

2024 State of Texas Consolidated Plan

One-Year Action Plan



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Annual Action Plan – 2024

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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) 2024. This PY 2024 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 or ESG-CV, these funding sources are part of the 2019 OYAP. The 2024 PY for HUD program activity begins on September 1, 2024, and ends on August 31, 2025. The performance report on PY 2022 funds was submitted to HUD in November 2023, and approved by HUD in January 2024.

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 and 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 2024 OYAP:

1. Reports on the intended use of funds received by the State from HUD for PY 2024;
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.

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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 2023 (September 1, 2023 to August 31, 2024), and excludes any activity during that period from ESG-CV, CDBG-CV, or HOPWA-CV.

HOME Evaluation of Past Performance

TDHCA's HOME program expended \$28,482,723 in program funds through five different HOME Program activities in PY 2022, representing completed assistance to 673 households that achieved 78.74% of expected program year goals.

ESG Evaluation of Past Performance

During PY 2022, TDHCA's ESG Program expended \$13,438,274.22, including 2022 ESG funding, reallocated and unexpended balances of ESG funds from previous program years, as well as matching funds. With the expended funding, ESG served 527 households with rapid re-housing, 22,391 persons with overnight shelter assistance, and 816 persons with homelessness prevention.

NHTF Evaluation of Past Performance

TDHCA's NHTF program has historically met its commitment and expenditure deadlines. TDHCA anticipates meeting future deadlines.

CDBG Evaluation of Past Performance

During PY 2023, the Texas CDBG Program committed approximately \$65 million, which includes the PY 2023 allocation, any remaining funds from the 2022 allocation, deobligated funds, and program income.

HOPWA Evaluation of Past Performance

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In the HOPWA 2022 program year, Project Sponsors served 524 households with Tenant-Based Rental Assistance (TBRA) out of the 717 OYAP goal (73 percent); 334 households with Short-Term Rent, Mortgage, and Utility (STRMU) out of the 552 OYAP goal (61 percent); 165 households with Facility-Based Housing Assistance (FBHA) out of the 183 OYAP goal (90 percent); 124 households with Permanent Housing Placement (PHP) out of the 105 OYAP goal (118 percent); 967 households with Housing Case Management (HCM) out of the 1,048 OYAP goal (92 percent); and 8 households with Housing Information Services (HIS) out of the 5 OYAP goal (160 percent). In total, Project Sponsors served 1,079 unduplicated households and provided housing assistance services to 1,017 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 2020-2024 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 2020-2024 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

Any Public Comment received on the 2024 One-Year Action Plan will be summarized here in the Final document

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

No public comment was received for the 2024 One-Year Action Plan.

7. Summary

The consolidated planning process occurs once every five years, so creating a comprehensive 2020-2024 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

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expansive public input process was included in the development of the Consolidated Plan. The 2020-2024 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.

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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 of these programs, known collectively as Community Planning and Development (CPD) Programs, are covered in the 2020-2024 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, 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 Administrative Agencies (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,

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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 must 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 multiple 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. Nineteen listserv groups were used to send out requests for consultation on the 2020-2024 Consolidated Plan. TDHCA continues to utilize these listservs to inform the creation of each year's Action Plan.

TDHCA continues to use its fair housing email list to share fair housing-related news, news on TDHCA's successful FHIP grant activities, event information, and announcements with interested persons and organizations.

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

TDA administers the federal colonia set-aside. In Program Year 2023, TDA continued a significant effort to identify and evaluate current needs for colonia communities in all 67 counties that may have communities within 150 miles of the Texas-Mexico border. These counties have been assigned to one of five planning zones, for which planning grant funds have been awarded and non-profit planning services provider has been secured to conduct the needs assessment. This four-year effort is expected to inform the Colonia Fund program design and improve coordination in providing services to these communities.

The ways in which TDHCA coordinates its work with other colonia-serving entities are through the implementation of the Colonia Self-Help Center (CSHC) Program. The CSHC Program is funded by the U.S. Department of Housing and Urban Development through the Texas Community Development Block Grant (CDBG) Program as a state directed colonia set-aside. 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 CSHC Program and subrecipients.

The CSHC Program 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.

TDHCA provides guidance and oversight to the county governments with which TDHCA has executed a CSHC Program 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 Program contract. 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 recommendations.

In addition, TDA participates in the Texas Water Infrastructure Coordinating Committee, where discussions include the challenges of serving colonias or similar areas, as well as specific communities in need of assistance. Several TWICC partners are actively involved in engaging colonia communities in the program.

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 eight 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 PY2021 (2021-2022) 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).

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 consults 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 and in development of its Consolidated Plan.

During the most recent major rulemaking where significant changes to distribution methods and competitive scoring criteria were addressed, TDHCA presented 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 conducted three roundtable events using a virtual platform. 178 attendees were present overall. Input received covered the methodology for fund distribution, performance standards, and other requirements, including reporting requirements. Input from these roundtables was incorporated into the administrative rules, which were presented in draft format to the TDHCA Board on March 10, 2022. They were subsequently published in the *Texas Register* for public comment, and comment was received from seven organizations. The rule was adopted prior to the award cycle for the 2022 allocation of ESG funds, and will be utilized for the allocation of 2023 ESG funds.

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	TICH
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<p>Agency/Group/Organization Type</p>	<p>Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-Homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Child Welfare Agency Other government - Federal Other government - State Other government - County Other government - Local</p>
<p>What section of the Plan was addressed by Consultation?</p>	<p>Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy</p>

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Input on the 2023 OYAP was sought at the April 2023 quarterly meeting of the Texas Interagency Council for the Homeless (TICH) and details of this consultation will be included in the final 2023 OYAP. At each TICH meeting, TDHCA updates the TICH about ESG methods of distribution, goals, and activities. The function of the TICH is to coordinate the state's resources and services to address homelessness. TICH serves as an advisory committee to TDHCA. Representatives from eight state agencies sit on the council along with members appointed by the governor, lieutenant governor, and speaker of the house of representatives.</p>
2	<p>Agency/Group/Organization</p>	<p>Housing and Health Services Coordination Council</p>
	<p>Agency/Group/Organization Type</p>	<p>Housing Services - Housing Services-Health Services-Children Services-Elderly Persons Services-Persons with Disabilities Other government - State Other government - County Other government - Local</p>
	<p>What section of the Plan was addressed by Consultation?</p>	<p>Non-Homeless Special Needs Anti-poverty Strategy Economic Development Housing Need Assessment</p>

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	HHSCC was consulted for the 2023 OYAP at the April 2023 Quarterly meeting for HHSCC. TDHCA regularly informs the HHSCC of agency goals, programs, and activities. The function of the HHSCC is to increase state efforts to offer service-enriched housing through increased coordination of housing and health services. The Council seeks to improve interagency understanding and increase the number of staff in state housing and health services agencies that are conversant in both housing and services. Representatives from five state agencies sit on the council along with eight members appointed by the governor.
3	Agency/Group/Organization	HIV Administrative Agencies
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS engages in ongoing consultation with HOPWA stakeholders by collecting qualitative data from HIV AAs and using it for planning and evaluation. AAs work with HIV planning councils in major metropolitan areas and with other organizations and stakeholders outside those areas to develop comprehensive HIV services plans and needs assessments. AAs consult with clients and other stakeholders through interviews, surveys, focus groups, and public hearings. AAs disseminate written copies of services plans, sharing them online, at town hall meetings, and with advisory groups. AA contact information and planning area maps are located at https://www.dshs.texas.gov/hivstd/services/aa.shtm .
4	Agency/Group/Organization	HOPWA Project Sponsors
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS

<p>What section of the Plan was addressed by Consultation?</p>	<p>HOPWA Strategy</p>
<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>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).</p>

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. A report is generated annually by the TICH that serves as a supplement to Pathways Home.

Table 3 – Other local / regional / federal planning efforts

Narrative

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

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 22, 2024, to May 22, 2024. One Public Hearing was held, May 8, 2024, in doing so, the State met HUDs requirement of holding, at minimum, one Public Hearing during the comment period. The Department informed 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.

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The draft 2024 One Year Action Plan (OYAP) was released for public comment prior to HUD's release of actual annual allocation amounts, and the draft 2024 OYAP reflected estimated allocation amounts. HUD released official annual allocation amounts and prior to submission to HUD, proposed activities' budgets were increased or decreased from the estimated funding levels to match actual allocation amounts, and proposed program goals were adjusted proportionally or as otherwise described in the respective year Action Plan. 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 2020-2024 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 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 2024 OYAP was presented at the TDHCA Board meeting of April 11, 2024.	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 are posted at https://www.tdhca.texas.gov/tdhca-board-meeting-information-center
2	Public Comment Period	Non-targeted/ broad community	The Draft 2024 OYAP was released for a 31-day public comment period from April 22, 2024 to May 22, 2024.	Public comment was held April 22, 2024 to May 22, 2024.	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 8, 2024 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/t dhca-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/t dhca-public-comment-center

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

CPD funding is governed by this Consolidated Plan, but the State also works to collaborate, coordinate, and layer non-CPD funding sources in order to reach more Texans and more efficiently use available funds. Programs listed in the anticipated resources narrative sections below 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 Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$63,552,277	\$663,000	\$10,900,000	\$75,115,277	\$75,115,277	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.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG Colonias Set-aside	public - federal	Acquisition Admin and Planning Homeowner rehab Public Improvements Public Services	\$7,061,364	0	\$2,753,872	9,815,237	9,815,237	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.

HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	32,197,601	10,868,443.00	3,532,601.00	46,598,645	46,598,645	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
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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								Program Qualified Allocation Plan (QAP).
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	\$7,643,288	0	\$953,584	\$8,596,872	\$8,596,872	DSHS will reserve \$466,666 from the latest allocation for use in the next annual plan and include this amount under Prior Year Resources. DSHS will only use \$8,130,206 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.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	9,723,237	0	0	9,723,237	9,723,237	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.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Housing Trust Fund	public - federal	Multifamily rental new construction Multifamily rental rehab	\$8,605,523	258,714	0	\$8,864,237	\$8,864,237	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).

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. Currently, typical syndication rates range between 88% and 92%. 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 publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

CDBG Leverages Some categories of grant applications award points to encourage local match; a sliding scale allows smaller communities to contribute less match funding than larger communities. Match funds may be provided by the applicant, or by a water or sewer utility benefiting from the project.

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 for planning, developing, implementing, and evaluating of HIV service programs, including HOPWA.

Finally, TDA participates in the following workgroups:

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

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

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. TDHCA and TDA both participate in this workgroup.

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 <http://recovery.texas.gov/action-plans/index.html>.

Annual Goals and Objectives

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless Goals	2020	2024	Homeless	State of Texas	Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	ESG: \$9,723,237	Tenant-based rental assistance / Rapid Rehousing: 730 Households Assisted Homeless Person Overnight Shelter: 15,385 Persons Assisted Homelessness Prevention: 3,097 Persons Assisted
2	Acquisition & Construction of Single Family Housing	2020	2024	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of New Units	HOME: \$0	Homeowner Housing Added: 0 Household Housing Unit
3	Reconstruction of Single Family Housing	2020	2024	Affordable Housing Non-Homeless Special Needs	State of Texas	Rehabilitation of Housing	HOME: \$14,298,979	Homeowner Housing Rehabilitated: 95 Household Housing Unit
4	Tenant Based Rental Assistance with HOME Funding	2020	2024	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance	HOME: \$10,419,274	Tenant-based rental assistance / Rapid Rehousing: 1,401 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	2020	2024	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of New Units Rehabilitation of Housing	HOME: \$17,423,787.65	Rental units constructed: 87 Household Housing Unit Rental units rehabilitated: 10 Household Housing Units
6	NHTF Households in New/Rehabbed Multifamily Units	2020	2024	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of New Units Rehabilitation of Housing	Housing Trust Fund: \$7,744,970	Rental units constructed: 40 Household Housing Units Rental units rehabilitated: 15 Household Housing Units
7	HOPWA Tenant-Based Rental Assistance	2020	2024	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance Homeless Prevention	HOPWA: \$4,492,748	Tenant-based rental assistance / Rapid Rehousing: 575 Households Assisted. DSHS will reserve \$243,881 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.	2020	2024	Affordable Housing Non-Homeless Special Needs	State of Texas	Homeless Prevention	HOPWA: \$892,526	Homelessness Prevention: 295 Persons Assisted. DSHS will reserve \$48,449 from the latest allocation for use in the next annual plan and include this amount under Funding.
9	HOPWA Facility-Based Housing Subsidy Assistance	2020	2024	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Rental Assistance Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	HOPWA: \$499,263	Homelessness Prevention: 136 Persons Assisted. HIV/AIDS Housing Operations: 136 Household Housing Unit. DSHS will reserve \$27,102 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
10	HOPWA Permanent Housing Placement Assistance	2020	2024	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Rental Assistance Rapid Re-housing Homeless Prevention	HOPWA: \$183,624	Public service activities other than Low/Moderate Income Housing Benefit: 132 Persons Assisted. DSHS will reserve \$9,968 from the latest allocation for use in the next annual plan and include this amount under Funding.
11	HOPWA Funded Supportive Services	2020	2024	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$1,722,055	Public service activities other than Low/Moderate Income Housing Benefit: 1,031 Persons Assisted. DSHS will reserve \$93,479 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
12	HOPWA Housing Information Services	2020	2024	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$2,831	Public service activities other than Low/Moderate Income Housing Benefit: 7 Persons Assisted. DSHS will reserve \$153 from the latest allocation for use in the next annual plan and include this amount under Funding.
13	HOPWA Resource Identification	2020	2024	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Rental Assistance Supportive Services for Persons with HIV/AIDS Emergency Shelter and Transitional Housing Homeless Prevention	HOPWA: \$79,284	Other: 0 Other. 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). DSHS will reserve \$4,304 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
14	CDBG Public Improvements and Facilities	2020	2024	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public Facilities Public Services	CDBG: \$51,094,890	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 240,007 Persons Assisted
15	CDBG Economic Development	2020	2024	Non-Housing Community Development Economic Development	State of Texas	Public Improvements and Infrastructure Economic Development Public Facilities Public Services	CDBG: \$ \$8,473,637	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 178,083 Persons Assisted
16	CDBG Planning/Capacity Building	2020	2024	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public Facilities Public Services	CDBG: \$0	Other: 0 Other
17	CDBG Urgent Need	2020	2024	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

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
18	CDBG Colonia Set-Aside	2020	2024	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: \$7,061,364	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 2,175 Persons Assisted
19	CDBG Colonia Self-Help Centers	2020	2024	Self-Help Centers	State of Texas	Production of New Units Acquisition of existing units Rehabilitation of Housing Public Services	CDBG: \$ \$1,765,341	Other: 4533 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
20	CDBG Administration	2020	2024	Administration/Technical Assistance	State of Texas	Rehabilitation of Housing Public Improvements and Infrastructure Economic Development Public Facilities Public Services	CDBG: \$ \$2,218,409	Other: 0 Other
21	HOME Administration	2020	2024	HOME Administration	State of Texas	Rental Assistance Production of New Units Acquisition of existing units Rehabilitation of Housing	HOME: \$4,306,604	Other: 0 Other
22	NHTF Administration	2020	2024	NHTF Administration	State of Texas	Production of New Units Rehabilitation of Housing	Housing Trust Fund: \$860,553	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	2020	2024	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: \$469,723	Other: 0 Other. DSHS will reserve \$25,498 from the latest allocation for use in the next annual plan and include this amount under Funding.
24	HOPWA Grantee Administration	2020	2024	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: \$254,818	Other: 0 Other. DSHS will reserve \$13,832 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 actual 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.
2	Goal Name	Acquisition & Construction of Single Family Housing
	Goal Description	While no funds under the 2024 allocation are programmed for the implementation of Homebuyer Assistance with New Construction, TDHCA may use deobligated funding or funding remaining from prior year allocations to perform these activities. This activity 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. TDHCA does not plan to have a 2024 HOME Program goal for single-family development activities performed by a Community Housing Development Organization (CHDO) for the construction of new single-family housing, but may amend program income, or use deobligated funding or other available HOME funding for such an activity. PY 2024 CHDO set aside funding is initially targeted for multifamily development activities as reflected under the Households in new/rehabilitated multifamily units strategic plan goal, but may be revised to program some funding for single-family development activities if TDHCA identifies future interest in the program. Single-family development activities will remain an eligible activity that may be funded in the event future CHDO funding becomes available.
3	Goal Name	Reconstruction of Single Family Housing
	Goal Description	The 2024 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.

4	Goal Name	Tenant Based Rental Assistance with HOME Funding
	Goal Description	The 2024 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 2024 goal for HOME Multifamily Program is creating/rehabilitating over 97 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 2024 goal for Housing Trust Fund is creating and/or rehabilitating 55 multifamily rental units based on the performance period of the previous Program Year, September 1, 2023 – August 31, 2024.
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 575.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 295persons. The estimated funding and number of individuals served may fluctuate depending on HUD’s final allocation amounts and based on the target percentages identified in Action Plan Section 25.

9	Goal Name	HOPWA 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 facilities provide temporary shelters to households experiencing homelessness as a bridge to permanent housing. TSH facilities allow households an opportunity to prepare for permanent housing and develop individualized housing plans that culminate in permanent housing. DSHS set an annual goal of assisting 136 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 PHP housing assistance costs include, but are not limited to, application fees, first and last month’s rent, and reasonable utility and security deposits required for lease approval and occupancy. DSHS set an annual goal of assisting 132 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. Housing Case Management plays a vital role in HOPWA Supportive Services and can contribute to successful program outcomes for housing stability and access to care. “Housing case management” primarily centers around matters related to housing issues, including housing options, stability, and goals. The intensity or level of housing case management provided to a household will depend on the household’s assessed level of need. DSHS set an annual goal of assisting 1,031 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.

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 (including gender identity and sexual orientation), age, national origin, familial status, or disability. DSHS set an annual goal of assisting 7 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, public services, and other community needs. 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.

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 Planning/Capacity Building
	Goal Description	This goal allows for assistance to eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs). No funds are set aside specifically for this goal; planning activities are eligible under the Community Development Fund along with other community development priorities.
17	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.
18	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.
19	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.

20	Goal Name	CDBG Administration
	Goal Description	CDBG Administrative costs including Technical Assistance and indirect costs.
21	Goal Name	HOME Administration
	Goal Description	HOME Administrative expenses based on HOME allocation and program income received in PY 2023 that is being programmed in the 2024 Action Plan.
22	Goal Name	NHTF Administration
	Goal Description	NHTF Administrative funds for PY 2024.
23	Goal Name	HOPWA Project Sponsor Administration
	Goal Description	Administration funds for HOPWA Project Sponsors
24	Goal Name	HOPWA Grantee Administration
	Goal Description	Funds for HOPWA 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.

Beginning in Program Year 2023, \$0 have been dedicated to Goal 16: CDBG Planning/Capacity Building. The principles behind this goal remain important for CDBG subrecipients. Rather than address this goal through a separate competitive opportunity, activities that support this goal are eligible to be requested by subrecipients under the Community Development Fund. The amount to be awarded is currently unknown and depends on how many communities prioritize planning and capacity building activities over other local needs, therefore the amount dedicated to this goal is \$0.

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 2020-2024 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.

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)(120) and the definition of Unit at 10 TAC §11.1(d)(136).

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/Rehabed 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	72	12	0	10	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	0	34	25	41	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0	0	0	0	0	100
HOPWA	0	0	0	0	0	0	52	10	6	2	20	0	1	0	0	0	0	0	0	0	0	6	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	10	0	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 <http://recovery.texas.gov/action-plans/index.html>.

How will the proposed distribution of funds will 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.

TDHCA requires ESG subrecipients to comply with the Violence Against Women Reauthorization Act of 2021 (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. HOPWA helps eligible PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to health care and supportive services. Stable housing helps PLWH access comprehensive healthcare, adhere to HIV treatment, and achieve viral suppression. The proposed distribution of funds by HOPWA activity category reflects local needs and comports 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 approximately 85% 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 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 has to take into account a very large area. To serve this large area it is necessary for the State to use subrecipients to administer the programs funded under CPD. The selection processes for these entities are generally described below.

Distribution Methods

Table 8 - Distribution Methods by State Program

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

	<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation are available upon request once mainline construction has been confirmed.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>The Texas Legislature has set aside 3.5% of the State CDBG allocation for the CEDAP program.</p> <p>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.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$1,000,000/Minimum \$250,000</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Activities Benefitting LMI Persons</p>
<p>2</p>	<p>State Program Name:</p>	<p>Colonia Fund and Construction Program</p>
	<p>Funding Sources:</p>	<p>CDBG CDBG Colonias Set-aside</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The 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.</p>

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	While the Colona 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 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 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 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 2023
	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

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>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.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Approximately 36,136 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.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>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.</p>

	<p>Describe how resources will be allocated among funding categories.</p>	<p>The Texas Legislature has set aside 2.5% of the State CDBG allocation for the CSHC program.</p> <p>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.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$1,000,000/Minimum \$500,000</p> <p>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.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Outcomes include the number of colonia residents assisted and housing units assisted or created. In general, these are Activities Benefiting LMI Persons.</p>
<p>5</p>	<p>State Program Name:</p>	<p>Colonias to Cities Initiative Program</p>
	<p>Funding Sources:</p>	<p>CDBG CDBG Colonias Set-aside</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Colonia to Cities Initiative (CCIP) provides funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority is given to colonias that have received prior CDBG funding. 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.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The TDA will evaluate the following factors prior to awarding CCIP funds:</p> <ul style="list-style-type: none"> • the proposed use of the TxCDBG funds including the eligibility of the proposed activities; • the ability of the community to utilize the grant funds in a timely manner; • the availability of funds to the community for project financing from other sources; • The support of colonia residents for the proposed annexation; • the applicant's past performance on previously awarded TxCDBG contracts, if applicable; • cost per beneficiary; and • commitment by the city to annex the colonia area within one year of project completion. <p>If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation are available upon request.</p>

	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.	<p>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.</p> <p>Applicants are encouraged to provide for infrastructure and housing activities that will improve opportunities for LMI persons. When considering and designing projects, applicants must continue to consider project activities that will affirmatively further fair housing, which includes project activities that provide basic infrastructure (such as water, sewer, and roads) that will benefit residential housing and other housing activities. Beginning in PY 2023, planning activities that meet the Planning/Capacity Building goal are eligible under this program; subrecipients may prioritize community-wide or activity/system focused planning activities as part of their CD Fund application request, rather than requesting these funds through a separate competition.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>CD applicants are scored using a shared system with 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 the following:</p> <ol style="list-style-type: none"> 1. Past Performance– including timely submission of closeout reports, timeliness of environmental clearance, maximum utilization of funds, and timeliness of completing projects - 16 points. 2. TxCDBG Priorities – including early public hearings and fair housing activities – 4 points.
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>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.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$500,000/Minimum \$200,000</p>

	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
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.	<p>The selection criteria for the Downtown will focus upon the following factors:</p> <ul style="list-style-type: none"> a. Applicant Need criteria, including median income, unemployment rate, and community need. b. Project criteria, including match ratio, economic development consideration, project priorities, emphasis on benefit to LMI persons, consistency with Main Street program or other community strategic plan (if applicable), and other HUD or TDA programmatic priorities; and c. Past performance on previously awarded TxCDBG contracts, if applicable. <p>The department may set aside funds within this Downtown Revitalization Program specifically for Main Street communities.</p>
	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, less any funds required to meet the obligations of the RED Stage 2 pilot 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 \$500,000/Minimum \$250,000
	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.	Applications will be scored and ranked based on: <ul style="list-style-type: none"> • Applicant need criteria, including Poverty Rate (Census data) • Project Priorities • Past performance on TxCDBG grants (see CD Fund State scoring factors)

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.</p>				
<p>Describe how resources will be allocated among funding categories.</p>	<p>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.</p>				
<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$750,000/Minimum \$100,000</p>				
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Activities Benefiting LMI Persons</p>				
<p>9</p>	<table border="1"> <tr> <td data-bbox="245 1352 565 1413"> <p>State Program Name:</p> </td> <td data-bbox="565 1352 1430 1413"> <p>General HOME Funds for Single-Family Activities</p> </td> </tr> <tr> <td data-bbox="245 1413 565 1472"> <p>Funding Sources:</p> </td> <td data-bbox="565 1413 1430 1472"> <p>HOME</p> </td> </tr> </table>	<p>State Program Name:</p>	<p>General HOME Funds for Single-Family Activities</p>	<p>Funding Sources:</p>	<p>HOME</p>
<p>State Program Name:</p>	<p>General HOME Funds for Single-Family Activities</p>				
<p>Funding Sources:</p>	<p>HOME</p>				

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>TDHCA awards single-family activity funds as grants and loans through a network of local administrators for Homeowner Reconstruction (HRA), Tenant Based Rental Assistance (TBRA), and Homebuyer Assistance with New Construction (HANC). 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). 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.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applicants must comply with requirements stated in NOFAs, the Single-Family Programs Umbrella Rule, and State HOME Program Rules in effect at the time they receive their award.</p> <p>Review of Applications: All programs will be operated through direct administration by TDHCA, reallocation of deobligated funding and program income, or through the release 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-materials.</p> <p>Selection Process: 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.</p> <p>The state may select subrecipients or state recipients as described in program rules and NOFAs, or may conduct a portion of HOME activities directly in accordance with §92.201.</p> <p>When administrators have not successfully expended the HOME funds within their contract period, TDHCA de-obligates the funds and pools the dollars for redistribution according to TDHCA’s Reallocation of Financial Assistance rule at 10 TAC §1.19, and consistent with the reservation system and any open NOFAs. TDHCA may also reallocate these funds through a competitive NOFA process resulting in an award of funds.</p>
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	<p>Describe how resources will be allocated among funding categories.</p>	<p>TDHCA announces the annual allocation of HOME Single-Family funds through a NOFA and specifies that the funds will initially be made available using a Regional Allocation Formula (RAF) which divides funds among 26 sub-regions as required by state statute. The allocation method is developed based on a formula which considers need and funding availability. After a period of 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 deobligated funds to the funds available via the Reservation System and either allocates a specific amount of funds per activity based on funding priorities or may allow HOME administrator’s requests for funding through the system to determine how the funds are finally allocated among fund categories. TDHCA may specify the maximum amount of funds that will be released for each activity type and may allocate funds via a first come, first served Reservation System or alternate method based on public comment. All NOFAs can be found on TDHCAs NOFA page on the website at https://www.tdhca.texas.gov/notices-funding-availability-nofas.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>Applicants must comply with requirements stated in the HOME NOFA and State HOME Program Rules in effect the year they receive their award. These sources provide threshold limits and grant size limits per activity type.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Assistance to LMI households.</p>
<p>10</p>	<p>State Program Name:</p>	<p>HOME Multifamily Development</p>
	<p>Funding Sources:</p>	<p>HOME</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>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 2% 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.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>TDHCA's Texas Administrative Code Chapters 10, 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.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>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.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>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 \$10,000,000 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.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Assistance to LMI households.</p>

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.
	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?	<p>Activities Benefitting LMI Persons</p> <p>Activities Benefitting LMI Persons through Job Creation/Retention</p>
12	State Program Name:	National Housing Trust Fund
	Funding Sources:	Housing Trust Fund
	Describe the state program addressed by the Method of Distribution.	<p>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, 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.</p>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>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 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 might identify within a given NOFA that additional scoring criteria is necessary to meet current needs.</p> <p>Remaining NHTF may then be made available statewide in the annual NOFA in other set-asides, or transferred to a special purpose NOFA.</p>

	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.
	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 up to \$10,000,000 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:	Rural Economic Development Program – Stage 1
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Rural Economic Development Program – Stage 1 (RED1) provides eligible communities with financial assistance to prepare an economic development strategy, redevelopment plan, economic resiliency plan, or similar plan for economic development opportunities in the community. A RED1 project must develop a plan that provides the grant recipient with a detailed assessment of current and long-term community needs, proposes business recruitment and expansion strategies, and identifies potential projects to support sustainable economic growth.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The selection criteria for the RED1 program will focus upon the following factors: a. Community Distress; b. Benefit to LMI Persons; c. Economic Development organizational structure and capacity; d. Planning Strategy and Products; and e. Previous funding for RED1 or RED2 programs.
	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.	No funds have been set aside for RED 1 for Program Year 2024 as the pilot program is evaluated.
	Describe threshold factors and grant size limits.	Maximum \$45,000 / Minimum \$20,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons Activities to Eliminate Slum and Blighted Areas
14	State Program Name:	Rural Economic Development Program – Stage 2
	Funding Sources:	CDBG

	Describe the state program addressed by the Method of Distribution.	The Rural Economic Development Program – Stage 2 (RED2) provides financial assistance to implement eligible projects identified in previously adopted economic development plans. Eligible economic development projects include, but are not limited to, projects that create and retain businesses owned by community members, address slum and blighted conditions, and create LMI jobs. Projects must meet a national objective (see 24 CFR 570.483) and identify an eligible activity.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The RED2 program will be offered first-come-first-served to communities that have completed the RED1 pilot program. The competitive RED 2 opportunity - where RED2 grant applications will be received annually for communities with completed economic development plans that are comparable to RED1 products but not prepared through the CDBG program – is not yet available pending the outcome of the pilot program.
	Describe how resources will be allocated among funding categories.	\$3 million in program funds have been set aside for RED 2 for Program Year 2024 to complete the pilot program.
	Describe threshold factors and grant size limits.	Maximum \$1,000,000 / Minimum \$350,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons Activities to Eliminate Slum and Blighted Areas
15	State Program Name:	State Mandated Contract for Deed Set-Aside
	Funding Sources:	HOME

	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>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.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>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.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>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.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>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.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Assistance to households with incomes at or below 60% AMFI.</p>
<p>16</p>	<p>State Program Name:</p>	<p>State Revolving Fund</p>
	<p>Funding Sources:</p>	<p>CDBG</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>TxCDBG retains the program income generated by economic development activities and reinvests the funds to continue supporting economic development activities.</p> <p>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.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Application Guides for the Rural Economic Development programs can be found on the TDA website.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Application Guides for the Rural Economic Development programs can be found on the TDA website.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>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).</p>
<p>Describe threshold factors and grant size limits.</p>	<p>The amount of program income generated will determine the amount of funds available.</p>

	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.
17	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.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>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.</p> <ul style="list-style-type: none"> • 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. • The situation addressed by the applicant must be both unanticipated and beyond the control of the local government. • The problem being addressed must be of recent origin. For SUN assistance, this means that the application for assistance must be submitted no later than twelve months from the date of the state disaster declaration. • The applicant must demonstrate that adequate local funds are not available. For SUN assistance, this generally means the applicant has less than six months of unencumbered general operations funds available in its balance as evidenced by the last available audit required by state statute, and funds from other state or federal sources are not available to completely address the problem. <p>TDA may consider whether funds under an existing CDBG contract are available to be reallocated to address the situation.</p>

	<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>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.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>Maximum: \$500,000 for projects benefitting a single jurisdiction / \$1 million may be authorized for projects benefitting multiple communities.</p> <p>Minimum: \$50,000</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Activities Benefitting LMI Persons</p> <p>Activities Addressing an Urgent Need</p>
<p>18</p>	<p>State Program Name:</p>	<p>Texas ESG Program</p>
	<p>Funding Sources:</p>	<p>ESG</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The ESG Program awarded contracts in PY2023, 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 PY2024 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. Award authority for all ESG funds remains with TDHCA’s Board, and TDHCA contracts directly with all subrecipients.</p> <p>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.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>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.</p> <p>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.</p> <p>Selection criteria include items related to program design, including the type and quality of services offered and performance outcomes.</p>
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<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>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. 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.</p> <p>Eligible applicant organizations are Units of General Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may be eligible and should seek guidance from TDHCA to determine if they may apply. Governmental organizations such as Public Housing Authorities (PHAs) and housing finance agencies are not eligible and cannot apply directly for ESG funds.</p> <p>Eligible applicants also include private nonprofit organizations that are secular or religious organizations described in section 501(c) of the Internal Revenue Code of 1986, are exempt from taxation under subtitle A of the Code, have an acceptable accounting system and a voluntary board, and practice non-discrimination in the provision of assistance. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>ESG funds 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 ranking applications proposing these activities.</p>

	<p>Describe threshold factors and grant size limits.</p>	<p>While applications for TDHCA ESG funds may request funds for multiple service component, 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.</p> <p>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.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>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.</p>
<p>19</p>	<p>State Program Name:</p>	<p>Texas HOPWA Program</p>
	<p>Funding Sources:</p>	<p>HOPWA</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>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 located outside of the six HOPWA-funded Metropolitan Statistical Areas: Austin, Dallas, El Paso, Fort Worth, Houston, and San Antonio. Therefore, the program targets less populated and non-urban areas of Texas.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>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.</p>

	<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>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</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>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.</p> <p>DSHS will reserve \$466,666 from the latest allocation for use in the next annual plan and include this amount under Prior Year Resources. DSHS will only use \$8,130,206 during this annual plan.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>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.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>PLWH and their households will establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to health care and supportive services. With stable housing, PLWH can access comprehensive healthcare, adhere to HIV treatment, and achieve viral suppression.</p>
<p>20</p>	<p>State Program Name:</p>	<p>Utility U Job Training Program</p>
	<p>Funding Sources:</p>	<p>CDBG</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>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.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>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.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation are available upon request.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>\$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.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$100,000/Minimum \$30,000</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Activities Benefiting LMI Persons</p>

21	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 a 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). 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

<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Activities Benefitting LMI Persons</p>
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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 of the number of households supported by HOPWA, AAs routinely monitor Project Sponsors for compliance and performance. DSHS and annually compiles program progress reports, reviewing household and expenditure outputs as well as, housing stability outcomes. More information on CPD Programs monitoring efforts are described in Strategic Plan Section 80, Monitoring.

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

AP-35 Projects – (Optional)

Introduction:

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

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: <http://recovery.texas.gov/action-plans/index.html>

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

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

No

Available Grant Amounts

Not applicable

Acceptance process of applications

Not applicable

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

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

Yes

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

TDA's CDBG program operates 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.

TDA is developing the RED1 and RED2 programs to allow communities to create their own economic development strategies and then implement the action steps outlined in that plan.

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

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

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

	<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation are available upon request once mainline construction has been confirmed.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>The Texas Legislature has set aside 3.5% of the State CDBG allocation for the CEDAP program.</p> <p>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.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$1,000,000/Minimum \$75,000</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Activities Benefitting LMI Persons</p>
<p>2</p>	<p>State Program Name:</p>	<p>Colonia Fund Construction Program</p>
	<p>Funding Sources:</p>	<p>CDBG CDBG Colonias Set-aside</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The 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.</p>

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	While the Colona 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 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 2024.
	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

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>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.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Approximately 36,136 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.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>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.</p>

	<p>Describe how resources will be allocated among funding categories.</p>	<p>The Texas Legislature has set aside 2.5% of the State CDBG allocation for the Colonia SHC program.</p> <p>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 deobligated from prior CSHC Program grant years and any program income recovered from CSHC Program funds shall be used by TDHCA for the CSHC Program.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$1,000,000/Minimum \$500,000</p> <p>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.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Outcomes include: colonia residents assisted, housing units assisted or created, instances of technical assistance provided, and instances of information delivered. In general, these are Activities Benefiting LMI Persons.</p>
<p>5</p>	<p>State Program Name:</p>	<p>Colonias to Cities Initiative Program</p>
	<p>Funding Sources:</p>	<p>CDBG CDBG Colonias Set-aside</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Colonia to Cities Initiative (CCIP) provides funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority is given to colonias that have received prior CDBG funding. 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.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The TDA will evaluate the following factors prior to awarding CCIP funds:</p> <ul style="list-style-type: none"> • the proposed use of the TxCDBG funds including the eligibility of the proposed activities; • the ability of the community to utilize the grant funds in a timely manner; • the availability of funds to the community for project financing from other sources; • The support of colonia residents for the proposed annexation; • The applicant's past performance on previously awarded TxCDBG contracts, if applicable; • cost per beneficiary; and • commitment by the city to annex the colonia area within one year of project completion. <p>If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation are available upon request.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>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.</p>

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

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 11 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).

HOPWA Addresses Geographic Areas for Assistance

The DSHS HOPWA Program serves all 254 counties in Texas, prioritizing those located outside of the six HOPWA-funded Metropolitan Statistical Areas: Austin, Dallas, El Paso, Fort Worth, Houston, and San Antonio. Therefore, the program targets less populated and non-urban 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.
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 seven border counties, which are comprised of primarily Hispanic households and have concentrations of very low-income households.

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

Geographic Distribution

Target Area	Percentage of Funds
State of Texas	100

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

HOME Addresses Geographic Investments

HOME funds are allocated geographically using a regional allocation formula (RAF), as described in Strategic Plan Section 10, of the 2020-2024 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 TDHCA-administered HOME funds are used in areas that are not Participating Jurisdictions (PJs) per statute. This results in more HOME funds in smaller communities than in larger Metropolitan Statistical Areas (MSAs) that receive HOME funds directly from HUD. The current RAF is online at <https://www.tdhca.texas.gov/housing-resource-center-annual-or-biennial-plans-and-reports>

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.

HOPWA Addresses Geographic Investments

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.

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 (27.35% of annual allocation), along with a state formula based on poverty and unemployment (45% of annual

allocation). 12.5% of the annual allocation is allocated to projects under the Colonia Fund categories, which must be expended within 150 miles of the Texas-Mexico border.

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 36,136 colonia residents who may qualify to access Center services.

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

Discussion

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

NHTF Geographic Priorities

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

NHTF Addresses Geographic Investments

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

Affordable Housing

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

Introduction:

Affordable Housing goals for PY 2024 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, utility connections for 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	730
Non-Homeless	1648
Special-Needs	575
Total	2,953

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

One Year Goals for the Number of Households to be Supported Through	
Rental Assistance	2706
The Production of New Units	127
Rehab of Existing Units	120
Acquisition of Existing Units	0
Total	2,953

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 health care and supportive services. Stable housing helps PLWH access comprehensive healthcare, 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 a cost savings for housing when used to install water and sewer yard lines and pay impact and connection fees for qualifying residents. Housing rehabilitation projects are prioritized in several fund categories. CDBG funds also help communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. CDBG provides approximately 250 utility connections per year, which are not reflected in the chart above, but could prove essential to obtaining or maintaining housing.

Colonia residents are considered "Special Needs" households who are supported through the production, rehab or acquisition of units. The Colonia Self-Help Center (CSHC) Program continues to address affordable housing needs in border counties by assisting qualifying colonia residents in improvement or maintenance 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 public housing residents 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.

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 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.

Addressing the emergency shelter and transitional housing needs of homeless persons

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

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

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

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

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, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and costs related to serving special populations. It should be noted that, while the assistance listed above are eligible under ESG, an ESG Subrecipient may choose to not provide all the assistance listed. Applicants for ESG funds are incentivized through 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 exiting 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 wait list.

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

Discussion

The Texas ESG Program is designed to assist, assess and, where possible, shelter the unsheltered homeless; to quickly re-house persons who have become homeless and provide support to help them maintain housing; and to provide support that helps persons at risk of becoming homeless maintain their current housing. Other special needs populations are described in Action Plan Section 25.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	295
Tenant-based rental assistance	575
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	136
Total	1,006

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 2019 AI and is in the process of updating it for 2024. The 2019 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 staff track goals, efforts, and progress made under the AI. The Fair Housing Tracking database provides the State with an ability to pull basic metrics and provide reports by AI, Impediments, Recommendations, Action Items, and other meaningful search criteria. This assists the state in identifying areas of improvement and success under its HUD related obligation to affirmatively further fair housing choice. The content of the database is maintained on an ongoing basis with periodic reports shared with TDHCA's governing board.

TDHCA and the Texas Workforce Commission Civil Rights Division (TWC CRD) annually collaborate on a Fair Housing webinar series. The series includes training sessions providing general fair housing information and specific sessions on HUD's guidance, how to respond to reasonable accommodation requests, and best practices in fair housing. The webinars are available for free 24/7 on TDHCA's website at: <https://www.tdhca.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 Initiative 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 January of 2023, the Housing Resource Center (HRC) applied for another 1-year grant under the same HUD program with the goal of creating professional, on-demand webinars and marketing these webinars to a far larger audience. In March 2023, HRC was notified that TDHCA was awarded the grant for \$124,913.

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.

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 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 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.

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

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, 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. Six Texas counties (El Paso, Maverick, Webb, Starr, Hidalgo, and Cameron) have the largest population of colonias and are home to an estimated 369,500 people. Texas’ colonias lie outside of city limits in the rural areas of their respective counties, where few to no local building codes exist to protect the households that seek affordable and sanitary housing solutions. Egregious housing conditions persist while residents also endure substandard infrastructure, inadequate potable water and 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 regional Councils of Government (COGs). This funding can provide institutional structure and assistance to small communities without administrative resources.

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

house and social service agencies

In addition to the cooperation among various state agencies that help to support and develop colonias, TDHCA focuses efforts of the OCI on counties administering the CSHC Program. The OCI supports administrators, disseminate funding information, and problem solve 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.

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, etc.) 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 health care 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 PY 2023 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, 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 a 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

Per 24 CFR §574.310(b), §574.635, §35, and HUD CPD Notices 94-05 and 22-15, assisted housing, including shared housing arrangements, must meet safety and sanitation standards and comply with applicable state and local housing codes, licensing provisions, and any other structural or operational requirements. Assisted housing must also meet all Habitability Standards, Lead Safe Housing Rules, Fire Safety Requirements, and Carbon Monoxide Safety Requirements. 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 low-income PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to health care and supportive services. HOPWA activities principally benefit low-income PLWH and their households. HOPWA serves households that fall at or below 80 percent of AMI. While the DSHS HOPWA Program does not specifically target households at or below the poverty level, most of the households enrolled in the program fall at or below 30 percent of AMI. Subject to local conditions, HUD permits Project Sponsors to establish additional program eligibility and service requirements as a means of prioritizing benefits to those with the greatest need. For example, a Project Sponsor could prioritize rental assistance services to households at or below 30 percent of AMI.

CDBG Addresses Poverty-Level Households

A substantial majority of TDA's CDBG funds, 90% in 2023, 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, 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, regional Councils of Governments, and other partners to further its mission in community and economic development.

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

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; Promoting Independence Advisory Committee, 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 three 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 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.

Program Specific Requirements

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

Introduction:

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

For the CDBG Program, it is expected that the total amount of program income collected in PY 2023 and made available for programming in PY 2024 will be approximately. \$663,000, 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	663,000
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	663,000

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:

$$(\text{Number of years in affordability period} - \text{Number of complete years affordability was met}) \times (\text{Total HOME subsidy} / \text{Number of years in affordability period}) = \text{Amount subject to recapture}$$

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

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

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

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

C. The resale requirement must ensure that the price at resale provides the original HOME-assisted owner a fair return on investment. Fair return on investment is defined as the sum of down payment and closing costs paid from the initial seller's cash at purchase, closing costs paid by the seller at sale, the principal payments only made by the initial homebuyer in excess of the amount required by the loan, and any documented capital improvements in excess of \$500. Fair return on investment is paid to the seller at sale once 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 administer this program directly. TBRA is 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 than 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 centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Each of the 11 CoCs in Texas has a different centralized or coordinated assessment system. 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 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 applies 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. Our processes for Application selection are comprehensive, and assure that the resulting Developments satisfy strong standards for financial feasibility and long-term stability. Our Compliance Monitoring Division assures that all properties meet these standards for the duration of their affordability period, and is frequently cited as one of the best Compliance divisions nationally.

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. We hold 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 applies 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 available competitively within each region 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”.

The State of Texas will prioritize HTF funding for the needs of ELI households in accordance with its 2019 State of Texas Analysis of Impediments (AI) recommendations and high opportunity measures of the QAP.

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 and 2023 PY awards made through the Multifamily 2021, 2022, and 2023 NOFAs. It plans to do the same with 2024 awards. While TDHCA does not make any FHA-insured loans, the department has adopted the per unit limits for substantial rehab for our Direct Loans (HOME, NHTF, TCAP RF, NSP1 PI) for 2024. 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 2024 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 an 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.