | |
| 54985 | Landlord reported that subsidy was only paid for April, May, and June of 2025. TDHCA reimbursed TAF for subsidy for July-October subsidy. | Subrecipients must utilize the funding drawn to pay for the costs they are being reimbursed for, and payment should be issued timely.<br><br>Provide verification of payments (cancelled checks) made to [redacted] in accordance with the Rental Coupon Contract for payment for subsidy for the unit at [redacted] for $5,028 in rental subsidy for the months of 7/2025-10/2025. | $5,028 |
| 55211 | Landlord reported that they have not received the subsidy for the tenant for 11/2025 or 12/2025. They have called TAF to request the funds, but TAF has not responded. The funds were drawn by TAF for both months. | Subrecipients must utilize the funding drawn to pay for the costs they are being reimbursed for, and payment should be issued timely.<br><br>Provide verification of payments (cancelled checks) made to [redacted] in accordance with the Rental Coupon Contract for payment for subsidy for the unit at [redacted] for $804 in rental subsidy for the months of 11/2025-12/2025. | $804 |
| | | **Total:** | **$14,869** |

**From:** Ysella Kaseman
**To:** Tracy Andrus
**Subject:** RE: Inspection of Records
**Date:** Tuesday, March 17, 2026 11:00:40 AM
**Attachments:** 20260303_TAF_EnforcementReferralNotice.pdf
2024-0033-Tracy-Andrus-RSP-Agreement---Fully-Executed.pdf

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Good morning,

TDHCA's senior Legal and Single Family staff have reviewed your request. TDHCA is unable to provide Housing Contract System access since TAF's contract was terminated for cause. However, you already have copies of the TAF records that are in that system. Section 8.1 of HOME Investment Partnerships Program ("HOME") Reservation System Participant Agreement #2024-0033 requires the Administrator to establish and retain records at its regular place of business for a minimum five year period, so all of the documentation that you uploaded to the Contract System will already be in your records for the activities listed in the attached notice.

Sincerely,


_____

**Ysella Kaseman**
Asset Management and Compliance Enforcement Specialist
Texas Department of Housing and Community Affairs
P.O. Box 13941 | Austin, TX 78711
Overnight to: 221 E. 11th Street | Austin, TX 78701
Office: 281.798.2499
Fax: 512.469.9606

**About TDHCA**
The Texas Department of Housing and Community Affairs is committed to expanding fair housing choice and opportunities for Texans through the administration and funding of affordable housing and homeownership opportunities, weatherization, and community-based services with the help of for-profits, nonprofits, and local governments. For more information about fair housing, funding opportunities, or services in your area, please visit http://www.tdhca.texas.gov/ or the Learn about Fair Housing in Texas page.


---

**From:** Tracy Andrus <tandrus26@gmail.com>
**Sent:** Tuesday, March 10, 2026 5:06 PM
**To:** Ysella Kaseman <Ysella.Kaseman@tdhca.texas.gov>; Tracy Andrus <tandrus26@gmail.com>
**Subject:** Re: Inspection of Records

Thank you.


Dr. Tracy Andrus, Executive Director
Tracy Andrus Foundation
303 W. Burleson Street

Marshall, Texas 75670
tandrus26@gmail.com
Ph: 903-472-2762
www.tracyandrusfoundation.com

On Tue, Mar 10, 2026 at 4:45 PM Ysella Kaseman <Ysella.Kaseman@tdhca.texas.gov> wrote:

> Good afternoon, Mr. Andrus. I do not have authority to grant access to that system, but will check with staff and get back to you.
>
> Sincerely,
>
> _____
>
> **Ysella Kaseman**
> Asset Management and Compliance Enforcement Specialist
> Texas Department of Housing and Community Affairs
> P.O. Box 13941 | Austin, TX 78711
> Overnight to: 221 E. 11th Street | Austin, TX 78701
> Office: 281.798.2499
> Fax: 512.469.9606
>
>
>
> **About TDHCA**
> The Texas Department of Housing and Community Affairs is committed to expanding fair housing choice and opportunities for Texans through the administration and funding of affordable housing and homeownership opportunities, weatherization, and community-based services with the help of for-profits, nonprofits, and local governments. For more information about fair housing, funding opportunities, or services in your area, please visit http://www.tdhca.texas.gov/ or the Learn about Fair Housing in Texas page.
>
> ---
>
> **From:** Tracy Andrus <tandrus26@gmail.com>
> **Sent:** Tuesday, March 10, 2026 4:18 PM
> **To:** Ysella Kaseman <Ysella.Kaseman@tdhca.texas.gov>; Tracy Andrus <tandrus26@gmail.com>
> **Subject:** Re: Inspection of Records
>
> Good Afternoon Ms. Kaseman,
>
> Is it possible to give me access to our uploaded records in the Housing Contract System for 48 hours so that we can copy some documents. It is very difficult to prepare our report/response to TDHCA without access to our uploaded files. Please advise. If it is possible for them to place all of our files in a zip file and send them to us that will suffice also! Thanks.
>
> Dr. Tracy Andrus, Executive Director

Tracy Andrus Foundation
303 W. Burleson Street
Marshall, Texas 75670
tandrus26@gmail.com
Ph: 903-472-2762
www.tracyandrusfoundation.com

| | |
|---|---|
| **From:** | Tracy Andrus |
| **To:** | Ysella Kaseman; Tracy Andrus; Dr. Tracy Andrus; victorgoldstein28@gmail.com; Bobby Wilkinson; Abigail Versyp; Chad Landry; Dana Garrett; CPDWebmail@hud.gov; CPD_GeneralCorr-FTW; Earnest Hunt; Laura Simmons Gilmore; Ibarra, Leticia; Roy, Mark C; Meredith Whitwell; teliah.o.walker@hud.gov; Tracy Andrus |
| **Subject:** | Appeal of Ten Year VNPA Recommendation |
| **Date:** | Thursday, May 7, 2026 11:02:10 AM |

May 7, 2026

TDHCA Governing Board
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Via Email: ysella.kaseman@tdhca.texas.gov

RE: Appeal of Recommended Ten-Year Voluntary Non-Participation Agreement (VNA) / Debarment Recommendation Against Tracy Andrus and Tracy Andrus Foundation

Dear Members of the Governing Board:

I respectfully submit this formal appeal pursuant to 10 TAC §2.401(k) and 10 TAC §1.7(f) regarding the recommendation that Tracy Andrus and the Tracy Andrus Foundation ("TAF") enter into a ten-year Voluntary Non-Participation Agreement ("VNA") or otherwise face debarment from participation in programs administered by the Texas Department of Housing and Community Affairs ("TDHCA").

I unequivocally reject the proposed VNA and respectfully request that the Governing Board deny the recommendation for debarment. Tracy Andrus and the Tracy Andrus Foundation have not been found guilty of fraud, unethical conduct, criminal wrongdoing, or intentional misconduct by any court, tribunal, or independent investigative body. Despite the severity of the proposed sanction, TDHCA has failed to provide fundamental due process protections or identify with specificity any unethical acts personally committed by me or by the Tracy Andrus Foundation.

Throughout this proceeding, TDHCA has repeatedly referenced unnamed "staff," "three other persons," and former employee Elvisha Brightman, yet TDHCA has failed to identify with clarity:

1. What specific fraudulent act Tracy Andrus personally committed;
2. What intentional misconduct Tracy Andrus Foundation allegedly engaged in;
3. Which individuals allegedly committed the referenced acts;
4. What evidence exists establishing intent to defraud;
5. What investigative findings support a ten-year debarment recommendation; or
6. What procedural safeguards were afforded before recommending one of the harshest penalties available under TDHCA rules.

The May 5, 2026 notice acknowledges that TDHCA merely determined that TAF was "negligent in [its] administration" of the program. Negligence, even if assumed arguendo, is fundamentally different from fraud, intentional deception, or unethical conduct warranting a

ten-year exclusion from participation in public programs.

At no point was I afforded a meaningful opportunity to confront the allegations against me, face my accusers, cross-examine witnesses, or participate in any evidentiary hearing prior to the recommendation for debarment. TDHCA's own correspondence repeatedly references alleged actions by unidentified employees and unnamed individuals without explaining how those allegations establish wrongdoing by Tracy Andrus personally or justify organizational debarment of the Tracy Andrus Foundation.

Importantly, TDHCA also acknowledges that repayments were made regarding questioned costs. Additionally, the alleged outstanding balance of $30.00 referenced by TDHCA has now been verified as received by Ms. Ysella Kaseman on May 5, 2026. Therefore, TDHCA's own repayment concerns have been satisfied.

The Tracy Andrus Foundation cooperated throughout the monitoring and repayment process. Repayment of questioned costs should not be construed as an admission of fraud, intentional misconduct, or unethical behavior. In many instances, repayments were made under protest and in an effort to avoid disruption of housing services and administrative operations.

Moreover, the issues surrounding this matter are currently the subject of active federal litigation filed in the United States District Court for the Eastern District of Texas by the Bernoudy Law Firm. The federal complaint raises many of the same concerns presented in this appeal, including questions regarding TDHCA's investigative process, procedural fairness, selective enforcement, lack of due process, and the absence of sufficient factual findings supporting debarment threats.

The proposed ten-year VNA/debarment appears punitive, excessive, and unsupported by any formal adjudication of fraud or unethical conduct. Neither Tracy Andrus nor the Tracy Andrus Foundation has been convicted of fraud, found liable for fraud, or determined by any court to have intentionally falsified records for personal gain. TDHCA's recommendation instead appears to rely heavily upon assumptions, generalized allegations, actions allegedly attributable to former employees, and administrative disagreements regarding documentation and eligibility determinations.

A ten-year debarment would cause catastrophic harm not only to me personally, but also to the vulnerable populations served by the Tracy Andrus Foundation, including low-income families, formerly incarcerated individuals, homeless individuals, veterans, and other underserved populations in East Texas. Such an extreme sanction should not be imposed absent clear evidence of intentional wrongdoing and full compliance with constitutional and administrative due process protections.

I therefore respectfully request that the Governing Board:

1. Reject the recommendation for a ten-year VNA/debarment;
2. Dismiss the proposed debarment proceedings against Tracy Andrus and the Tracy Andrus Foundation;
3. Provide a full and transparent explanation of all allegations and investigative findings relied upon by TDHCA;
4. Afford meaningful due process protections before any adverse determination is made; and
5. Consider the absence of any criminal conviction, fraud finding, or adjudicated unethical

conduct in evaluating this matter.

I maintain my innocence regarding any allegation of fraud or unethical conduct and refuse to enter into a VNA that would effectively function as a plea agreement absent proof of wrongdoing.

Thank you for your time and consideration of this appeal.

Respectfully submitted,

Tracy Andrus

Dr. Tracy Andrus, Executive Director
Tracy Andrus Foundation
303 W. Burleson Street
Marshall, Texas 75670
tandrus26@gmail.com
Ph: 903-472-2762
www.tracyandrusfoundation.com

Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #: 1529** **Agenda Date: 7/9/2026** **Agenda #: 28.**

Presentation, discussion, and possible action on an order proposing amendments to 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter I, Public Facility Corporation Compliance Monitoring §10.1101 Purpose, §10.1102 Definitions, §10.1103 Reporting Requirements, §10.1104 Audit Requirements, §10.1105 Income and Rent Requirements and §10.1107 Options for Review and directing its publication for public comment 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 #:** 1527 **Agenda Date:** 7/9/2026 **Agenda #:** 29.

Presentation, discussion, and possible action on a request for reasonable accommodation under the Section 8 Housing Choice Voucher Program

## RECOMMENDED ACTION

**WHEREAS,** the Department administers the Section 8 Housing Choice Voucher (HCV) Program which is subject to the requirements of the Americans with Disabilities Act, Section 504 of the 1973 Rehabilitation Act (Section 504), and the Fair Housing Act;

**WHEREAS,** 10 TAC §1.1, related to Reasonable Accommodation Requests to the Department, outlines the Department's obligations and procedures for review and processing of Reasonable Accommodation requests submitted for the HCV Program;

**WHEREAS,** the Department originally received a Reasonable Accommodation request from a participant in the HCV Program in 2021 and granted the request; the Department then received an additional Reasonable Accommodation request from that same participant on April 9, 2025, seeking to amend their existing Reasonable Accommodation;

**WHEREAS,** the request to amend the Reasonable Accommodation was heard by the Board at the meeting on September 4, 2025, and the request was denied by the Board;

**WHEREAS,** the participant submitted another request to amend their Reasonable Accommodation on February 26, 2026, and modified the request on May 11, 2026, and the modified request included a new factor not yet reviewed or considered by the Board;

**WHEREAS,** the new factor in the modified request was reviewed by staff in accordance with 10 TAC §1.1, and staff determined that the requested accommodations were not reasonable and the new request was denied;

**WHEREAS,** 10 TAC §1.1(c)(4) permits the Requestor to ask that their request be placed on the Board agenda for a final Board determination, and the Requestor has asked for this action; and

**WHEREAS,** staff recommends denial of this new request, while maintaining the original Reasonable Accommodation granted for the tenant in 2021;

**NOW, therefore, it is hereby**

**RESOLVED**, the Board upholds the Executive Director's decision to deny the new Reasonable Accommodation request submitted by the tenant and confirms the existing Reasonable

Accommodation will continue for the foreseeable future.

## BACKGROUND

The Department is required to administer its HCV Program in accordance with the requirements of the Americans with Disabilities Act, Section 504 of the 1973 Rehabilitation Act (Section 504), and the Fair Housing Act (collectively, Fair Housing Requirements). Participants in the HCV Program may request a Reasonable Accommodation that modifies a rule, policy, or procedure if the accommodation would allow a person with a Disability to participate fully in a program, take advantage of a service, live in a dwelling, and/or use and enjoy a dwelling. The Department has codified its procedures for receipt, review, and processing of Reasonable Accommodation requests made to the Department in 10 TAC §1.1.

On March 21, 2021, the Department granted a reasonable accommodation for a Section 8 Housing Choice Voucher holder. This participant, who is a person with a Disability, is a single member of the household. In response to the request at the time, the participant was granted a Reasonable Accommodation to increase the voucher size from a one-bedroom to a two-bedroom to obtain and maintain housing suitable for their disability, and which includes:

- ADA accessibility features, especially bathroom facilities, doorways, and walkways;
- Space for storage and use of medical equipment and tools for activities of daily living;
- Features to minimize lifting, carrying, and travelling, excessive exertion, and stress;
- Features to gain access to people, special supports, and helpers;
- Space to accommodate helpers on an as needed basis; and
- A peaceful, quiet, solitary environment.

The participant ultimately selected a four-bedroom single family home and has been residing in this unit with a two-bedroom voucher. Although the voucher is for a two-bedroom unit, the program allows households to select a larger unit size, with the understanding that they will be assisted as if they have rented a home in which the unit size does not exceed the voucher size, and that the amount of the voucher will not be increased.

On April 9, 2025, the Department received a request to modify the existing Reasonable Accommodation for this tenant. The tenant, still a single person household, requested that the voucher be increased from a two-bedroom to a four-bedroom in response to the landlord's increasing the rent a significant amount. These needs outlined in the 2025 request were not materially different than the needs from the tenant's original 2021 Reasonable Accommodation request. The request was reviewed by staff and denied by the Executive Director. The tenant appealed this decision to the Board, and the appeal was heard, and denied at the meeting of September 5, 2025.

After the denial of the request, the tenant's annual renewal for their Housing Assistance Payment (HAP) Contract was completed. The tenant chose to remain in the 4-bedroom unit

despite the denial of the amended Reasonable Accommodation. The tenant's renewal date is April 1 annually, and the Payment Standard utilized to determine monthly subsidy for the tenant's zip code decreased from 2024 to 2025; therefore, the tenant was held harmless per Section 8 regulations which require notice when the Payment Standard decreases. The subsidy for the 2025 annual renewal was calculated utilizing the higher Payment Standard. This is a standard program requirement and is separate and apart from a Reasonable Accommodation request.

Prior to the annual renewal date for 2026, the tenant submitted a request for a Reasonable Accommodation with their annual renewal packet. The request was for "exception payment standard to cover the cost to rent my current ADA handicap accessible dwelling. Request for lease extension while this request is processed per federal statute." This request for an exception payment standard was under review when the tenant submitted an email on April 24, 2026 requesting 1) an informal appeal related to their request for exception payment standard, 2) an appeal of the board denial of the prior request, and 3) a lease extension until after the Board makes a formal decision regarding their request for an exception payment standard.

On May 11, 2026, staff responded to this request stating that the request could not be considered because the request had already been decided by the Board, and that the Board's decision was final and could not be appealed. TDHCA could not consider a request to extend a lease, as TDHCA is not party to the lease and does not have authority to amend the terms.

The adopted payment standard for the tenant's renewal on April 1, 2026, increased from $1,000 in 2025 to $1,140 in 2026. Although $1,140 is less than the payment standard from 2024, the tenant was held harmless from the decrease in 2025, and for 2026, the hold harmless provisions for a decrease in the payment standard do not apply.

The tenant followed up on that same date stating that the Board was not provided with complete information at the meeting of September 5, 2025, including that HUD had provided guidance to TDHCA regarding processing of Reasonable Accommodation requests and the procedure to request a correction to the Small Area Fair Market Rent (SAFMR) established by HUD. The tenant also asserted in their communication that the unit they currently reside in is the only unit appropriate for their disability; however, the disability related reasons provided were not new factors, with one exception. In this communication, the tenant stated that they had recently entered into a medical treatment plan which makes a household move a medical hazard at the time.

The new factor was considered, and on May 14, 2026, TDHCA staff requested documentation from a third-party medical provider that supported the assertion that a move would be a medical hazard due to the tenant's disability, as well as a timeframe for how long the hazard was expected to continue.

On May 16, 2026, the tenant submitted an email exchange between themselves and HUD's Office of Policy Development and Research (HUD PD&R) discussing the SAFMR for the zip code

in which the tenant resides. The exchange spans from March 26, 2023, to May 1, 2026, and HUD PD&R responded to the tenant's claim that the SAFMR was not calculated properly. The response included information about application of an exception payment standard as a Reasonable Accommodation. On May 18, 2026, staff responded that the request to apply an exception payment standard for the reasons previously cited had already been considered by the Board and denied.

On May 21, 2026, the tenant provided a letter from their physician to the Department; however, while the letter stated that a household move would be detrimental at this time due to a recent surgery and other medical treatments, they could not provide an estimated timeline by which the immediate medical hazard would end. The physician stated in the letter that the unit occupied by the tenant was suitable for their disability and that the facts had not changed. The letter also mentioned that the tenant was seeking vocational rehabilitation services and services through the Social Security Administration's PASS Program and recommended a three-year timeline due to the tenant's possible participation in these programs.

On May 21, 2026, the tenant also inquired about the status of their Reasonable Accommodation request related to a lease extension while TDHCA worked to process the Reasonable Accommodation Request for an exception payment standard. Staff responded to the request confirming that both requests for an exception payment standard were being reviewed concurrently, and that TDHCA was waiting for the requested medical documentation to review the exception payment standard requests. Staff's response on May 24, 2026, also reiterated that the tenant cannot appeal the Board's prior decision to the Board and noted that TDHCA is not a party to the lease agreement and may not grant a request to amend or otherwise change the terms of the lease agreement.

On May 22, 2026, the tenant submitted a Reasonable Accommodation request to allow their monthly subsidy to remain at the rate it was paid at prior their annual renewal. The request was for payment at the higher rate to be paid for April, May, and June.

On May 26, 2026, the tenant submitted another Reasonable Accommodation request asking TDHCA to submit a request to HUD's Office of Policy Development and Research (HUD PD&R) to update the SAFMR for this specific zip code which the tenant asserts is incorrect. While a PHA may make such request to HUD PD&R, a PHA in a multi-jurisdictional area may only make this request if the PHA represents at least half of the voucher tenants in the FMR area. As Galveston County is part of the Houston-The Woodlands - Sugarland TX HUD Metro FMR area, TDHCA does not represent the HUD required percentage of voucher tenants in the FMR area and is therefore not able to submit a request to HUD for such for reevaluation. Staff confirmed to the tenant that a request to reevaluate the SAFMR was not under consideration at this time.

On May 28, 2026, the tenant and staff finalized a consolidated list of the Reasonable Accommodation requests that had been submitted so that staff could respond to all requests at once. Each of the requests centered on changes to or an increase of the payment standard, either through the implementation of an exception payment standard, adoption of an otherwise increased payment standard for the zip code in which the tenant resides, or applying

the prior payment standard rather than the current SAFMR for annual renewal.

Staff reviewed the request for an increase to the payment standard utilized for the tenant's annual renewal, and the documentation provided. The request was denied on May 28, 2026, for the following reasons:

- A request for an exception payment standard due to an immediate medical hazard could be considered, but one which extends indefinitely would result in a fundamental alteration of the essential nature of the program and would result in an undue financial and administrative burden to the Department.
- The documentation from the provider, as it relates to the new factor of a medical hazard at this time (and not to issues that have already been determined by the Board as not eligible for an exception payment standard) does not state that that the surgery in and of itself is the reason that the tenant is not able to move.
- Potential enrollment in other programs is not a factor in how the Section 8 HCV Payment Standards are determined.
- The program does not require the tenant to move to a new unit in order to continue their assistance under the Section 8 HCV Program. The tenant may continue to reside in the unit but will be responsible for the tenant portion as calculated at the most recent annual renewal.

Concurrent with the processing of the Reasonable Accommodation requests, the tenant's annual renewal was processed after the denial was issued, and, since the tenant payment increased, the tenant was provided the required 60-day notice, so the effective date of the increased tenant payment was June 1, 2026, rather than April 1, 2026. Beginning June 1, 2026, the subsidy has been paid at the rate calculated utilizing the 2026 payment standard, pending the decision of the Board for the appeal.

The tenant appealed staff's decision to the Board in accordance with 10 TAC §1.7 on May 28, 2026. The tenant sent additional information to include in the appeal. This information includes statements that the affordable housing alternatives offered by staff are not affordable based on the SAFMR and the rent charged for the unit in one LIHTC property; however, the SAFMR quoted by the tenant ($1,140) was for their current zip code, when the SAFMR for the zip code of the specified unit is $1,370, which exceeds the contract rent. The appeal states that there are no other units suitable for the tenant's disability that are affordable. These grounds were discussed at the prior Board meeting, and the Board made a final determination regarding the tenant's disability related need for an exception payment standard. The tenant submitted additional comments for consideration on June 22, 2026, and stated that the transcript from the Board meeting of September 5, 2025, is incomplete and did not capture the details of their comments. They reiterate that the 4-bedroom home they currently reside in was built utilizing CDBG funding and is accessible, that they have submitted a physician's statement supporting their need to reside in this specific unit and that remaining in the current unit would avoid a detrimental impact to their health and welfare. The appeal provides no new information regarding Reasonable Accommodation and asserts that there are no affordable housing options in Galveston County as LITHC properties are not considered affordable by the tenant. Staff does

not agree that the units noted in the appeal would not be affordable to the tenant based on their use of a voucher, which would reduce their rent burden considerably.

Staff recommends denial of the Reasonable Accommodation request for an increased payment standard as documentation received for the additional factor indicates that the request would be a fundamental program alteration and/or would result in an undue financial and administrative burden. It should be emphasized that this action does not concern the original Reasonable Accommodation request of March 21, 2021, allowing for a two-bedroom voucher utilizing the payment standard adopted for the program.

# Request for Reasonable Accommodation

Are you requesting a reasonable accommodation? Yes ☑ No ☐ (If no, proceed to the bottom of this form and sign it.)

Enter the name of each household member who has a disability. (If entering multiple members, separate each name with a comma.) : [redacted]

Describe the accommodation you are requesting. : exception payment standard to cover the cost to rent my current ADA handicap accessible dwelling. Request for lease extension while this request is processed per federal statute.

I authorize the housing authority to contact a third party who can verify the need for this accommodation. (This third party can be a service agency, a peer support group, or a medical professional.) Yes ☑ No ☐

**Contact Information**

| **Contact Name to Verify Information** | **Contact Phone Number** |
|---|---|
| Social Security Administration | (800) 772-1213 |
| **Contact Address** | **Contact Email Address** |
| 8208 9th Avenue<br>Port Arthur TX 77642 | ssa@ssa.gov |

| | |
|---|---|
| **Printed Name:** [redacted] | |
| **Signature:** [redacted] | **Date:** 02/26/2026 |

We encourage the nation's affirmative housing program in which there are no barriers to obtaining housing because of race, color, creed, religion, sex, sexual orientation, gender identification, national origin, familial status, age, or handicap.

Modified 9/25/2020
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**From:** [redacted]
**To:** Abigail Versyp
**Subject:** Additional information Re: appeal to TDHCA board? Re: 4/1/2026 Lease Amendment Notice BC26-151
**Date:** Monday, May 11, 2026 11:29:48 AM
**Attachments:** image001.png
image001.png

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Thank you for your acknowledgement of my request.

However, the board was not provided with complete information.
For example:

HUD has provided federal statute, extra guidance, and detailed counsel to TDHCA for processing and granting of RA requests.

In addition, HUD has provided TDHCA with the procedure to correct the erroneous SAFMRs in my zip code.

RA request for exception payment standard

Management of my disability requires bathroom facilities of unique size and configuration that are only available in my current HUD/CDBG designed dwelling.

My doctor, my TWC VR services vocational rehabilitation counselor, and my SSA PASS counselor concur that I need it.

In addition, I have recently entered into a medical treatment plan which makes a household move a medical hazard at this time.

I am also enrolled in a vocational rehabilitation program through TWC/VR services and SSA which if it is allowed to progress without disruption could make it possible for me to transition off of public assistance.

No other dwellings that contain the features of my current dwelling are available to me at this time. I have investigated alternatives since 2016, prior to renting my current dwelling. I have diligently investigated both lihtc Tax credit properties, as well as numerous other rentals as suggested by TDHCA staff. None contain bathrooms that are suitable for management of my particular disability. Modifications of the type I require are not feasible. In fact, most of the tax credit property bathrooms do not seem to be designed with seniors or disabled folks needs in mind at all. My current dwelling was designed by HUD/CDBG/TDHCA and mandated to be rented to low-income disabled persons.

Request exception payment standard necessary to allow remain in the unit which contains necessary facilitie
s for management of my disability, and facilitates continuation of both my medical treatment plan and vocational rehabilitation plan.

> On May 11, 2026 at 9:24 AM, Abigail Versyp <abigail.versyp@tdhca.texas.gov> wrote:
>
> Dear [redacted],

**From:** Abigail Versyp
**To:** [redacted]
**Subject:** RE: Additional information Re: appeal to TDHCA board? Re: 4/1/2026 Lease Amendment Notice BC26-151
**Date:** Thursday, May 14, 2026 7:48:00 AM
**Attachments:** image002.png
image003.png

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Dear [redacted],
TDHCA is reviewing this request. In order to continue this review, we request that you please provide documentation from a third party medical provider dated after September 2025 that supports the assertion that due to your disability, moving would be a medical hazard at this time. The documentation should also outline how long the medical hazard is anticipated to continue. We need this documentation no later than June 1, 2026. If you are not able to provide this on or before June 1, 2026, please contact me to request an extension, and provide a date by which the documentation will be available.

Thank you-

**Abigail Versyp**
Director of Single Family and Homeless Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street Austin, Texas 78701
Office: 512.475.0908

**About TDHCA**
The Texas Department of Housing and Community Affairs is committed to expanding fair housing choice and opportunities for Texans through the administration and funding of affordable housing and homeownership opportunities, weatherization, and community-based services with the help of for-profits, nonprofits, and local governments. For more information about fair housing, funding opportunities, or services in your area, please visit www.tdhca.texas.gov or the Learn about Fair Housing in Texas page.

TEXAS AMERICA 250

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**From:** [redacted]
**Sent:** Monday, May 11, 2026 11:30 AM
**To:** Abigail Versyp <Abigail.Versyp@tdhca.texas.gov>
**Subject:** Additional information Re: appeal to TDHCA board? Re: 4/1/2026 Lease Amendment Notice BC26-151

**From:** Abigail Versyp
**To:** [redacted]
**Cc:** Andre Adams; Melinda Spencer
**Subject:** RE: Alternative solution Fwd: Error remains Re: inaccurate ACS data? Re: <External Message> 77623 SM-FMR's
**Date:** Monday, May 18, 2026 8:16:00 AM
**Attachments:** image001.png

Good morning, [redacted] Thank you for sending this along At this time, TDHCA is not pursuing an exception payment standard PPRD sent you information about how a PHA can apply an exception payment standard within its authority up to 120% of the FMR, or how a PHA can request a payment standard above 120% TDHCA is aware of the process for application of an exception payment standard and does not require further guidance I believe that PPRD also contacted our field office, as our field office has also reached out to offer technical assistance about this issue

At this time, you do not have a reasonable accommodation for an exception payment standard, and your request for an exception payment standard as a reasonable accommodation was denied on 9/4/2025 by our Board of Directors

If HUD independently increases the SAFMR for your zip code after they review their SAFMR methodology, this will be announced through a federal register notice TDHCA reviews federal register notices as a regular course of business for information that impacts administration of its federal programs, including Section 8 HCV The payment standard adopted by TDHCA is 100% of the SAFMR, so if the actual SAFMR changes, that would be applied However, as it stands today, the SAFMR is $1,140 and that is the payment standard that has been applied for your voucher TDHCA may not hold your file or assume that HUD will change the SAFMR, and must proceed with the existing information

**Abigail Versyp**
Director of Single Family and Homeless Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street Austin, Texas 78701
Office: 512.475 0908

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TEXAS AMERICA 250

**From:** [redacted]
**Sent:** Saturday, May 16, 2026 9 01 AM
**To:** Abigail Versyp <Abigail Versyp@tdhca texas gov>
**Subject:** Alternative solution Fwd: Error remains Re: inaccurate ACS data? Re: <External Message> 77623 SM-FMR's

HUD PPRD suggestion as alternative solution to SAFMRs that are known to be grossly underestimated.

Begin forwarded message:

From: PPRD <pprd@hud.gov>
Date: May 1, 2026 at 9:53 AM
To: [redacted], PPRD <pprd@hud.gov>
Subject: RE: Error remains Re: inaccurate ACS data? Re: 77623 SM-FMR's

Hello [redacted],

Thank you for reaching out. The ability to set exception payment standards is separate from reevaluating SAFMRs and does not require a survey of 100 units. If the unit in question is for handicap accessibility the PHA has even more flexibility to apply exception payment standards under: https://www ecfr gov/current/title-24/part-982/section-982 503#p-982 503(d)(5)

> If required as a reasonable accommodation in accordance with 24 CFR part 8 for a person with a disability, the PHA may establish, without HUD approval or prior notification to HUD, an exception payment standard amount for an individual family that does not exceed 120 percent of the applicable FMR. A PHA may establish a payment standard greater than 120 percent of the applicable FMR as a reasonable accommodation for a person with a disability in accordance with 24 CFR part 8, after requesting and receiving HUD approval.

The PHA also has the ability to purse exception payment standards for the wider area around Gilchrist and Bolivar Beach, and looking at the data this would likely be something HUD would approve. Unfortunately the PHA has to actually ask for this exception, but if you wish to pass along my contact information we could provide technical assistance. We will also review the SAFMR methodology and see if any improvements are needed in situations like 77623.

Thank you and best regards,
Adam

Adam Bibler
Director, Program Parameters and Research Division

Office of Policy Development and Research
U S Department of Housing and Urban Development
451 7th Street, SW
Rm 8208
Washington, DC 20410
Tel 202-402-6057
Email adam.bibler@hud.gov

**From:** [redacted]
**Sent:** Monday, April 27, 2026 10:27 AM
**To:** PPRD <PPRD@hud.gov>
**Subject:** Error remains Re: inaccurate ACS data? Re: <External Message> 77623 SM-FMR's

2026 SAFMR's continue to be miscalculated due in part to an error by ACS. The error is that ACS is using a zip code generate SAFMR's that is neither adjacent (adjacent=land connected, correct?), similar in rental type and values, nor in the same county as my zip code. My zip code (77623) is actually adjacent to 77617 and 77650.

The PHA procedure for re-evaluate SAFMRs for my zip code (requires 100 comparable rentals? Or recent movers?) is not possible because there are not 100 rentals in my zip code. But even if there were, my rental is unique. It is a HUD-CDBG handicap accessible home which has few comparables, but very high value.

I implore HUD to correct this error.

Thanks,
[redacted]
77623
[redacted]

On Sep 19, 2025 at 2:30 PM, PPRD <pprd@hud.gov> wrote:

Hello [redacted],

The current Small Area Fair Market Rent for 77623 is based on the neighboring ZCTA of 77665. HUD's calculation steps are available here: https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2026_code/2026zip_code_calc.odn?zcta=77623&metro_code=METRO26420M26420&year=2026. In cases where the Census Bureau does not provide usable data for a ZIP code such as 77623, HUD still must make its best attempt at producing a local estimate of Fair Market Rents and tries to leverage local data as much as possible.

In cases where this still leads to inaccurate results, local Public Housing Agencies (PHAs) may set payment standards that exceed the Fair Market Rent. I would encourage you to contact the PHA and feel free to pass along our information as well. I will also forward your information to the local field office that oversees and assists the PHAs.

Best regards,
Adam Bibler

**From:** [redacted]
**Sent:** Tuesday, September 16, 2025 6:54 PM
**To:** PPRD <PPRD@hud.gov>
**Subject:** inaccurate ACS data? Re: <External Message> 77623 SM-FMR's

Anahuac-Winnie Texas 77514 is neither a similar neighborhood to mine, nor even located in the same county as zip codes 77623/77617/77650
Therefore, I deduce that the ACS data used to calculate FMR's is not accurate, resulting in grossly underestimated rents in the area

I understand that the data HUD uses to calculate FMR's comes from ACS, but if ACS has not surveyed the area, then the HUD is using inaccurate data to calculate FMR's According to my reading, US Census Bureau supplies the addresses to be surveyed to ACS However, if US Census Bureau does not supply addresses in the area of 77623/77617/77650 then of course the data will be skewed, which it appears this is what has occurred

How may this situation be remedied?

Here is the information that was supplied to me by US Census Bureau

census.help@census.gov

Case #: GS-294466

Subject: HUD referred me to you regarding data used to generate Small market FMR's

| Response Time Stamp: | Comment: |
|---|---|
| 7/14/23 3:00 PM | [redacted]<br>The U S Census Bureau selects a random sample of addresses to be included in the American Community Survey (ACS) Each housing unit address has approximately a 1-in-480 chance of being selected If you would like to learn more about any aspects of the survey, including sample selection, I recommend the following resources<br>• ACS Information Guide<br>• Sample Size and Data Quality web page<br>• ACS Design and Methodology Report<br>As for the FMRs, that is not something the Census Bureau calculates, so you would have to reach out to HUD for insight on that topic<br>Thanks,<br>Ryan |

To provide an additional comment or question related to this case, please click here.

Very respectfully,
U.S. Census Bureau Customer Support

On Friday, March 31, 2023 at 11:45:43 AM CDT, Remington, Jessica M <jessica m remington@hud.gov> wrote:

Hi [redacted],

Thank you for reaching out and I'm sorry to hear that you are dealing with this housing struggle. I've looked into the standard rental rates for your zip code, 77623. Here's an explanation of how they are calculated:

Houston uses the Small Area Fair Market system, so the rental rates are calculated at the zip code level. Your zip code, 77623, does not have enough rental data available in the American Community Survey over the past few years, so the rental rate is based on the neighborhing zip codes that have reliable estimates. One of the neighboring zip codes, 77617, also does not have enough reliable ACS data to produce a rental estimate, so the estimate for 77623 is based on the rental data for 77514.

I have forwarded your message to a housing specialist who can work with you to try to help you find a solution to your housing problem.

Best,
Jess

---

**From:** [redacted]
**Sent:** Sunday, March 26, 2023 8 02 AM
**To:** PPRD <PPRD@hud gov>
**Subject:** <External Message> 77623 SM-FMR's

CAUTION This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe. If you have concerns about the content of the email, please send it to phishing@hud gov or click the Report Phishing Button on the Outlook ribbon or Phishing option within OWA.

Anyone interested in how the Small Area FMRs are calculated or may be used in conjunction with a HUD Rental Assistance program should contact HUD's Program Parameters and Research Division at PPRD@hud gov.

I am interested in this because the HUD standard rental rates in my zip code 77623 are grossly underestimated.
i think i noticed that the town used as comparable is Winnie, Texas, but Winnie,Texas is not even in the same county as 77623,
nor a similar neighborhood for comparison.
adjacent towns of 77617 Gilchrist 77650 Crystal beach/port bolivar are similar and in the same county.

i will likely be homeless on April 1, 2023 if rates are not adjusted to reflect market true rental rates in the area so that my HCV renewal can be calculated..

Thanks,
[redacted]
77623

Small Area Fair Market Rents | HUD USER

**Small Area Fair Market Rents HUD USER**

Virus-free.www.avast.com

# Fair Market Rent (FMR) Reevaluation FAQs

1. **Who can request FMR reevaluation?**

   An area's Public Housing Agency (PHA) or, in multi-jurisdictional areas, PHA(s) representing at least half of the voucher tenants in the FMR area can submit a request. Individuals or other entities will have to work with PHAs of an area of interest to request a reevaluation. HUD is not responsible for funding of the survey.

2. **How do you apply for reevaluation and what is required?**

   A reevaluation of FMRs can be requested by submitting a comment to the most recent FMR Federal Register Notice either by mail and addressed to Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410– 0500 or electronically at https://www.regulations.gov. The Federal Register Notice discusses the procedures for commenting in more detail.

3. **Can any FMR area be reevaluated?**

   Yes, given a valid data submission is made, but it is recommended that small nonmetro counties with less than 5,000 rental units be combined with contiguous nonmetro counties of similar economic and demographic factors to ensure that a valid survey can be conducted. The minimum number of valid surveys required to adjust an FMR is 100 valid survey results. While an area with 5,000 rental units may be able to conduct a valid survey and receive the 100 valid survey results, it is difficult and the closer an area is to having 10,000 rental units, the more successful the survey.

4. **What does a valid submission include?**

   A request for reevaluation requires the submission of newly collected rental data, collected in a statistically random way that is representative of the entire market area so this data can be used to replace the use of the ACS Census data in the calculation of the most recent FMRs. A minimum of 100 completed valid surveys is required for all surveys. This is true for both small metropolitan areas of less than 20,000 rental units, individual nonmetro counties and nonmetro county groups. Most large metropolitan areas are expected to collect up to 200 survey responses.

Valid surveys must be of 1-, 2-, and 3-bedroom units only. The tenant must reside in the unit all year, the unit may not be owned by a relative, the tenant may not do work for the landlord in exchange for a rent reduction, and the rent must be the same all year long. In addition, the tenant must not participate in a government housing program, have a voucher, or certify income annually to be a valid survey result. A questionnaire with the appropriate questions is available at the following site: https://www.huduser.gov/portal/datasets/fmr/Mail_Survey_corrected.pdf.

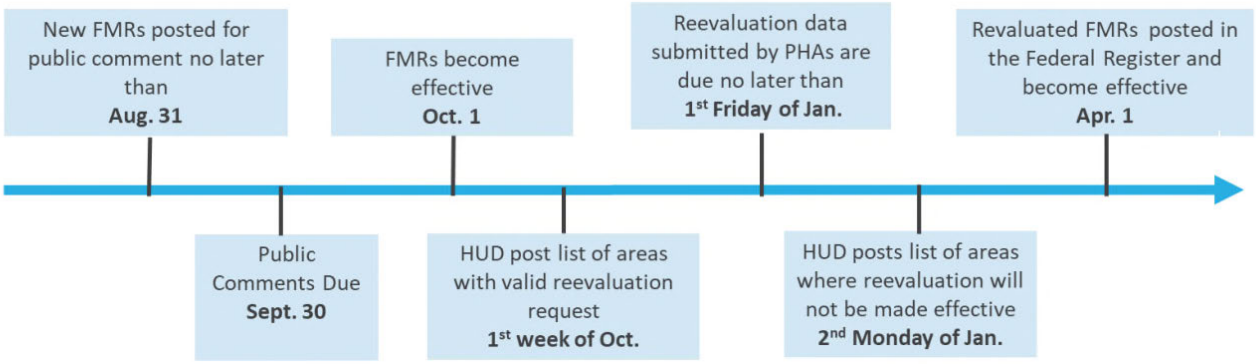
HUD also requests that survey responses include the ZIP Code or comparable small-area identifier (such as Census tract) of the housing unit. In addition to the survey data, HUD requires a current utility schedule to evaluate the survey responses. Finally, HUD encourages PHAs to evaluate their survey data to ensure the survey supports their request. Should PHAs or their contractors undertake this evaluation, HUD requests that this analysis also be submitted.

5. **What programs do reevaluated FMRs apply to?**

   Reevaluated FMRs apply to all programs using FMRs.

6. **How long does it take for reevaluated FMRs to become effective?**

   Reevaluation requests made by the first Friday of January will be effective by April 1st if submitted survey data meets the necessary requirements. See the timeline of important dates below.




7. **How long do local survey results impact an area's FMR calculation?**

   For a large metropolitan area, which uses one-year ACS data, a survey conducted between January 1 and June 30 of the calendar year (e.g., 2025) prior to the effective FMR fiscal year (e.g., FY 2026) will be used to calculate the FMR for the next fiscal

year (e.g., FY 2026) and the FMR for the subsequent fiscal year (FY 2027). If the survey was conducted between July 1 and December 31 of the prior calendar year (2025), the reevaluated FMR year will be used to reevaluate the current FMR (FY 2026) and be the basis of the area's FMR for the next two fiscal years (FY 2027 and FY 2028).

For smaller metropolitan areas and nonmetro counties, the survey date is compared with five-year ACS data rather than one-year ACS data. In these instances, surveys conducted between January 1 and June 30 of the calendar year (2025) prior to the effective FMR fiscal year (FY2026) will be used in the calculation of that fiscal year FMR (FY2026) and for the next three years. If the survey was conducted between July 1 and December 31 of the prior calendar year (2025), the reevaluated FMR year will be used to reevaluate the current FMR (FY 2026) and be the basis of the area's FMRs for the next four years (FY 2027 through FY 2030).

8. **Which FMR will be effective while undergoing the reevaluation process?**

   The Housing Opportunities Through Modernization Act (HOTMA), enacted July 31, 2016 requires that new FMRs do not go into effect when a valid reevaluation request is received. New FMRs will not become effective on October 1 and the area will continue to use the prior year FMRs until the reevaluation is effective.

9. **Can local surveys result in a reevaluated FMR being lower than HUD calculated FMR?**

   Yes, but if a survey results in lower FMRs it does not have to be submitted.

10. **Do Reevaluated FMRs affect Small Area FMRs (SAFMRs)?**

    Yes. When the FMR of a metropolitan area increases, the SAFMRs increase by the same proportional amount.

**For additional question please contact PPRD@hud.gov.**

**From:** [redacted]
**To:** Abigail Versyp
**Subject:** RA request status
**Date:** Thursday, May 21, 2026 8:09:05 AM

---

Request status of my RA request for 2025 lease extension while TDHCA processes my RA request for exception payment standard.

Thanks,
[redacted]

**From:** [redacted]
**To:** Abigail Versyp
**Subject:** RE: Ok thanks Re: RA request status
**Date:** Thursday, May 21, 2026 11:11:33 AM
**Attachments:** image001.png

---

Thanks for the reference. I must explain the procedure to my landlord. Thankfully she is understanding of the situation.

Doctors letter is being prepared now.
I will send it along as soon as it is available.

[redacted]

Yahoo Mail: Search, Organize, Conquer

On Thu, May 21, 2026 at 10:22 AM, Abigail Versyp <Abigail.Versyp@tdhca.texas.gov> wrote:

> Your request for an exception payment standard though the portal is not considered separately from the request already being looked into which requires the requested documentation. Additional information is added to an existing request; it does not create a new request. You can only have one request in process.
>
> You do not have the ability to appeal the board decision to the board. Prior issues that were already considered in the request that was heard by the board are not eligible to be revisited by the board in accordance with the rules regarding Appeals at 10 TAC §1.4 and 10 TAC §1.7. Matters from the prior request are considered settled, and the Board's determination is final in accordance with 10 TAC §1.7(g).
>
> Your appeal if the Board's decision stated that one reason you wanted to appeal was because it would be health hazard to move at this time. This was not included in your prior request for a Reasonable Accommodation. As such, this is a new request and will be reviewed by staff. After a decision is made, you will be notified of the decision. At that point, if you are eligible to appeal the decision in accordance with 10 TAC §1.7, the notification will include the process under which an appeal may be made.
>
> TDHCA has not denied processing of your new request. We do require documentation to process it which must be provided by you. As stated, your request my not move forward in the process until you have submitted documentation from a third party medical provider dated after September 2025 that supports the assertion that due to your disability, moving would be a medical hazard at this time. The documentation should also outline how long the medical hazard is anticipated to continue. You were provided a deadline of no later than June 1, 2026. If you are not able to provide this on or before June 1, 2026, please contact me to request an extension, and provide a date by which the documentation will be available.

**From:** [redacted]
**To:** Abigail Versyp
**Subject:** Physician statement Fwd: Ok thanks Re: RA request status
**Date:** Thursday, May 21, 2026 1:31:02 PM
**Attachments:** image001.png
[redacted] Physician statement.pdf

---

Physician statement attached

Begin forwarded message:

**From:** [redacted]
**Date:** May 21, 2026 at 11:11 AM
**To:** Abigail.Versyp <abigail.versyp@tdhca.texas.gov>
**Subject: RE: Ok thanks Re: RA request status**

Thanks for the reference. I must explain the procedure to my landlord. Thankfully she is understanding of the situation.

Doctors letter is being prepared now.
I will send it along as soon as it is available.

[redacted]

Yahoo Mail: Search, Organize, Conquer

On Thu, May 21, 2026 at 10:22 AM, Abigail Versyp <Abigail.Versyp@tdhca.texas.gov> wrote:

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>
> Your appeal if the Board's decision stated that one reason you wanted to appeal was because it would be health hazard to move at this time. This was not included in your prior request for a Reasonable Accommodation. As such, this is a new request and will be reviewed by staff. After a decision is made, you will be notified of the decision. At that point, if you are eligible to appeal the decision in accordance with 10 TAC §1.7, the notification will include the process under which an appeal may be made.

The Department is in receipt of your April 24, 2026 request regarding your reasonable accommodation requesting an exception payment standard. Last September the Board of the Texas Department of Housing and Community Affairs, heard your reasonable accommodation request regarding this matter. Your most recent correspondence does not provide any further information regarding the need for a reasonable accommodation. Thus, under the provisions of 10 TAC 1.1 and 1.7 no Board appeal is available.

**Abigail Versyp**
Director of Single Family and Homeless Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street Austin, Texas 78701
Office: 512.475.0908

**About TDHCA**
The Texas Department of Housing and Community Affairs is committed to expanding fair housing choice and opportunities for Texans through the administration and funding of affordable housing and homeownership opportunities, weatherization, and community-based services with the help of for-profits, nonprofits, and local governments. For more information about fair housing, funding opportunities, or services in your area, please visit www.tdhca.texas.gov or the Learn about Fair Housing in Texas page.

TEXAS AMERICA 250

---

**From:** [redacted]
**Sent:** Friday, April 24, 2026 10:45 AM
**To:** Melinda Spencer <Melinda.Spencer@tdhca.texas.gov>
**Subject:** appeal to TDHCA board? Re: 4/1/2026 Lease Amendment Notice

Request for informal appeal to my RA request for exception payment standard.

Request for appeal of my RA request for exception payment standard to TDHCA board of directors.

Request for lease extension until after TDHCA Board of directors makes a formal decision on my RA request for exception payment standard.

May 21, 2026

[redacted]
High Island TX 77623

To TDHCA or other Housing Provider:

We have previously provided a statement regarding [redacted] housing needs, which include some details regarding both [redacted] medical condition and wh[redacted] current residence is uniquely suitable for managing [redacted] complex disability. These facts have not changed.

A household move would be detrimental to [redacted] health and welfare at this time [redacted] has undergone surgery recently and has many other medical treatments pending with multiple specialists. There are too many variables to give a definitive end date at this time.

We suggest a 3 years minimum delay of household move to correspond with the timeline of TWC VR Services and the SSA PASS program rehabilitation plans.

Gokhan Kilic, MD

UTMB Health [redacted], Clear Lake
250 Blossom Street, 3rd Floor
Webster TX 77598
Dept: 832-632-7964
Dept Fax: 832-632-7965

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**From:** [redacted]
**To:** Melinda Spencer
**Cc:** Andre Adams; Abigail Versyp
**Subject:** RA request for HAP extension
**Date:** Friday, May 22, 2026 6:26:08 PM

---

RA Request for extension of HAP for April, May, June 2026 while my request for reasonable accommodation is processed.

[redacted]

[redacted]

[redacted] 77623

Property owner: [redacted]

Thanks

Yahoo Mail: Search, Organize, Conquer

**From:** [redacted]
**To:** Abigail Versyp
**Subject:** RA request for SAFMR reevaluation
**Date:** Tuesday, May 26, 2026 10:39:46 AM
**Attachments:** FMR-Reevaluation-FAQs.pdf

---

RA request for TDHCA request HUD reevaluate SAFMRs for 77623

See attached HUD FAQ about how to do this.

PPRD has admitted that SAFMRs in 77623 are in error. All they need is for TDHCA to do the procedure. I have sent this information to TDHCA multiple times over the years.

Thanks,
[redacted]

Yahoo Mail: Search, Organize, Conquer

**From:** [redacted]
**To:** Abigail Versyp
**Subject:** ok RE: extension offer proof Fw: May HAP
**Date:** Wednesday, May 27, 2026 11:08:43 AM

---

Ok. Call it what you wish. I request it.
Thanks

Yahoo Mail: Search, Organize, Conquer

On Wed, May 27, 2026 at 10:24 AM, Abigail Versyp <Abigail.Versyp@tdhca.texas.gov> wrote:

> This is about an extension of your month-to-month lease. This has nothing to do with the amount of HAP paid.
>
> ---
>
> **From:** [redacted]
> **Sent:** Wednesday, May 27, 2026 10:09 AM
> **To:** Abigail Versyp <Abigail.Versyp@tdhca.texas.gov>
> **Subject:** extension offer proof Fw: May HAP
>
> Extension was offered by TDHCA and granted several times from April-September. I don't know exactly what y'all called it in your records, but the result was payment of HAP using the previous HAP agreement figures until my RA request was processed.
>
> Thanks
>
> Yahoo Mail: Search, Organize, Conquer
>
> > ----- Forwarded Message -----
> > **From:** [redacted]
> > **To:** [redacted]
> > **Cc:**
> > **Sent:** Tue, Apr 22, 2025 at 12:04 PM
> > **Subject:** Fw: May HAP
> >
> > Yahoo Mail: Search, Organize, Conquer
> >
> > > ----- Forwarded Message -----
> > > **From:** "Melinda Spencer" <Melinda.Spencer@tdhca.texas.gov>
> > > **To:** [redacted]
> > > **Cc:** "Melinda Spencer" <Melinda.Spencer@tdhca.texas.gov>
> > > **Sent:** Tue, Apr 22, 2025 at 11:48 AM

**Subject:** May HAP

Good Morning [redacted] –

While Andre is working with HUD and Management on your file, I wanted to reach out to confirm whether or not you would like to extend your stay for the month of May as payments are currently on HOLD.

If needing to extend for a month, written notice will be needed by both you and the LL, with the extension detail to include the month, address and resident/tenant name. Please have notices submitted by noon on 4/25/2025 to ensure payment is released in time for May processing.

Once/if notice is received by both parties, May HAP will be released and processed on Monday for a payout on 5/1/2025.

Please let me know if you have any questions.

****Due to confidentiality, please DO NOT email information back that contains Personal Identifying Information. Return requested documents via fax/mail and call to confirm your fax was received****

Thank you,
Melinda Spencer
Section 8 Team Lead
Housing Choice Voucher Program
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Email: Melinda.spencer@tdhca.texas.gov
Office: 512.475.3934
eFax: 512.856-9214

**My business hours: Monday – Thursday 6:30AM-5PM**

About TDHCA

The Texas Department of Housing and Community Affairs is committed to expanding fair housing choice and opportunities for Texans through the administration and funding of affordable housing and homeownership opportunities, weatherization, and community-based services with the help of for-profits, nonprofits, and local governments. For more information about fair housing, funding opportunities, or services in your area, please visit http://www.tdhca.texas.gov.

**From:** [redacted]
**To:** Abigail Versyp
**Subject:** ok. RE: RA at any time Fw: HAP extension Re: Reasonable Accommodation Request Processing
**Date:** Wednesday, May 27, 2026 3:13:03 PM
**Attachments:** image001.png

---

Ok. Here is my list of RAs requests that might help solve this problem.

1.) Request RA for exception payment standard to make my home affordable to me, and avoid the medical hazard associated with a household move.

2) Request RA for extension of 2025 tenancy (or whatever y'all did last year) until my RA requests are processed according to HUD rules.

3.) Request RA that TDHCA pursue HUD reevaluation of the SAFMRs in my zip code.

4.) Request TDHCA adopt the SAFMRs of adjacent zip codes of 77617, 77650 until HUD reevaluation of my zip code is completed.

Does this help?

[redacted]

Yahoo Mail: Search, Organize, Conquer

On Wed, May 27, 2026 at 1:28 PM, Abigail Versyp <Abigail.Versyp@tdhca.texas.gov> wrote:

> This response is only in relation to the question below regarding submission of a reasonable accommodation request. Yes, you may submit a request at any time. Although you may submit a request at any time, the Department is allowed to combine these requests when responding so long as we look at each specific request and respond to the specific request, meaning:

1. What the accommodation being requested is, which in your case so far includes:
    a. Exception payment standard
    b. Request to HUD to increase the SAFMR
2. Whether the request is reasonable

In order to ensure that we are efficiently processing your requests, the response may be combined.

---

**From:** [redacted]
**Sent:** Tuesday, May 26, 2026 9:04 AM
**To:** Abigail Versyp <Abigail.Versyp@tdhca.texas.gov>
**Subject:** RA at any time Fw: HAP extension Re: Reasonable Accommodation Request Processing

HUD rules say RA can be requested at any time. This would indicate that each RA is processed separately.

Please point me to the rule that says otherwise.

Thanks

Yahoo Mail: Search, Organize, Conquer

> ----- Forwarded Message -----
> **From:** [redacted]
> **To:** "Abigail.Versyp@tdhca.texas.gov" <Abigail.Versyp@tdhca.texas.gov>
> **Cc:**
> **Sent:** Tue, May 26, 2026 at 8:01 AM
> **Subject:** HAP extension Re: Reasonable Accommodation Request Processing
>
> Thanks for your prompt response.
>
> Last year HAP extension was done while waiting for processing. If it was possible then, it is possible now, correct?
>
> Yahoo Mail: Search, Organize, Conquer
>
> On Tue, May 26, 2026 at 7:39 AM, Abigail Versyp <Abigail.Versyp@tdhca.texas.gov> wrote:
>
> > Dear [redacted]
> > I wanted to write this morning so that we can make sure that we are on the same

page. The emails that you are sending for Reasonable Accommodation are being included as an adjunct to your existing reasonable accommodation request. Your request now includes the following:

1. Request for exception payment standard
2. Request for your HAP to be paid at the rate it was paid prior to your recertification for the months of April, May, and June
3. Request to extend your lease agreement (this must be denied as TDHCA is not a participant in your lease agreement)

Please submit any additional requests that you would like to add to your reasonable accommodation request to me. The requests will be processed as one request, and are not distinct.

Your request for a reasonable accommodation is being reviewed and will be responded to; however, until a response is determined, TDHCA cannot issue payment in violation of its rules and procedures, so payments issued for April, May, and June will not be increased unless and until a determination regarding your request for an exception payment standard is processed.

**Abigail Versyp**
Director of Single Family and Homeless Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street Austin, Texas 78701
Office: 512.475.0908

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RA Request for extension of HAP for April, May, June 2026 while my request for reasonable accommodation is processed.

**From:** Abigail Versyp
**To:** [redacted]
**Cc:** Andre Adams; Melinda Spencer
**Subject:** Reasonable Accommodation Response
**Date:** Thursday, May 28, 2026 4:57:00 PM
**Attachments:** [redacted]
image001.png

---

Dear [redacted],

Please see the attached letter regarding your requests for reasonable accommodation. This letter addresses all requests that have been submitted to date that were not previously decided by TDHCA's Board of Directors.

Thank you.

**Abigail Versyp**
Director of Single Family and Homeless Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street Austin, Texas 78701
Office: 512.475.0908

**About TDHCA**

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TEXAS AMERICA 250

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

*www.tdhca.texas.gov*

Greg Abbott
GOVERNOR

**BOARD MEMBERS**
Leo Vasquez, *Chair*
Kenny Marchant, *Vice Chair*
Cindy Conroy, Member
Anna Maria Farías, Member
Holland Harper, Member
Ajay Thomas, Member

May 28, 2025

*Writer's direct dial: 512-475-3296*
*Email: bobby.wilkinson@tdhca.texas.gov*

[redacted]
77623
[redacted]

RE: 2026 REASONABLE ACCOMMODATION REQUEST

Dear [redacted]:

The Texas Department of Housing and Community Affairs (TDHCA or the Department) received your request for reasonable accommodation for your disability on April 24, 2026. This request was included in an email from you where you were requesting an appeal to the TDHCA Board of Directors of its own decision made on September 4, 2025.

Staff responded that an appeal of the Board's decision is not available under the provisions of 10 TAC §1.1 and 10 TAC §1.7. On May 11, 2026, you responded, and included issues that have already been decided by the Board, but the response also included a statement that due to your disability, moving would be a medical hazard at this time. TDHCA staff understood that this factor was not considered in your previous request to the Board and is new information related to your disability. As such, staff initiated the interactive process for a reasonable accommodation request. It is also understood that you believe there is an error in the way that HUD calculates the Small Area Fair Market Rent for your zip code.

You have requested an exception payment standard as a reasonable accommodation for your disability. The new factor, a medical hazard related to moving, was not previously considered by the Board as it appeared to occur after the date of the board meeting. Staff requested documentation from a third party medical provider dated after September 2025, that supports the assertion that due to your disability, moving would be a medical hazard. Staff requested that the documentation outline how long the medical hazard is anticipated to continue.

You submitted a letter from your medical provider in response to this request on May 21, 2026. The letter states that a household move would be detrimental to you as you have undergone surgery

and have many other medical treatments pending, but that there are too many variables to give a definitive end date for the accommodation requested. The letter did not include the date of the surgery, nor did it include the expected recover time from the surgery. The letter further stated that the physician suggests a minimum three year "delay of household move to correspond with the timeframe of TWC VR Services and the SSA PASS program rehabilitation plans."

Additionally, you have submitted other emails requesting the following:

- May 21, 2026: Request "for 2025 lease extension while TDHCA processes my RA request for exception payment standard."
    - TDHCA staff alerted you that TDHCA is not able to consider this a request that may be granted by the Department as the lease agreement is a legal instrument between you and your landlord, and that TDHCA is not party to the agreement and cannot alter the agreement.
- May 22, 2026: Request for "extension of HAP for April, May, June 2026 while my request for reasonable accommodation is processed."
- A request made through the PHA Portal for an exception payment standard at some point prior to your annual renewal processing.

Your request was received and reviewed in accordance with Texas Administrative Code, specifically 10 TAC §1.1, related to Reasonable Accommodation Requests to the Department. The review included a review of your request, as well as the supporting documentation submitted from your healthcare provider dated May 21, 2026. You requested an accommodation for an exception payment standard is denied.

Your request regarding the TDHCA requesting to HUD a reevaluation of the FMR rents was not considered. TDHCA does not represent half the voucher households in the Houston-The Woodlands-Sugar Land HUD Metro FMR Area, and thus does not qualify to submit this request per the frequently asked questions that you provided. However, even if TDHCA did qualify to submit the request, it would likely be a financial and administrative burden based upon other PHA's reporting that this would cost $20,000 to 75,000 per county to conduct. Even on the lower side of that estimate TDHCA's administrative budget and PHA reserves would not support this cost.

The reasons you provided for the request were previously considered by the Board are not subject to re-review.

TDHCA's review of the request due to medical hazard related to a move at this time and the submitted documentation resulted in the following conclusions:

The documentation from your provider, as it relates to the medical hazard at this time and not to issues that have already been determined by the board as not eligible for an exception payment standard, does not state that that the surgery in an of itself is the reason that you are not able to move. It does not state the date of the surgery, nor the usual anticipated recovery period from the surgery. It does not state why recovery from the surgical procedure would made a household move a medical hazard.

- A three-year period would not be considered reasonable as it would be a fundamental alteration to the HCV program to allow this period of time to find another suitable residence.

- Your potential enrollment in other programs is not a factor in how the Section 8 HCV Payment Standards are determined, but would be considered if such enrollment changes how your income and tenant share of rent are calculated. This is outside of the reasonable accommodation process.
- The program does not require you to move to a new unit in order to continue your assistance under the Section 8 HCV Program. You may continue to reside in the unit, but you will be responsible for the tenant portion as calculated at your most recent annual renewal.

Furthermore, while you do have the right as a participant in the HCV Program to request reasonable accommodation at any time, any additional submissions that are not materially different and which do not include the specific request, the disability related need for the request, and available supporting documentation will not be considered as a new request. Please submit any future reasonable accommodation requests directly to Abigail Versyp by email at abigail.versyp@tdhca.texas.gov, by phone at (512) 475-0908 or by mail for review and disposition in accordance with the requirements at 10 TAC §1.1. The mailing address is:

Texas Department of Housing and Community Affairs
ATTN: Abigail Versyp
P.O. Box 13941
Austin, TX 78711

Any request submitted through other channels, including email to other parties or through the PHA Portal may not be reviewed.

You may appeal this determination to the TDHCA Board of Directors in accordance with 10 TAC §1.7. If you choose to appeal within the timeframe provided in 10 TAC §1.7, your appeal will be placed on the agenda for the TDHCA Board meeting currently scheduled for July 9, 2026. Please note that if you receive any additional information after the date of this notice, but prior to the posting of an Appeal for Board consideration, the new information must be provided to Abigail Versyp for further consideration or the Board will not consider any information submitted.

Sincerely,

Bobby Wilkinson
Executive Director

cc: Abigail Versyp, SFHP Director
Andre Adams, Section 8 Program Manager

**From:** Abigail Versyp
**To:** [redacted]
**Subject:** RE: thanks, appeal to board Re: Reasonable Accommodation Response
**Date:** Friday, May 29, 2026 6:52:00 AM
**Attachments:** image001.png

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Good morning. This is received. Please note that if you receive any additional information that you would like to be included for Board consideration, the new information must be provided to me before July 1, 2026 or the Board will not consider any information submitted. This is because it must be included in the Board materials which are published at least one week prior to the Board meeting.

Thank you.

**Abigail Versyp**
Director of Single Family and Homeless Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street Austin, Texas 78701
Office: 512.475.0908

**About TDHCA**
The Texas Department of Housing and Community Affairs is committed to expanding fair housing choice and opportunities for Texans through the administration and funding of affordable housing and homeownership opportunities, weatherization, and community-based services with the help of for-profits, nonprofits, and local governments. For more information about fair housing, funding opportunities, or services in your area, please visit www.tdhca.texas.gov or the Learn about Fair Housing in Texas page.

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**From:** [redacted]
**Sent:** Thursday, May 28, 2026 5:58 PM
**To:** Abigail Versyp <Abigail.Versyp@tdhca.texas.gov>
**Subject:** thanks, appeal to board Re: Reasonable Accommodation Response

Thank you for your efforts.

Request submit this item for placement on the agenda for July 2026 board meeting.

Thanks,
[redacted]
[redacted]
[redacted] 77623
[redacted]

Yahoo Mail: Search, Organize, Conquer

On Thu, May 28, 2026 at 4:57 PM, Abigail Versyp <Abigail.Versyp@tdhca.texas.gov> wrote:

> Dear [redacted],
>
> Please see the attached letter regarding your requests for reasonable accommodation. This letter addresses all requests that have been submitted to date that were not previously decided by TDHCA's Board of Directors.
>
> Thank you.
>
> **Abigail Versyp**
>
> Director of Single Family and Homeless Programs
>
> Texas Department of Housing and Community Affairs
>
> 221 E. 11th Street Austin, Texas 78701
>
> Office: 512.475.0908
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**From:** Abigail Versyp
**To:** [redacted]
**Cc:** Andre Adams; Melinda Spencer
**Subject:** RE: ADDL info for TDHCA board hearing: properties are unaffordable and unsuitable
**Date:** Tuesday, June 16, 2026 7:37:00 AM
**Attachments:** image001.png

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Thank you, [redacted]. The email below will be included in the attachments for the July 9th agenda item.


**Abigail Versyp**
Director of Single Family and Homeless Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street Austin, Texas 78701
Office: 512.475.0908


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**From:** [redacted]
**Sent:** Monday, June 15, 2026 10:07 AM
**To:** Abigail Versyp <Abigail.Versyp@tdhca.texas.gov>
**Subject:** ADDL info for TDHCA board hearing: properties are unaffordable and unsuitable

Rental attempt:

I have investigated affordable housing alternatives as suggested by TDHCA staff.

LIHTC Property Example:

Mansions on Moses Lake zip code 77590
2 bed $1365 rental rate quoted. (AMI 50/60% unit)
Affordability calculation of 1140 was provided by my caseworker with my briefing packet.

Q. Why are LIHTC properties unaffordable?

A. LIHTC properties base their rental rates on a formula based on 50/60% AMI of MSA Houston-Woodlands according to # of bedrooms of the unit. This disqualifies VLI HCV clients due to low income.
Example:
HCV affordability for this unit based on SAFMR's and my TTP has been calculated to be $1130.

This an example of the price range and situation for ALL of the LIHTC properties. Market rate rents are even higher than the LIHTC properties.

In addition, there are no units available that contain the features that my physician has specified for managing my disability. (especially the bathrooms.)

This illustrates no other disability suitable and/or affordable units available to me.

Thanks,
[redacted] 77623

**From:** [redacted]
**To:** Abigail Versyp
**Subject:** Addl info for board book RE: Tdhca appeal hearing additional information
**Date:** Wednesday, June 24, 2026 11:12:17 AM

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Here is a study from TDHCA public comment center, which which contains detailed market information regarding the ELI 30% income/15% AMI client unaffordability problem.

Thanks
[redacted]

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On Wed, Jun 24, 2026 at 8:17 AM, Abigail Versyp <Abigail.Versyp@tdhca.texas.gov> wrote:

> Thank you. This information has been received and will be included in the board book.
>
> ---
>
> **From:** [redacted]
> **Sent:** Monday, June 22, 2026 1:27 PM
> **To:** Abigail Versyp <Abigail.Versyp@tdhca.texas.gov>
> **Subject:** Tdhca appeal hearing additional information
>
> Here is what I would like to convey to the board. I wrote it out because last time they asked if my spoken comment was also submitted written for the record, and the clerk said yes, but that was not true. And the transcript did not capture the details of my comments.
>
> Thanks
>
> HCV client statement:
>
> Granting of RA request for individual exception payment standard in my case seems reasonable without much further explanation. However, I offer the following to support my request:
>
> This home is a HUD/CDBG/TDHCA built program home. This home is ADA accessible compliant and mandated to be rented to low-income, elderly, disabled persons. I qualify in all of those categories.
>
> A physician statement has been provided to support my medical need for this particular unit.

A physician statement has been provided stating the need to remain in my current unit to avoid the detrimental effects a household move at this particular time would have on my health and welfare.

HUD mandates disabled persons may utilize RAs for situations such as this.

Besides the use of RAs to solve my problem, HUD headquarters staff has made suggestions for alternatives to mitigate the negative impact adoption of SAFMRs have had on my situation which include but are not limited to:

TDHCA undertake the process of request that HUD reevaluate SAFMRs for my zip code (77623). ( I have requested this since 2018)

And/OR

TDHCA adopt an exception payment standard for my entire zip code.(77623)

And/OR

TDHCA employ the "hold harmless" policy which would result in continue my 2025 HAP rate ($1401) until such time that other feasible alternatives can be discovered.

And/OR

Grant my RA for an individual exception payment standard for my current unit. ( I have requested this since 2017)

In addition, I request TDHCA consider the following issues which compounds my problem:

TDHCA staff have suggested that units located in LIHTC properties in Galveston county are both ADA accessible compliant, affordable to me, and readily available. This has NOT been my experience since 2016.

Why?

LIHTC properties LURAs mandate so few 30%AMI ADA accessible units set-aside, that the property office staff do not even acknowledge their existence upon inquiry.

LIHTC property office staff also seem to be unaware of the published data in the TDHCA vacancy clearinghouse regarding unit type or availability. This makes locating ANY unit in a LIHTC property extremely difficult. Units advertised as available are not ADA and rents are at 50/60%AMI or Market rate.

15%-30%AMI clients without HCV vouchers do not qualify for 50/60% AMI units due to low income.

15%AMI clients with HCV vouchers (such as myself) cannot technically afford 50/60%AMI rents at most LIHTC properties either.

Why?

HCV clients are limited to affordability based on HCV rules of ttp30% of actual income (not AMI) which includes utilities, but LIHTC property rents are based on AMI not actual client income. SAFMRs are much lower than AMI rents, which makes the LIHTC units unaffordable even with a voucher. In addition, actual utility costs are at least double HCV or LIHTC utility allowances.

Example:
LIHTC property that is priced close to SAFMR at 50/60% AMI:
Zip code 77590/77591
2026 50/60%AMI rent is about 1400.
SAFMR is about 1400.
Seems to be a good fit on first glance, correct?

But wait...

HCV voucher holder at 15%AMI income. (About 1000 month).
Gross rent (based on AMI) 1400. 15% AMI clients cannot afford to this.

HCV  15%AMI clients cannot afford this either because affordability calculation only allows 1130 gross rent.

Therefore, it appears that both the HCV and LIHTC programs as currently administered are ineffective in meeting the needs of 15%-30%AMI clients, which are mostly disabled or seniors.

I have located only 2  zip codes in Galveston county that contain LIHTC properties,

and also have high enough SAFMRs to make it affordable for a 15% AMI client with an HCV voucher with rents at AMI 50/60%.  These zip codes are 77573 and 77546.

However, neither of these properties have availability of units that meet my physicians recommendations.

However, I have made application for wait list at these properties as an alternative to homelessness and/or voucher expiration which is imminent.

Thanks so much for your consideration of this matter.

[redacted]
[redacted]
[redacted] 77623

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Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

**File #: 1533** **Agenda Date: 7/9/2026** **Agenda #: 30.**

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 Brownwood Pioneer Crossing

# TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING