

2005 Consolidated Plan- Annual Performance Report Reporting on Program Year 2004 (CP-APR)

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INTRODUCTION

The Texas Department of Housing and Community Affairs (TDHCA), Office of Rural Community Affairs (ORCA), and Department of State Health Services (DSHS) have completed the *2005 Consolidated Plan Annual Performance Report – Reporting on Program Year 2004 (CPAPR)*. This report is required as part of the U.S. Department of Housing and Urban Development's (HUD) state Consolidated Planning process (§91.520). When the combined actions of TDHCA, ORCA, and DSHS are referenced in the CPAPR, the description "Departments" shall be utilized.¹

The *CPAPR* is an integral part of HUD's Consolidated Planning process which requires the Departments to evaluate their accomplishments over the past PY. The information contained in the *CPAPR* helps the Departments evaluate how well they met stated goals and objectives when developing future plans. In 2001, the Departments completed the *2001-2003 State of Texas Consolidated Plan (Consolidated Plan)*. In 2004, HUD granted an extension for the *Consolidated Plan* to remain in place until 2005. In 2003, the Departments completed the *2004 State of Texas Consolidated Plan One-Year Action Plan (OYAP)* that specifically covered Program Year (PY) 2004 activities. The *Consolidated Plan* covers the Departments' administration of the Community Development Block Grant (CDBG), Emergency Shelter Grants (ESG), HOME Investment Partnerships (HOME), and the Housing Opportunities for Persons with AIDS (HOPWA) programs.

The *CPAPR* is organized into four sections.

- Section 1: A summary of the Departments' resources and programmatic accomplishments.
- Section 2: Narrative statements on the Departments' performance over the past PY.
- Section 3: A report on the Departments' success in meeting the goals and objectives set forth in the *Consolidated Plan* and *OYAP*.
- Section 4: An analysis of ORCA's actions and experiences with regard to the CDBG program.

¹ A table showing other abbreviations used in this report is provided as "Appendix A: Abbreviations."

SECTION ONE - PROGRAM REPORTS

This section discusses CDBG, ESG, HOME, and HOPWA program resources made available to the Departments during PY 2004. It also discusses the use of these resources to further objectives set out in the *Consolidated Plan* and *OYAP*. For each program, the following information is presented:

- amount of funds available in PY 2004;
- amount of funds committed in PY 2004;
- geographic distribution of funds (See Appendix B: State Service Regions for a map of the service regions.);
- number of extremely low, very low, low, and moderate income persons or households assisted;
- racial and ethnic status of persons or households assisted;
- number of persons or households with special needs assisted during the reporting period; and
- a description of how matching requirements are met.

For CDBG, the following additional information is presented:

- a summary of its community development accomplishments for each priority need designated in the strategic plan;
- number of persons served;
- number of projects assisted and completed; and
- number of businesses and jobs assisted.

For HOME, the following additional information is presented:

- results of on-site inspections of affordable rental housing assisted under the HOME program; and
- a description of the program's affirmative marketing actions.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

The objective of the CDBG program is “the development of viable communities by providing decent housing, suitable living environments, and expanding economic opportunities principally for persons of low and moderate income (0-80% of Area Median Family Income (AMFI)).” ORCA administers the “non-entitlement” or “states and small cities program.” Under this program, HUD allocates CDBG funds directly to the State, which, in turn, allocates funds to small, non-metropolitan cities and counties (populations of less than 50,000). Large metropolitan communities (with populations of 50,000 or more), known as “entitlement areas,” receive their CDBG funding directly from HUD.

The demographics and rural character of Texas has shaped a state CDBG program that focuses on providing basic sanitary infrastructure to small rural communities in outlying areas. Eligible activities include sanitary sewer systems, clean drinking water, disaster relief and urgent needs projects, housing, drainage and flood control, passable streets, economic development, and community centers.

Total Amount of Funds Available

(Amounts shown in the following Table include program income but do not include amounts available from prior program years.)

2004 Total State Allocation: \$86,736,688
 Plus Program Income: \$1,500,000
 Total Amount Available: \$88,236,688

Fund	2004 Percent	Amount Available
Community Development Fund	56.91	\$49,365,907
Texas Capital Fund	14.76	\$12,802,300
Texas Capital Fund Program Income		\$ 1,500,000
Colonia Fund		
Colonia Construction Fund	7.21	\$ 6,253,686
Colonia EDAP Fund	2.31	\$ 2,000,000
Colonia Planning Fund	0.48	\$ 420,000
Colonia Self-Help Centers Fund	2.50	\$ 2,168,400
Planning And Capacity Building Fund	0.88	\$ 759,295
Disaster Relief/Urgent Need Fund	4.11	\$ 3,565,000
Housing Fund		
Housing Infrastructure Fund	2.77	\$ 2,400,000
Housing Rehabilitation Fund	1.73	\$ 1,500,000
TCDP STEP Fund	3.23	\$ 2,800,000
Administration	2.00 + \$100,000	\$ 1,834,734
Technical Assistance	1.00	\$ 867,366

Total Amount of Funds Committed during PY (Grants Awarded: 308 for \$90,438,522)

Fund	Grants Awarded	2004 Funds	2003 Funds	2002 Funds
Community Development	184	49,186,949	154,257	
Texas Capital	33	7,442,027	7,733,273	
Colonia Construction	14	6,333,689		
Colonia EDAP	6		2,000,000	500,000
Colonia Planning	3	270,000		
Colonia Self-Help Centers	3	2,168,400	1,136,926	
Planning/Capacity Building	21	740,895		
Disaster Relief/Urgent Need	17	3,264,979	1,913,519	
Housing Infrastructure	6		2,090,020	
Housing Rehabilitation	6	1,500,000		
TCDP STEP	15	1,816,416	2,187,172	
Totals	308	72,723,355	17,215,167	500,000

**CDBG Funds Obligated and Estimated Beneficiaries By County
For Period From February 1, 2003 To January 31, 2004**

County	CDBG Assistance	Total Beneficiaries	Beneficiaries Below 80% AMFI
TDHCA SERVICE REGION 1 - HIGH PLAINS			
Bailey	\$50,000	4,101	2,232
Castro	\$197,500	1,808	1,547
Collingsworth	\$237,071	2,577	1,802
Crosby	\$448,344	83	79
Deaf Smith	\$427,721	1,060	777
Dickens	\$281,050	2,410	1,424
Gray	\$250,000	743	450
Hale	\$250,000	284	270
Hall	\$250,000	141	85
Hansford	\$250,000	1,164	727
Hockley	\$500,000	1,514	914
Hutchinson	\$350,000	120	63
Lamb	\$28,100	5,522	3,452
Lynn	\$278,700	3,409	1,839
Terry	\$250,000	543	330
Totals - 21 Awards	\$4,048,486	25,479	15,991
TDHCA SERVICE REGION 2 - NORTHWEST TEXAS			
Archer	\$350,000	3,268	1,086
Clay	\$500,000	1,121	707
Comanche	\$250,000	203	143
Eastland	\$500,000	1,131	823
Hardeman	\$300,000	3,439	2,105
Haskell	\$82,186	557	370
Jack	\$150,000	518	383
Jones	\$50,000	3,534	1,906
Knox	\$250,000	405	296
Nolan	\$350,000	426	287
Scurry	\$500,000	2,046	1,483
Stonewall	\$26,800	1,096	704
Taylor	\$44,800	2,469	1,272
Wichita	\$50,000	3,058	1,988
Wilbarger	\$460,421	592	387
Young	\$150,000	442	281
Totals - 22 Awards	\$4,014,207	24,305	14,221
TDHCA SERVICE REGION 3 - METROPLEX			
Collin	\$250,000	936	737
Denton	\$937,700	2,000	1,591
Ellis	\$1,960,000	6,106	4,282
Fannin	\$693,490	4,229	2,846
Grayson	\$1,179,375	4,117	2,529
Hunt	\$886,714	723	481
Johnson	\$750,000	1,816	1,297
Kaufman	\$1,250,000	1,459	889
Palo Pinto	\$585,000	1,021	722
Parker	\$725,600	21,483	6,126
Rockwall	\$250,000	2,356	1,644
Somervell	\$244,250	227	157
Wise	\$1,577,428	50,538	19,652
Totals - 40 Awards	\$11,289,557	97,011	42,953

County	CDBG Assistance	Total Beneficiaries	Beneficiaries Below 80% AMFI
TDHCA SERVICE REGION 4 - UPPER EAST TEXAS			
Anderson	\$633,000	581	539
Bowie	\$400,000	93	48
Cass	\$560,000	212	132
Cherokee	\$250,000	141	89
Delta	\$500,000	120	87
Gregg	\$250,000	586	368
Harrison	\$534,300	44	23
Henderson	\$1,343,249	2,978	2,019
Lamar	\$460,813	1,017	649
Morris	\$500,000	371	271
Panola	\$221,262	594	362
Rains	\$500,000	303	195
Red River	\$624,000	1,826	1,211
Rusk	\$577,660	1,757	1,223
Smith	\$922,180	655	555
Van Zandt	\$1,000,000	4,927	3,172
Wood	\$606,900	287	188
Totals - 37 Awards	\$9,883,364	16,492	11,131
TDHCA SERVICE REGION 5 - SOUTHEAST TEXAS			
Hardin	\$250,000	1,820	1,111
Houston	\$500,000	1,116	788
Jasper	\$850,000	2,833	1,979
Jefferson	\$850,000	912	578
Nacogdoches	\$250,000	104	73
Newton	\$250,000	2,018	1,315
Orange	\$687,325	2,986	2,059
Polk	\$186,553	109	83
Shelby	\$499,090	2,194	1,522
Trinity	\$250,000	2,655	1,748
Tyler	\$250,000	2,599	1,945
Totals - 19 Awards	\$4,822,968	19,346	13,201
TDHCA SERVICE REGION 6 - GULF COAST			
Austin	\$350,000	234	159
Brazoria	\$350,000	283	202
Chambers	\$1,100,000	2,141	1,315
Galveston	\$350,000	628	386
Liberty	\$2,799,200	709	466
Matagorda	\$254,449	88	79
Montgomery	\$750,000	32	17
Waller	\$600,000	3,440	2,180
Wharton	\$593,760	390	268
Totals - 19 Awards	\$7,147,409	7,945	5,072
TDHCA SERVICE REGION 7 - CAPITAL			
Blanco	\$547,700	180	135
Burnet	\$750,000	620	480
Caldwell	\$250,000	60	60
Fayette	\$750,000	1,486	936
Hays	\$600,000	24	13
Travis	\$586,260	392	328
Williamson	\$250,000	90	77
Totals - 13 Awards	\$3,733,960	2,852	2,029

County	CDBG Assistance	Total Beneficiaries	Beneficiaries Below 80% AMFI
TDHCA SERVICE REGION 8 - CENTRAL TEXAS			
Bell	\$537,350	1,810	1,026
Bosque	\$250,000	3,507	2,232
Freestone	\$494,497	1,366	886
Grimes	\$500,000	2,478	1,668
Hamilton	\$250,000	1,256	859
Hill	\$650,000	145	82
Lampasas	\$350,000	1,379	847
Leon	\$250,000	683	471
Limestone	\$250,000	211	185
Madison	\$250,000	3,781	2,385
McLennan	\$708,300	2,869	1,801
Milam	\$250,000	72	47
Robertson	\$700,000	4,527	1,895
San Saba	\$250,000	22	22
Washington	\$250,000	150	123
Totals - 23 Awards	\$5,940,147	24,256	14,529
TDHCA SERVICE REGION 9 - SAN ANTONIO			
Atascosa	\$250,000	1,597	1,019
Bandera	\$250,000	674	449
Frio	\$250,000	6,924	4,298
Guadalupe	\$150,000	-	-
Karnes	\$278,695	3,391	2,041
Kerr	\$1,000,000	108	69
Medina	\$1,000,000	127	89
Wilson	\$1,360,000	12,846	6,652
Totals - 15 Awards	\$4,538,695	25,667	14,617
TDHCA SERVICE REGION 10 - COASTAL BEND			
Aransas	\$500,000	450	428
Bee	\$1,000,000	760	748
Brooks	\$850,000	7,976	4,979
Calhoun	\$419,900	29	15
Duval	\$649,200	3,399	2,092
Gonzales	\$900,000	3,130	2,397
Jackson	\$105,182	412	366
Jim Wells	\$798,000	335	294
Kleberg	\$1,310,000	6,202	2,488
Lavaca	\$250,000	857	534
Live Oak	\$875,000	8,182	2,999
Nueces	\$1,482,833	17,785	11,769
Refugio	\$300,000	1,235	866
San Patricio	\$1,320,000	15,234	7,312
Totals - 33 Awards	\$10,760,115	65,986	37,287

County	CDBG Assistance	Total Beneficiaries	Beneficiaries Below 80% AMFI
TDHCA SERVICE REGION 11 - SOUTH TEXAS BORDER			
Cameron	\$3,735,459	12,716	8,718
Dimmit	\$166,975	72	61
Hidalgo	\$1,120,000	2,909	2,909
Jim Hogg	\$773,330	262	167
Kinney	\$267,844	1,740	1,123
Maverick	\$2,290,000	37,104	25,696
Starr	\$4,304,781	16,971	14,693
Uvalde	\$350,000	25,926	12,639
Val Verde	\$399,579	30,705	16,977
Webb	\$1,320,735	244	227
Willacy	\$339,860	1,192	754
Zavala	\$1,177,657	23,644	16,147
Totals - 35 Awards	\$16,246,220	153,485	100,111
TDHCA SERVICE REGION 12 - WEST TEXAS			
Concho	\$349,649	1,747	1,111
Crockett	\$154,111	78	64
Dawson	\$150,000	-	-
Howard	\$700,000	823	559
Loving	\$500,000	36	36
McCulloch	\$174,900	1,583	1,028
Pecos	\$876,937	22,830	12,274
Reagan	\$174,999	2,584	1,626
Reeves	\$700,000	284	210
Schleicher	\$314,425	2,384	1,583
Upton	\$26,800	899	561
Ward	\$600,000	467	355
Totals - 19 Awards	\$4,721,821	33,715	19,407
TDHCA SERVICE REGION 13 - UPPER RIO GRANDE			
Brewster	\$263,000	96	78
Culberson	\$263,000	3,407	2,061
El Paso	\$1,387,000	3,598	3,146
Hudspeth	\$360,273	92	92
Jeff Davis	\$263,000	53	53
Presidio	\$755,300	1,986	1,239
Totals - 12 Awards	\$3,291,573	9,232	6,669

Summary of Estimated Beneficiaries and Funds Benefiting Low to Moderate Income Persons for Grantees Funded during Reporting Period

Fund	Total Beneficiaries	Low/Mod Beneficiaries	Low/Mod Funding
Community Development Fund	268,489	179,113	\$33,734,197
Texas Capital Fund	1,287	703	\$ 7,140,997
Colonia Construction Fund	3,663	3,554	\$ 5,845,725
Colonia EDAP Fund	3,858	3,832	\$ 2,247,734
Colonia Planning Fund	28,889	12,146	\$ 113,105
Colonia Self-Help Centers Fund	8,149	8,149	\$ 2,868,625
Planning & Capacity Building Fund	43,544	25,838	\$ 455,246
Disaster Relief/Urgent Need Fund	143,700	61,739	\$ 2,440,897
Housing Infrastructure Fund	366	189	\$ 962,291
Housing Rehabilitation Fund	138	138	\$ 1,370,000
TCDP STEP Fund	5,247	3,542	\$ 2,563,107
Totals	507,330	298,943	\$59,741,924

Matching Funds Committed by Grantees Funded during the Reporting Period

Fund	Grants Awarded	TCDP Funds	Matching Fund Commitments
Community Development Fund	184	\$49,341,206	\$13,701,766
Texas Capital Fund	33	\$15,175,300	\$28,729,766
Colonia Construction Fund	14	\$ 6,333,689	\$ 891,219
Colonia EDAP Fund	6	\$ 2,500,000	\$ 231,863
Colonia Planning Fund	3	\$ 270,000	\$ 0
Colonia Self-Help Centers Fund	3	\$ 3,305,326	\$ 0
Planning & Capacity Building Fund	21	\$ 740,895	\$ 95,161
Disaster Relief/Urgent Need Fund	17	\$ 5,178,498	\$ 2,629,054
Housing Infrastructure Fund	6	\$ 2,090,020	\$11,083,591
Housing Rehabilitation Fund	6	\$ 1,500,000	\$ 25,000
TCDP STEP Fund	15	\$ 4,003,588	\$ 31,500
Totals	308	\$90,438,522	\$57,418,920

Summary of CDBG Housing Assistance

For existing contracts that were closed-out during the reporting period, CDBG assistance was utilized by 8 grantees to rehabilitate 77 housing units and to reconstruct 8 homes. The 8 grantees expended \$1,677,816 for housing rehabilitation and reconstruction assistance. Four hundred sixty (188) persons benefited from the housing rehabilitation assistance provided by these grantees.

Summary of CDBG Economic Development Activity

For existing contracts that were closed-out during the reporting period, CDBG assistance was utilized by 16 grantees. Three of the contracts that closed-out during this period were Main Street Program contracts. A summary of the other thirteen (13) closed contracts and the economic development assistance provided through these 13 contracts is provided below:

Closed Contracts	Funds Expended	Businesses Assisted	Jobs Created	Low/Mod Jobs Created	Jobs Retained	Low/Mod Jobs Retained
13	\$7,752,485	13	1103	917	264	264

Summary of Racial and Ethnic Status for CDBG Assisted Persons

Three hundred five (304) contracts were closed during the period from 02-01-2004 to 01-31-2005. The male, female, race, and ethnicity breakdowns reported for the beneficiaries of the 304 contracts are:

- Total Beneficiaries: 476,417
- Low/Mod Beneficiaries: 279,783
- Males: 228,362
- Females: 248,055

White	Black/ African American	Asian	American Indian/ Alaskan Native	Native Hawaiian/ Other Pacific Islander	Hispanic
395,088	31,554	584	3,555	764	182,276
Black/ African American and White	Asian and White	American Indian/ Alaskan Native and White	American Indian/ Alaskan Native and Black/ African American	Other or Multi-Racial	
14	10	42	2	44,804	

The race and ethnicity breakdowns reported for the beneficiaries of Hispanic or Latino origin are:

White	Black/ African American	Asian	American Indian/ Alaskan Native	Native Hawaiian/ Other Pacific Islander	Other or Multi-Racial Racial
139,331	398	55	694	43	41,755

Employment Statistics

All localities applying for funding under the Texas Community Development Program were required to submit a TCDP Minority Employment Form as part of their application for the purpose of determining the level of local effort in the employment of minorities. Staff is currently working with the information systems staff to track minority business electronically. Program monitors review this information during on-site monitoring visits to compare the locality's area labor force to the locality's staff.

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

- The percentage of minority employees for the Office of Rural Community Affairs is 37%. .
- According to the city of Austin labor force data provided by the Texas Workforce Commission (as of December 2004), the minority labor force percentage is 48%.
- The female labor force percentage for the city of Austin is 50% and for the Office of Rural Community Affairs percentage of female employees is 52%.

Summary of Minority Business Enterprise Activities

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

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

The Texas Community Development Program continues to require that all grantees submit Minority Business Enterprise reports on a quarterly basis. Instructions for reporting TCDP contractors are provided in the TCDP Project Implementation Manual. The information from these reports is compiled and reported annually to the HUD Regional Office in Fort Worth. Currently staff is working closely with ORCA's Information Services staff to provide more comprehensive reporting of female-owned businesses.

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

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

- Were equal opportunity guidelines followed in advertising vacancies, such as posting job vacancies and included equal opportunity language?
- Does the city/county have a written Section 3 Plan (or equivalent)?
- Did the city/county implement procedures that allow individuals with disabilities to obtain information concerning the existence and location of accessible services, activities and facilities?

- Did the city/county adopt 504 grievance procedures that incorporate due process standards and allow for prompt resolution of complaints?
- Has the city/county adopted and enforced a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individual engaged in nonviolent civil rights demonstrations, and a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction?
- Has the city/county provided in the closeout reports the final beneficiaries for the project beneficiaries broken out, by race, ethnicity, gender, and low/moderate income status?
- Does the Final MBE reflect all contractors and subcontractors on the project?

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

Minority Business Enterprise Participation February 1, 2004 to January 31, 2005

Total Amount of Funds Subcontracted by TCDP Contractors 2/1/04 - 1/31/05	Amount of Funds Subcontracted to MBE's by TCDP Contractors 2/1/04 - 1/31/05	Percent of Funds Subcontracted to MBE's by TCDP Contractors 2/1/04 - 1/31/05
\$ 93,888,748	\$ 8,114,503	8.64%

- Total Contracts: 1,172
- Total MBE Contracts: 141

ORCA strives to address fair housing, affordable, accessible housing and equal opportunity issues across the State. Staff will continue its dedicated efforts to educate residents and the general public of fair housing and civil rights laws and regulations.

Summary of CDBG Accomplishments Relating to Consolidated Plan Goals and Objectives

Non-Housing Community Development Priority Needs Summary Table

Priority Community Development Needs	Priority Need Level High, Medium, Low, No Such Need
PUBLIC FACILITY NEEDS	M
INFRASTRUCTURE IMPROVEMENT	H
Solid Waste Disposal Improvements	M
Drainage and Flood Control Improvements	H
Water System Improvements	H
Street and Bridge Improvements	H
Sewer System Improvements	H
PUBLIC SERVICE NEEDS	M
ECONOMIC DEVELOPMENT NEEDS	H
OTHER COMMUNITY DEVELOPMENT NEEDS	M
PLANNING	H

Specific Accomplishments

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

The State received 700 applications for assistance under the 2003/2004 Community Development Fund. As shown in the following table, \$139,542,925 (75.74%) of the \$184,234,795 requested under the Community Development Fund was for activities addressing basic human needs (water, sewer and housing activities).

Water:	\$76,596,484	Sewer:	\$61,338,841	Housing Rehab:	\$1,607,600
Streets:	\$ 5,346,600	Solid Waste Disposal:	\$ 240,000	Drainage:	\$2,447,511
Engineering:	\$20,212,587	Administration:	\$11,902,224	Senior Centers:	\$ 159,578
Acquisition:	\$ 789,966	Community Centers:	\$ 947,190	Fire Protection:	\$1,514,491
Demolition:	\$ 42,000	Handicapped Access:	\$ 245,650	Public Services:	\$ 10,000
Parks:	\$ 824,073	Code Enforcement:	\$ 10,000		

For this reporting period, the State funded 184 of the 2003/2004 Community Development Fund applications. As shown in the following table, \$33,810,999 (68.52%) of the \$49,341,206 obligated under the Community Development Fund was for activities addressing basic human needs (water, sewer and housing activities). When the amounts obligated for engineering, administration, and acquisition are deducted from the total obligated amount, the percentage of construction funds addressing basic human needs is 83.27%.

Water:	\$18,341,321	Sewer:	\$14,956,678	Housing Rehab:	\$ 513,000
Streets:	\$ 2,918,305	Solid Waste Disposal:	\$ 240,000	Drainage:	\$1,607,631
Engineering:	\$ 5,419,273	Administration:	\$ 3,059,518	Fire Protection:	\$ 891,944
Acquisition:	\$ 256,436	Community Centers:	\$ 867,190	Public Services:	\$ 10,000
Parks:	\$ 259,910				

Furthermore, 23 of the funded applicants are providing first time public water or first time public sewer assistance and the amount of funds obligated to first time water or sewer is approximately \$4,806,193.

The State received a combined 23 applications for assistance under the 2004 Colonia Construction Fund competition. As shown in the following table, \$9,209,973 (85.97%) of the \$10,712,797 requested under the 2004 Colonia Construction Fund was for activities addressing basic human needs (water, sewer and housing activities).

Water:	\$3,534,494	Sewer:	\$4,761,979	Housing Rehab:	\$ 913,500
Streets:	\$ 33,000	Administration:	\$ 578,818	Acquisition:	\$ 24,200
Engineering:	\$ 866,806				

For this reporting period, the State funded 14 of the 2004 Colonia Construction Fund applications. As shown in the following table, \$5,486,539 (86.62%) of the \$6,333,689 obligated under the 2004 Colonia Construction Fund was for activities addressing basic human needs (water, sewer and housing activities). When the amounts obligated for engineering, administration, and acquisition are deducted from the total obligated amount, the percentage of construction funds addressing basic human needs is 100.00%.

Water:	\$2,743,914	Sewer:	\$2,742,625	Acquisition:	\$24,200
Engineering:	\$ 513,950	Administration:	\$ 309,000		

Furthermore, all 14 of the funded Colonia Construction Fund applicants are providing first time public water or first time public sewer assistance and the amount of funds obligated to first time water or sewer is approximately \$6,250,926.

Summary of Estimated Beneficiaries and Estimated Low and Moderate Income Beneficiary Percentages For Grantees Funded During The Reporting Period

Fund	Estimated Total Beneficiaries	Estimated Low/Mod Beneficiaries	Estimated Low/Mod Benefit Percentage
Community Development Fund	268,489	179,113	66.71%
Texas Capital Fund	1,287	703	54.62%
Colonia Construction Fund	3,663	3,554	97.02%
Colonia EDAP Fund	3,858	3,832	99.33%
Colonia Planning Fund	28,889	12,146	42.04%
Colonia Self-Help Centers Fund	8,149	8,149	100.00%
Planning & Capacity Building Fund	43,544	25,838	59.34%
Disaster Relief/Urgent Need Fund	143,700	61,739	42.96%
Housing Infrastructure Fund	366	189	51.64%
Housing Rehabilitation Fund	138	138	100.00%
TCDP STEP Fund	5,247	3,542	67.51%
Totals	507,330	298,943	58.92%

Provide ongoing technical assistance, monitoring, and contract management to ensure that the needs of persons to be served are met and to ensure that funding recipients have the administrative capability to administer funds.

During the reporting period, TCDP Staff completed approximately 590 technical assistance site visits, monitored approximately 280 contracts, and continue to manage approximately 759 open contracts. During the period, TCDP Monitors closed approximately 292 contracts and 12 planning contracts were closed by TCDP Planning Staff.

In addition, TCDP Staff completed program related public hearings and application workshops at sites throughout the State of Texas. Staff also provided technical assistance to numerous visitors to the Austin offices during this reporting period.

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

During the reporting period, 33 grants were awarded for economic development projects that will create or retain an estimated 1,287 jobs of which an estimated 703 jobs will be filled by low and moderate income persons. The \$15,175,300 obligated for the 33 contracts is leveraging an estimated \$28,729,766 in other funding.

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

During this reporting period, 17 grants were awarded for Disaster Relief projects. The \$5,178,498 obligated for the 17 contracts will provide assistance or alleviate the impacts of natural disasters for 143,700 Texans. It is estimated that 61,739 of the 143,700 total beneficiaries for these projects are low and moderate income persons. The TCDP did not award any funds to Urgent Need projects during this reporting period.

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

During this reporting period, 21 grants were awarded for planning and capacity building projects that have the potential to benefit 43,544 persons of which an estimated 25,838 are low and moderate income persons. The \$740,895 obligated for the 21 contracts is leveraging an estimated \$95,161 in other funding. The majority of these planning projects include public works and housing planning elements.

Administer demonstration projects that utilize a variety of funding sources.

During this reporting period, 15 grants were awarded for TCDP STEP FUND projects that have the potential to benefit 5,247 persons of which an estimated 3,542 are low and moderate income persons. The \$4,003,588 obligated for the 15 contracts is leveraging local resources and self-help volunteer labor to install needed water and sewer facilities at a cost that is affordable for the assisted communities.

In Accordance with Subchapter Z of Chapter 2306, Local Government Code, establish Colonia Self-Help Centers in El Paso, Hidalgo, Starr, Webb and Cameron Counties

In addition to the 10% federally mandated colonia set-aside, a rider to ORCA's state appropriation increases the 10% set-aside by an additional 2.5% for operation of colonia self-help centers in Cameron/Willacy, Hidalgo, Starr, Webb, and El Paso. The Texas Department of Housing and Community Affairs (TDHCA) also has the option to establish centers in other areas as needed. During the reporting period, \$3,305,326 of 2003-2004 program year funds were awarded to further support existing colonia self-help centers and for operation of two new colonia self-help centers located in Maverick and Val Verde Counties.

Although funding for operations of the colonia self-help centers is provided by CDBG, oversight of the colonia self-help centers did not transfer to the Office of Rural Community Affairs (ORCA). The Office of Rural Community Affairs was established as of December 1, 2001. Senate Bill 322, passed during the 77th legislative session, maintains the administration of the colonia self-help centers and the border field offices, partially funded with CDBG funds, with TDHCA. The legislation requires that ORCA and TDHCA enter into a Memorandum of Understanding (MOU) for these purposes. The MOU gives TDHCA the responsibility for oversight of the colonia self-help centers, while ORCA retains monitoring responsibilities of the colonia self-help center contracts in coordination with TDHCA's Office of Colonia Initiatives (OCI).

TDHCA-OCI staff has amended the Performance Statements and budgets of existing colonia self-help center contracts to reflect projected beneficiaries and improve the quarterly reporting format to provide for easier tracking of actual beneficiaries on a cumulative basis as requested by HUD. With these new improvements, it is expected that beneficiaries will be reported according to CDBG eligible activities rather than overall general accomplishments. ORCA and TDHCA-OCI staff continue to cooperate to accomplish this task. These improvements will also assist in the monitoring and contract close-out process.

In addition to colonia self-help centers, provide funds for public improvements and planning through a Colonia Construction Fund and a Colonia Planning Fund.

During this reporting period, 14 Colonia Construction Fund grants were awarded that have the potential to benefit 3,663 persons of which an estimated 3,554 are low and moderate income persons. The \$6,333,689 obligated for the 14 contracts is leveraging an estimated \$891,219 in other funding and the funds will be used to provide for or improve water and sewer basic needs.

Three (3) Colonia Planning Fund grants were awarded that have the potential to benefit 28,889 persons of which an estimated 12,146 are low and moderate income persons. The \$270,000 obligated for the 3 contracts will be used to assess comprehensive needs in colonia areas and for in-depth studies/plans covering individual colonia communities.

Provide support for the colonia self-help centers from border offices.

The Office of Rural Community Affairs (ORCA) was established as of December 1, 2001. Senate Bill 322, passed during the 77th legislative session, maintains the administration of the colonia self-help centers and partially funds TDHCA-OCI staff in Austin and border field offices. A rider to ORCA's state appropriation retains a 2.5% set-aside for operation of the colonia self-help centers. The legislation requires that ORCA and TDHCA execute a Memorandum of Understanding (MOU) for these purposes. The current MOU is effective from September 1, 2004 through August 31, 2005. TDHCA-OCI staff is

responsible for the oversight and management of the colonia self-help centers and the border field offices. ORCA is responsible for the monitoring of the colonia self-help center contracts in coordination with TDHCA-OCI.

One percent technical assistance funds continue to partially fund TDHCA-OCI staff. TDHCA-OCI staff are funded by various sources including a small portion of the one percent technical assistance funds from CDBG, which represent approximately 15% of the TDHCA-OCI overall budget. During the last several years, the three border field offices have been located in El Paso, Edinburg and Laredo to provide technical assistance to area residents and other interested parties. The Eagle Pass Border Field Office was closed due to budget cutbacks in 2002. The Laredo Border Field Office is assisting the Maverick and Val Verde colonia self-help centers and operated by a full-time TDHCA-OCI staff. The TDHCA-OCI staff continues to provide technical assistance and disseminate information regarding available programs administered by TDHCA that could assist in addressing colonia issues and other local priority needs. The TDHCA-OCI staff administers and has contract oversight of the colonia self-help center contracts and other various border TDHCA housing programs.]

Make loans, grants and incentives available to fund eligible housing activities and preserve/create housing units for very low, low and moderate income persons

The TCDP established two housing fund categories during the 1997 program year. The Housing Infrastructure Fund assistance is for infrastructure improvements that will support the construction of affordable new housing. The Housing Rehabilitation Fund assistance is for the rehabilitation of existing housing units and incorporates selection criteria favorable to the rehabilitation of housing units occupied by persons with disabilities. The Housing Infrastructure Fund and the Housing Rehabilitation Fund were discontinued starting with the 2005 program year. Funds previously allocated to the Housing Infrastructure Fund and the Housing Rehabilitation Fund, if available from the 2005 state of Texas total CDBG allocation, will be allocated to the Community Development Supplemental Fund for the 2005 program year.

- For this reporting period, \$2,090,020 was awarded to 6 grantees through the Housing Infrastructure Fund. These funds will leverage an estimated \$11,083,591 of public or private sector investment. It is estimated that 127 single family homes and 33 rental housing units will be built as a result of the infrastructure assistance.
- For this reporting period, \$1,500,000 was awarded to 6 grantees through the Housing Rehabilitation Fund. These funds will leverage an estimated \$25,000 of public or private sector investment. It is estimated that 52 homes will be rehabilitated under this program and that 40 of these homes will be occupied by persons with disabilities or by frail elderly persons.

EMERGENCY SHELTER GRANTS PROGRAM (ESG)

Objectives

TDHCA has administered the ESG program since 1987. The state's strategy to help homeless persons includes:

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

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

The objectives of the ESG program are to:

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

Activities

The following activities are performed with ESG funding.

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

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

Application Process

The 2004 ESG application process began September 19, 2003 when TDHCA mailed a notice of funding availability to approximately 1,056 interested parties. TDHCA mailed grant applications to interested

parties on November 14, 2003 and posted it to the TDHCA website at that time. TDHCA held a technical assistance workshop, open to the public, on December 2, 2003 to help interested parties develop application proposals. TDHCA received a total of 129 applications by the February 3, 2004 deadline. These were sorted according to the 13 TDHCA service regions and then numbered sequentially. Six review teams were assigned to evaluate the submitted applications using a standardized scoring instrument. Top scoring applications in each region were recommended for funding based on funds available for that region. Applications receiving a score below 70 percent of the highest raw score were not considered for funding.

On April 16, 2004, TDHCA received HUD's official grant award notice for the PY 2004 ESG grant award in the amount of \$4,977,909. Prior to that time, TDHCA staff had begun the ESG program competitive application process. TDHCA staff submitted funding recommendations to TDHCA's Executive Director in early June. Recommendations were approved on June 4, 2004. TDHCA committed all ESG funds by June 18, 2004. During the next two months, TDHCA negotiated and prepared contracts and invited subrecipients to attend a technical assistance workshop held in Austin on August 18, 2004. Contracts began September 1, 2004.

2004 State ESG Allocation

Total 2004 State ESG Allocation	\$4,977,909
5% State Administration (\$248,895)	
Shared Administration	\$19,649
Reserved State Administration	\$229,246
Statewide Project	\$55,200
Regional Obligation	\$4,673,8144
Total Funds Obligated	\$4,977,909

Distribution of Funds

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

TDHCA obligated PY 2004 ESG funds through a statewide competitive application process. TDHCA funded 77 projects with PY 2004 ESG funds. TDHCA reserved ESG funds for each of the 13 TDHCA service regions, using a formula based on the percentage of poverty population in each region (as reported in the most recent U.S. Census). TDHCA awarded funds to units of general local government and to private nonprofit organizations that have local government approval to operate a project that assists homeless individuals. TDHCA established funding guidelines at a minimum of \$30,000 and a maximum of \$100,000, with collaborative projects awarded up to \$250,000. TDHCA reserved a portion of the State's ESG allocation to fund one project that addresses the statewide development of Continuum of Care applications. In awarding ESG funds, TDHCA makes available up to 30 percent of the total ESG allocation for homeless prevention activities, 30 percent for the provision of essential services, 10 percent for operations administration, and five percent for state administration which is shared with subrecipients that are cities or counties.

PY 2004 Regional Funding Distribution

TDHCA Service Region		Percent of Poverty Population*	Number of Counties	Fund Distribution per Region
1	High Plains	3.95%	41	\$184,616
2	Northwest Texas	2.49%	30	\$116,378
3	Metroplex	18.88%	19	\$882,416
4	Upper East Texas	4.88%	23	\$228,082
5	Southeast Texas	3.87%	15	\$180,877
6	Gulf Coast	21.04%	13	\$983,370
7	Capital	4.65%	10	\$217,332
8	Central Texas	4.79%	20	\$223,876
9	Alamo	8.57%	12	\$400,546
10	Coastal Bend	4.24%	19	\$198,170,
11	South Texas Border	14.61%	16	\$682,844
12	West Texas	2.73%	30	\$127,595
13	Upper Rio Grande	5.30%	6	\$247,712
Total		100%	254	\$4,673,814

*Source: 2000 U.S. Census

Funds Available and Funds Committed

The information below is for PY 2004 (February 2004 to January 2005). Texas State ESG contracts begin each year on September 1 and end August 31, corresponding with the Texas State Fiscal Year (FY). Therefore, in order to evaluate PY performance, this PY 2004 report includes funding and performance information over two contract years: February 2004 to August 2004 (FY 2003 Funds) and September 2004 to January 2005 (FY 2004 Funds). FY 2003 refers to federal funds awarded for 2003 and administered by TDHCA from September 1, 2002 through August 31, 2003. FY 2004 refers to federal funds awarded for 2004 and administered by TDHCA from September 1, 2003 through August 31, 2004.

PY 2004: February 1, 2003 through January 31, 2004

	FY 2003	FY 2004
Contract Dates	9/1/03 – 8/31/04	9/1/04 – 8/31/05
Number of Grant Recipients, Statewide	77	72
State ESG Allocation	\$4,703,000	\$4,977,909
State Administration	\$217,356	\$ 229,246
Funds Committed	\$4,485,644	\$4,748,663
*Carry-In Funds Committed	\$68,698	\$0
Total Allocated	\$4,771,698	\$4,977,909

*Carry-In represents the unexpended fund balance from the prior year's allocation that occurs generally in March. The FY 2003 funds still need to be reallocated to FY 2004 subrecipients.

Statewide Project to Impact Homelessness

Historically, Texas has not received all of the Continuum of Care funds HUD reserved for the State due to a lack of viable applications. To address this, TDHCA reserved a portion of the State's 2004 ESG allocation to fund a project that impacts homelessness statewide and awarded \$55,200 to the Texas Homeless Network (THN) to provide statewide technical assistance, information, education, and training to homeless coalitions, agencies, and individuals that serve homeless persons. THN publishes a statewide by-monthly newsletter on homelessness, maintains an information resource center, and sponsors the only statewide conference on homeless issues in Texas. THN, with the support of ESG funding, has conducted technical assistance workshops, at no cost to local organizations that are considering applying for HUD Continuum of Care funds.

In FY 2003, THN conducted 15 regional workshops for 501 individuals and 114 different communities. THN also provided one-on-one technical assistance to 38 communities and provided technical assistance to 10 non-profit agencies in the implementation of their Supportive Housing Program grants. In addition, THN worked with two different communities in conducting a homeless needs assessment survey and count.

Monitoring of Contracts

To evaluate the effectiveness of grant recipients, TDHCA developed a process of monitoring agencies based upon an assessment of associated risks. TDHCA program officers conduct on-site monitoring visits based on this risk assessment - scheduling the highest risk grant recipients first. This risk assessment considers the following factors: the status of the most recent monitoring report, timeliness of grant reporting, results of the last on-site visit, number and dollar amounts of Department funded contracts, and single audit status. The monitoring process evaluates administrative, financial, and programmatic areas of subrecipient operations. The monitoring process has proven to be an efficient way to ensure ESG funds are used effectively. In PY 2004, TDHCA monitored all 77 ESG subrecipients.

In addition to conducting on site monitoring, TDHCA monitors expenditures via monthly financial reports submitted electronically by subrecipients. ESG funds are allocated in compliance with ESG regulations which allow no more than 30 percent to be expended on essential services, 30 percent on homelessness prevention, and 10 percent on operations administration. The system utilized to monitor expenditures tracks the amount allocated to each subrecipient by each of the categories and will not allow subrecipients to be reimbursed for expenditures that exceed the amount allocated by category. This ensures the State's compliance with expenditure limitations set forth by ESG regulations. FY 2004 ESG expenditures were in compliance with the limitations set forth in the ESG regulations.

HMIS Requirements

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

Matching Requirement

Section 576.51 of the ESG regulations states that each grantee must match the funding provided by HUD. These matching funds must be provided after the date of the grant award to the grantee. TDHCA passes this match requirement along to each State recipient. Match must be provided in an amount equal to or greater than the grant award. ESG applicants identify the source and amount of match they intend to provide if they are chosen for funding. They report monthly on the amount of match provided. ESG monitors review the match documentation during each monitoring visit. TDHCA conducts a desk review at the closeout of each contract to ensure that each ESG recipient has provided an adequate amount of match during the contract period. The table below reflects match contributions for FY 2003 contracts that ended August 31, 2004.

Match Contributions in PY 2004 (SFY'03 2/1-8/31/2004 and SFY'04 9/1/04-1/31/05)

Source	Dollar Value
Donations (cash)	\$1,875,707
Lease Or Rent	\$976,977
Salaries	\$1,245,549
Volunteers (@ \$5/Hour)	\$465,832
Other (Various Sources of Grant Funds, In-Kind Donations, etc.)	\$1,007,431
Total	\$5,571,498

Number of Persons Assisted

In PY 2004, ESG funds were used to assist 109,750 individuals who were homeless or at risk of homelessness, all of whom are considered to be persons with special needs. Of these individuals, 5,919 persons received homelessness prevention assistance in PY 2004. Homelessness or the risk of homelessness is the eligibility criteria for the ESG. Persons at risk of homelessness must also meet income eligibility criteria.

Due to the split-year funding cycle, the information on the number of persons assisted does not correspond to a single fiscal year; rather, they represent the numbers of persons assisted from 09/01/2004 through 08/31/2004 with FY 2003 and 2004 ESG funding.

In the process of awarding ESG funds, TDHCA makes available up to 30 percent of the total ESG allocation for homeless prevention activities. Homeless prevention funds provide homeless persons and families with temporary rent and utility assistance, as well as providing assistance to persons and families that are at-risk of losing their housing (if they meet certain criteria). In PY 2004, TDHCA subrecipients served 5,919 persons with homeless prevention funds.

Persons Assisted in PY 2004

Federal Funding	Dates of Assistance	Number of Grant Recipients	Persons Assisted	Persons Assisted with Homelessness Prevention Assistance
FY 2003 Funds	2/1/04 -- 8/31/04	77	67,623	3,224
FY 2004 Funds	9/1/04 -- 1/31/05	72	42,149	2,695
Total			109,772	5,919

Racial and Ethnic Status of Persons Assisted

On September 1, 2003, TDHCA implemented the new OMB standards for the collection of data on race and ethnicity of persons assisted by the State ESG program. All ESG subrecipients, according to the new standards, are now required to report "Hispanic" as an ethnic category rather than a racial category. Terminology for certain racial and ethnic groups was also changed, according to recommendations from HUD. TDHCA implemented these changes at the start of the FY 2003 contract year. Therefore, the following racial and ethnic information of persons assisted with ESG funds is broken out by contract year. The format for data collection in the FY 2003 data is based on the Integrated Disbursement and Information System (IDIS) screens available for the ESG program.

Racial and Ethnic Status of Persons Assisted Fiscal Year 2003 Funding

- 77 grant recipients funded,
- 67,623 persons assisted February 2004 to August 2004

Ethnicity	Persons Assisted	Percent
White	19,392	28.7%
Black /African American	15,037	22.2%
Asian	338	0.5%
American Indian/Alaska Native	212	0.3%
Native Hawaiian/Other Pacific Islander	60	0.1%
American Indian and White	52	0.1%
Asian and White	27	0.0%
Black/African American and White	678	1.0%
American Indian/Alaska Native And Black/African American	12	0.0%
Other Multi-Race	2,491	3.7%
Native Hawaiian/Pacific Islander and Asian	59	0.1%
Hispanic or Latino	29,265	43.3%
Total	67,623	100.0%

Racial and Ethnic Status of Persons Assisted Fiscal Year 2004 Funding.

- 72 grant recipients funded,
- 42,127 persons assisted September 2004 to January 2005

Ethnicity	Persons Assisted	Percent
White	31,360	74.4%
Black /African American	8,605	20.4%
Asian	191	0.5%
American Indian/Alaska Native	153	0.4%
Native Hawaiian /Other Pacific Islander	14	0.0%
American Indian and White	22	0.1%
Asian and White	144	0.3%
Black/African American and White	269	0.6%
American Indian/Alaska Native and Black/African American	6	0.0%
Other Multi-Race	1,563	3.7%
Native Hawaiian/Pacific Islander and Asian	0	0.0%
Hispanic or Latino	0	0.0%
Total	42,127	100.0%

Expenditures of 72 Grant Recipients during the PY 2004 (SEP'04-JAN'05)

Grantee	TDHCA	Grant Amount	\$4,785,842.00	% Essential Services (30% cap)	11.1%
Grant #	S-04-DC-48-0001	Cumulative Expenditures	\$2,043,328.31	% Prevention (30% cap)	7.1%
Report Period	FFY'04 (SEP'04-JAN'05)	Unexpended Balance	\$2,742,513.69	% Administration (5% cap)	0.0%

IDIS Proj. #	Project Name	Rehabilitation		Operations		Essential Services		Prevention		Administration	
		This Year	Cumulative	This Year	Cumulative	This Year	Cumulative	This Year	Cumulative	This Year	Cumulative
50	Abilene Hope Haven, Inc.	\$-	\$-	\$28,213	\$28,213	\$13,699	\$13,699	\$-	\$-	\$-	\$-
45	Advocacy Outreach	\$-	\$-	\$19,982	\$19,982	\$18,038	\$18,038	\$15,416	\$15,416	\$-	\$-
70	Advocacy Resource Center for Housing	\$-	\$-	\$7,346	\$7,346	\$8,504	\$8,504	\$17,689	\$17,689	\$-	\$-
40	Amarillo, City of	\$-	\$-	\$16,780	\$16,780	\$8,430	\$8,430	\$2,363	\$2,363	\$-	\$-
69	Amistad Family Violence and Rape Crisis Center	\$-	\$-	\$15,513	\$15,513	\$10,369	\$10,369	\$14,346	\$14,346	\$-	\$-
89	Arlington Life Shelter	\$-	\$-	\$19,082	\$19,082	\$7,834	\$7,834	\$-	\$-	\$-	\$-
30	Bridge Over Troubled Waters, Inc., The	\$-	\$-	\$13,887	\$13,887	\$6,422	\$6,422	\$-	\$-	\$-	\$-
64	Brownsville, City of	\$-	\$-	\$67,225	\$67,225	\$30,661	\$30,661	\$8,100	\$8,100	\$-	\$-
58	Bryan, City of	\$-	\$-	\$44,426	\$44,426	\$11,047	\$11,047	\$-	\$-	\$-	\$-
83	Catholic Charities of the Diocese of Beaumont	\$-	\$-	\$9,211	\$9,211	\$4,680	\$4,680	\$-	\$-	\$-	\$-
78	Catholic Charities, Archdiocese of San Antonio, Inc.	\$-	\$-	\$5,291	\$5,291	\$8,333	\$8,333	\$16,783	\$16,783	\$-	\$-
33	Center Against Family Violence, Inc.	\$-	\$-	\$10,339	\$10,339	\$4,676	\$4,676	\$-	\$-	\$-	\$-
53	Child Crisis Center of El Paso	\$-	\$-	\$17,880	\$17,880	\$4,242	\$4,242	\$-	\$-	\$-	\$-
57	Children's Shelter, The	\$-	\$-	\$24,917	\$24,917	\$-	\$-	\$-	\$-	\$-	\$-
31	Collin Intervention to Youth	\$-	\$-	\$18,421	\$18,421	\$8,528	\$8,528	\$-	\$-	\$-	\$-
75	Comal County Emergency Children's Shelter, Inc.	\$-	\$-	\$14,281	\$14,281	\$9,050	\$9,050	\$-	\$-	\$-	\$-
55	Comal County Family Violence Shelter	\$-	\$-	\$12,137	\$12,137	\$5,188	\$5,188	\$445	\$445	\$-	\$-
84	Compassion Ministries of Waco, Inc.	\$-	\$-	\$2,407	\$2,407	\$3,750	\$3,750	\$-	\$-	\$-	\$-
56	Connections Individual and Family Services	\$-	\$-	\$6,270	\$6,270	\$10,170	\$10,170	\$-	\$-	\$-	\$-
79	Corpus Christi Hope House	\$-	\$-	\$11,316	\$11,316	\$3,750	\$3,750	\$-	\$-	\$-	\$-
32	Corpus Christi Metro Ministries, Inc.	\$-	\$-	\$16,069	\$16,069	\$5,000	\$5,000	\$5,656	\$5,656	\$-	\$-
41	Covenant House Texas	\$-	\$-	\$28,443	\$28,443	\$5,637	\$5,637	\$-	\$-	\$-	\$-
90	Cross Culture Experiences	\$-	\$-	\$2,983	\$2,983	\$6,330	\$6,330	\$2,425	\$2,425	\$-	\$-
61	Dallas Jewish Coalition, Inc.	\$-	\$-	\$32,594	\$32,594	\$-	\$-	\$-	\$-	\$-	\$-
25	Denton, City of	\$-	\$-	\$1,306	\$1,306	\$-	\$-	\$12,515	\$12,515	\$508	\$508
48	DePelchin Children's Center	\$-	\$-	\$16,406	\$16,406	\$11,204	\$11,204	\$-	\$-	\$-	\$-
95	Driskell Halfway House, Inc.	\$-	\$-	\$5,075	\$5,075	\$3,585	\$3,585	\$1,793	\$1,793	\$-	\$-
26	East Texas Crisis Center, Inc.	\$-	\$-	\$7,989	\$7,989	\$7,240	\$7,240	\$1,645	\$1,645	\$-	\$-
80	Families in Crisis, Inc.	\$-	\$-	\$6,377	\$6,377	\$7,420	\$7,420	\$8,326	\$8,326	\$-	\$-
34	Family Gateway, Inc.	\$-	\$-	\$45,238	\$45,238	\$-	\$-	\$-	\$-	\$-	\$-
38	Family Place, The	\$-	\$-	\$26,494	\$26,494	\$4,152	\$4,152	\$-	\$-	\$-	\$-
51	Family Services of Southeast Texas, Inc.	\$-	\$-	\$13,850	\$13,850	\$6,988	\$6,988	\$501	\$501	\$-	\$-
62	Family Violence Prevention Services, Inc.	\$-	\$-	\$17,696	\$17,696	\$6,161	\$6,161	\$-	\$-	\$-	\$-
42	First Step of Wichita Falls, Inc.	\$-	\$-	\$2,208	\$2,208	\$3,753	\$3,753	\$5,535	\$5,535	\$-	\$-
91	Focusing Families	\$-	\$-	\$4,209	\$4,209	\$2,710	\$2,710	\$3,409	\$3,409	\$-	\$-
37	Fort Bend County Women's Center, Inc.	\$-	\$-	\$18,134	\$18,134	\$5,013	\$5,013	\$-	\$-	\$-	\$-
63	Grayson County Juvenile Alternatives, Inc.	\$-	\$-	\$21,208	\$21,208	\$6,344	\$6,344	\$-	\$-	\$-	\$-
35	Grayson County Shelter, Inc.	\$-	\$-	\$14,687	\$14,687	\$7,072	\$7,072	\$4,486	\$4,486	\$-	\$-
52	Hays County Center	\$-	\$-	\$5,361	\$5,361	\$2,452	\$2,452	\$450	\$450	\$-	\$-
93	Hope, Inc.	\$-	\$-	\$6,446	\$6,446	\$7,574	\$7,574	\$6,554	\$6,554	\$-	\$-
85	Hope's Door	\$-	\$-	\$14,879	\$14,879	\$8,884	\$8,884	\$8,318	\$8,318	\$-	\$-

IDIS Proj. #	Project Name	Rehabilitation		Operations		Essential Services		Prevention		Administration	
		This Year	Cumulative	This Year	Cumulative	This Year	Cumulative	This Year	Cumulative	This Year	Cumulative
47	Houston Area Center	\$-	\$-	\$21,559	\$21,559	\$8,125	\$8,125	\$-	\$-	\$-	\$-
60	Kilgore Community Crisis Center	\$-	\$-	\$13,929	\$13,929	\$8,269	\$8,269	\$8,990	\$8,990	\$-	\$-
86	La Posada Home, Inc.	\$-	\$-	\$11,776	\$11,776	\$1,458	\$1,458	\$-	\$-	\$-	\$-
72	Legal Aid of Northwest Texas	\$-	\$-	\$2,713	\$2,713	\$10,899	\$10,899	\$18,296	\$18,296	\$-	\$-
87	Mary McLeod Bethune Day Nursery, Inc.	\$-	\$-	\$25,451	\$25,451	\$12,932	\$12,932	\$-	\$-	\$-	\$-
71	Midland Fair Havens, Inc.	\$-	\$-	\$14,147	\$14,147	\$6,851	\$6,851	\$857	\$857	\$-	\$-
94	Montgomery County Homeless Coalition	\$-	\$-	\$37,854	\$37,854	\$22,778	\$22,778	\$33,663	\$33,663	\$-	\$-
43	New Beginning Center, Inc.	\$-	\$-	\$3,366	\$3,366	\$7,342	\$7,342	\$6,459	\$6,459	\$-	\$-
81	Northwest Assistance Ministries	\$-	\$-	\$7,035	\$7,035	\$3,616	\$3,616	\$10,673	\$10,673	\$-	\$-
65	Opportunity Center for the Homeless	\$-	\$-	\$28,931	\$28,931	\$10,314	\$10,314	\$-	\$-	\$-	\$-
74	Panhandle Crisis Center, Inc.	\$-	\$-	\$6,656	\$6,656	\$4,148	\$4,148	\$4,589	\$4,589	\$-	\$-
92	Pecan Valley Regional Domestic Violence Shelter	\$-	\$-	\$2,770	\$2,770	\$3,068	\$3,068	\$864	\$864	\$-	\$-
76	Promise House, Inc.	\$-	\$-	\$16,523	\$16,523	\$8,727	\$8,727	\$-	\$-	\$-	\$-
28	Sabine Valley Center	\$-	\$-	\$16,402	\$16,402	\$10,175	\$10,175	\$2,027	\$2,027	\$-	\$-
54	Safe Place of the Permian Basin	\$-	\$-	\$11,181	\$11,181	\$9,885	\$9,885	\$4,811	\$4,811	\$-	\$-
49	Safe Place, Inc.	\$-	\$-	\$10,134	\$10,134	\$6,934	\$6,934	\$-	\$-	\$-	\$-
46	San Antonio Metropolitan Ministry, Inc.	\$-	\$-	\$42,020	\$42,020	\$8,112	\$8,112	\$-	\$-	\$-	\$-
36	SEARCH	\$-	\$-	\$25,431	\$25,431	\$15,980	\$15,980	\$31,889	\$31,889	\$-	\$-
73	Seton Home	\$-	\$-	\$14,038	\$14,038	\$5,685	\$5,685	\$-	\$-	\$-	\$-
96	Special Health Resources for Texas, Inc.	\$-	\$-	\$2,620	\$2,620	\$2,364	\$2,364	\$12,931	\$12,931	\$-	\$-
67	Star of Hope Mission	\$-	\$-	\$27,081	\$27,081	\$-	\$-	\$-	\$-	\$-	\$-
39	Texas Homeless Network	\$-	\$-	\$3,843	\$3,843	\$-	\$-	\$8,303	\$8,303	\$-	\$-
59	Travis County Domestic Violence and Sexual Assault Survival Center	\$-	\$-	\$15,510	\$15,510	\$-	\$-	\$-	\$-	\$-	\$-
29	Wesley Community Center, Inc.	\$-	\$-	\$10,176	\$10,176	\$7,187	\$7,187	\$18,596	\$18,596	\$-	\$-
68	Westside Homeless Partnership	\$-	\$-	\$2,993	\$2,993	\$11,899	\$11,899	\$25,287	\$25,287	\$-	\$-
77	Wintergarden Women's Shelter, Inc.	\$-	\$-	\$11,314	\$11,314	\$10,378	\$10,378	\$487	\$487	\$-	\$-
88	Women's Home, The	\$-	\$-	\$19,969	\$19,969	\$9,455	\$9,455	\$-	\$-	\$-	\$-
27	Women's Shelter of East Texas, Inc.	\$-	\$-	\$35,280	\$35,280	\$15,234	\$15,234	\$9,450	\$9,450	\$-	\$-
66	Women's Shelter of South Texas	\$-	\$-	\$23,554	\$23,554	\$9,815	\$9,815	\$4,406	\$4,406	\$-	\$-
44	YMCA of Metropolitan Dallas	\$-	\$-	\$26,345	\$26,345	\$7,917	\$7,917	\$-	\$-	\$-	\$-
82	YWCA El Paso Del Norte Region	\$-	\$-	\$9,786	\$9,786	\$6,090	\$6,090	\$-	\$-	\$-	\$-
Totals		\$-	\$-	\$1,172,959	\$1,172,959	\$530,528	\$530,528	\$339,334	\$339,334	\$508	\$508

Expenditures of 77 Grant Recipients during the PY 2004 (FEB'04-AUG'04)

Grantee	TDHCA	Grant Amount	\$4,485,644.00	% Essential Services (30% cap)	15.6%
Grant #	S-03-DC-48-0001	Cumulative Expenditures	\$2,589,351.41	% Prevention (30% cap)	9.8%
Report Period	FFY'03 (FEB'04-AUG'04)	Unexpended Balance	\$1,896,292.59	% Administration (5% cap)	0.3%

IDIS Proj. #	Project Name	Rehabilitation		Operations		Essential Services		Prevention		Administration	
		This Year	Cumulative	This Year	Cumulative	This Year	Cumulative	This Year	Cumulative	This Year	Cumulative
53	Abilene Hope Haven	\$-	\$-	\$32,841	\$32,841	\$5,770	\$5,770	\$-	\$-	\$-	\$-
48	Advocacy Outreach	\$-	\$-	\$9,641	\$9,641	\$14,583	\$14,583	\$6,036	\$6,036	\$-	\$-
76	Advocacy Resource Center for Housing	\$-	\$-	\$7,097	\$7,097	\$9,700	\$9,700	\$21,000	\$21,000	\$-	\$-
74	Amistad Family Violence and Rape Crisis Center	\$-	\$-	\$10,331	\$10,331	\$13,724	\$13,724	\$12,172	\$12,172	\$-	\$-
31	Arlington, City of	\$-	\$-	\$52,032	\$52,032	\$43,097	\$43,097	\$-	\$-	\$2,221	\$2,221
35	Bridge Over Troubled Water, Inc.	\$-	\$-	\$23,234	\$23,234	\$13,231	\$13,231	\$-	\$-	\$-	\$-
66	Brownsville, City of	\$-	\$-	\$40,918	\$40,918	\$22,594	\$22,594	\$14,098	\$14,098	\$6,400	\$6,400
60	Bryan, City of	\$-	\$-	\$6,386	\$6,386	\$6,243	\$6,243	\$-	\$-	\$2,354	\$2,354
93	Catholic Charities, Beaumont	\$-	\$-	\$23,084	\$23,084	\$5,730	\$5,730	\$-	\$-	\$-	\$-
89	Catholic Charities, San Antonio	\$-	\$-	\$10,870	\$10,870	\$11,057	\$11,057	\$7,500	\$7,500	\$-	\$-
38	Center Against Family Violence	\$-	\$-	\$11,455	\$11,455	\$6,469	\$6,469	\$-	\$-	\$-	\$-
94	Child Care Council of Greater Houston	\$-	\$-	\$12,129	\$12,129	\$346	\$346	\$47,223	\$47,223	\$-	\$-
75	Children's Center, The	\$-	\$-	\$16,100	\$16,100	\$9,632	\$9,632	\$14,202	\$14,202	\$-	\$-
59	Children's Shelter, Inc., The	\$-	\$-	\$10,546	\$10,546	\$-	\$-	\$-	\$-	\$-	\$-
67	Coastal Bend Alcohol and Drug Rehab Center	\$-	\$-	\$5,931	\$5,931	\$5,368	\$5,368	\$6,000	\$6,000	\$-	\$-
36	Collin Intervention to Youth, Inc	\$-	\$-	\$15,631	\$15,631	\$6,569	\$6,569	\$-	\$-	\$-	\$-
58	Comal County Family Violence Shelter	\$-	\$-	\$19,093	\$19,093	\$6,125	\$6,125	\$953	\$953	\$-	\$-
95	Compassion Ministries of Waco, Inc.	\$-	\$-	\$16,350	\$16,350	\$5,250	\$5,250	\$-	\$-	\$-	\$-
90	Corpus Christi Hope House, Inc.	\$-	\$-	\$20,999	\$20,999	\$310	\$310	\$-	\$-	\$-	\$-
37	Corpus Christi Metro Ministries, Inc.	\$-	\$-	\$18,616	\$18,616	\$13,000	\$13,000	\$6,188	\$6,188	\$-	\$-
45	Covenant House Texas	\$-	\$-	\$30,924	\$30,924	\$16,497	\$16,497	\$-	\$-	\$-	\$-
64	Dallas Jewish Coalition, Inc.	\$-	\$-	\$11,665	\$11,665	\$-	\$-	\$-	\$-	\$-	\$-
28	Denton, City of	\$18,000	\$18,000	\$23,232	\$23,232	\$24,234	\$24,234	\$9,894	\$9,894	\$3,160	\$3,160
51	DePelchin Children's Center	\$-	\$-	\$27,510	\$27,510	\$12,657	\$12,657	\$-	\$-	\$-	\$-
82	Faith Mission and Help Center, Inc.	\$-	\$-	\$24,503	\$24,503	\$-	\$-	\$14,050	\$14,050	\$-	\$-
91	Families in Crisis, Inc.	\$-	\$-	\$16,242	\$16,242	\$9,914	\$9,914	\$12,177	\$12,177	\$-	\$-
55	Family Crisis Center	\$-	\$-	\$26,256	\$26,256	\$10,916	\$10,916	\$3,041	\$3,041	\$-	\$-
40	Family Gateway, Inc.	\$-	\$-	\$26,659	\$26,659	\$8,341	\$8,341	\$-	\$-	\$-	\$-
65	Family Violence Prevention Services	\$-	\$-	\$28,357	\$28,357	\$6,740	\$6,740	\$-	\$-	\$-	\$-
46	First Step, Inc.	\$-	\$-	\$4,245	\$4,245	\$5,125	\$5,125	\$3,466	\$3,466	\$-	\$-
70	H.O.W. Center, Inc.	\$-	\$-	\$28,806	\$28,806	\$5,769	\$5,769	\$-	\$-	\$-	\$-
54	Hays-Caldwell Women's Center	\$-	\$-	\$11,003	\$11,003	\$16,591	\$16,591	\$13,044	\$13,044	\$-	\$-
39	Highland Lakes Family Crisis Center	\$-	\$-	\$13,920	\$13,920	\$7,281	\$7,281	\$7,439	\$7,439	\$-	\$-
71	Hope Action Care, Inc.	\$-	\$-	\$27,511	\$27,511	\$7,452	\$7,452	\$5,601	\$5,601	\$-	\$-
96	Hope's Door	\$-	\$-	\$16,892	\$16,892	\$8,168	\$8,168	\$8,917	\$8,917	\$-	\$-
50	Houston Area Women's Center	\$-	\$-	\$28,772	\$28,772	\$13,982	\$13,982	\$-	\$-	\$-	\$-
56	Institute of Cognitive Development	\$-	\$-	\$24,979	\$24,979	\$6,709	\$6,709	\$-	\$-	\$-	\$-
62	Kilgore Community Crisis Center	\$-	\$-	\$9,452	\$9,452	\$7,236	\$7,236	\$7,015	\$7,015	\$-	\$-
97	La Posada Home, Inc.	\$-	\$-	\$10,849	\$10,849	\$4,999	\$4,999	\$-	\$-	\$-	\$-
98	Mary McLeod Bethune Day Nursery, Inc.	\$-	\$-	\$15,861	\$15,861	\$4,033	\$4,033	\$-	\$-	\$-	\$-

IDIS Proj. #	Project Name	Rehabilitation		Operations		Essential Services		Prevention		Administration	
		This Year	Cumulative	This Year	Cumulative	This Year	Cumulative	This Year	Cumulative	This Year	Cumulative
79	Midland Fair Havens, Inc.	\$-	\$-	\$15,839	\$15,839	\$8,049	\$8,049	\$3,108	\$3,108	\$-	\$-
29	Montgomery County Women's Center	\$-	\$-	\$21,197	\$21,197	\$24,807	\$24,807	\$24,975	\$24,975	\$-	\$-
47	New Beginning Center	\$-	\$-	\$6,523	\$6,523	\$5,720	\$5,720	\$23,021	\$23,021	\$-	\$-
68	Opportunity Center for the Homeless	\$-	\$-	\$12,963	\$12,963	\$7,093	\$7,093	\$-	\$-	\$-	\$-
84	Panhandle Crisis Center, Inc.	\$-	\$-	\$14,890	\$14,890	\$8,402	\$8,402	\$7,092	\$7,092	\$-	\$-
81	Port Cities Rescue Mission	\$-	\$-	\$8,814	\$8,814	\$8,654	\$8,654	\$2,081	\$2,081	\$-	\$-
86	Project Vida	\$-	\$-	\$8,384	\$8,384	\$7,078	\$7,078	\$1	\$1	\$-	\$-
87	Promise House, Inc.	\$-	\$-	\$16,035	\$16,035	\$14,333	\$14,333	\$-	\$-	\$-	\$-
32	Sabine Valley Center	\$-	\$-	\$13,393	\$13,393	\$8,820	\$8,820	\$8,034	\$8,034	\$-	\$-
52	Safe Place, Inc.	\$-	\$-	\$17,238	\$17,238	\$13,221	\$13,221	\$-	\$-	\$-	\$-
61	Safe Place	\$-	\$-	\$25,538	\$25,538	\$-	\$-	\$-	\$-	\$-	\$-
88	Salvation Army, Abilene	\$-	\$-	\$5,833	\$5,833	\$5,833	\$5,833	\$5,594	\$5,594	\$-	\$-
77	Salvation Army, Corpus Christi	\$-	\$-	\$20,477	\$20,477	\$11,612	\$11,612	\$-	\$-	\$-	\$-
100	Salvation Army, McAllen	\$-	\$-	\$29,707	\$29,707	\$6,427	\$6,427	\$-	\$-	\$-	\$-
63	Salvation Army, Tyler	\$-	\$-	\$10,526	\$10,526	\$9,995	\$9,995	\$131	\$131	\$-	\$-
101	Salvation Army, Victoria	\$-	\$-	\$19,804	\$19,804	\$9,271	\$9,271	\$4,911	\$4,911	\$-	\$-
80	San Angelo AIDS Foundation	\$-	\$-	\$13,041	\$13,041	\$7,677	\$7,677	\$7,915	\$7,915	\$-	\$-
49	San Antonio Metropolitan Ministry, Inc.	\$-	\$-	\$15,667	\$15,667	\$3,314	\$3,314	\$-	\$-	\$-	\$-
41	SEARCH	\$-	\$-	\$16,877	\$16,877	\$10,072	\$10,072	\$35,841	\$35,841	\$-	\$-
83	Seton Home	\$-	\$-	\$8,546	\$8,546	\$5,631	\$5,631	\$-	\$-	\$-	\$-
99	Shelter Agencies for Families in East Texas, Inc.	\$-	\$-	\$17,226	\$17,226	\$6,822	\$6,822	\$4,330	\$4,330	\$-	\$-
44	Sin Fronteras Organizing Project	\$-	\$-	\$8,057	\$8,057	\$6,734	\$6,734	\$-	\$-	\$-	\$-
72	Star of Hope	\$-	\$-	\$25,080	\$25,080	\$12,835	\$12,835	\$-	\$-	\$-	\$-
85	Tarrant County ACCESS for the Homeless	\$-	\$-	\$14,054	\$14,054	\$26,118	\$26,118	\$11,908	\$11,908	\$-	\$-
43	Texas Homeless Network (statewide)	\$-	\$-	\$12,997	\$12,997	\$-	\$-	\$15,244	\$15,244	\$-	\$-
42	The Family Place, Inc.	\$-	\$-	\$31,549	\$31,549	\$2,861	\$2,861	\$-	\$-	\$-	\$-
102	The Women's Home	\$-	\$-	\$25,671	\$25,671	\$12,535	\$12,535	\$-	\$-	\$-	\$-
103	The Women's Shelter	\$-	\$-	\$42,611	\$42,611	\$2,067	\$2,067	\$-	\$-	\$-	\$-
33	Tralee Crisis Center	\$-	\$-	\$6,851	\$6,851	\$3,384	\$3,384	\$10,911	\$10,911	\$-	\$-
104	Turtle Creek Manor, Inc.	\$-	\$-	\$9,900	\$9,900	\$-	\$-	\$19,077	\$19,077	\$-	\$-
57	Valley Community Ministries, Inc.	\$-	\$-	\$44,094	\$44,094	\$12,647	\$12,647	\$-	\$-	\$-	\$-
34	Wesley Community Center, Inc.	\$-	\$-	\$8,217	\$8,217	\$11,968	\$11,968	\$2,681	\$2,681	\$-	\$-
73	Westside Homeless Partnership	\$-	\$-	\$4,463	\$4,463	\$15,239	\$15,239	\$25,263	\$25,263	\$-	\$-
78	Women's Protective Services of Lubbock	\$-	\$-	\$24,003	\$24,003	\$2,065	\$2,065	\$-	\$-	\$-	\$-
30	Women's Shelter of East Texas, Inc.	\$-	\$-	\$26,906	\$26,906	\$6,878	\$6,878	\$1,000	\$1,000	\$-	\$-
69	Women's Shelter of South Texas	\$-	\$-	\$27,260	\$27,260	\$17,403	\$17,403	\$8,074	\$8,074	\$-	\$-
92	YWCA El Paso Del Norte Region	\$-	\$-	\$16,849	\$16,849	\$7,000	\$7,000	\$-	\$-	\$-	\$-
Totals		\$18,000	\$18,000	\$1,418,001	\$1,418,001	\$698,008	\$698,008	\$441,207	\$441,207	\$14,135	\$14,135

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

Objective

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

Distribution of Funds

TDHCA receives an annual HOME allocation from HUD, which is then awarded to units of local government, Public Housing Authorities (PHAs), Community Housing Development Organizations (CHDOs), and other nonprofits and for-profits eligible to receive HOME funds from the State. TDHCA provides technical assistance through application and implementation workshops to all recipients of HOME funds to ensure that all participants meet and follow the State implementation guidelines and federal regulations.

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

Section 2306.111, Texas Government Code also mandates that TDHCA is to allocate no less than 95 percent of the HOME funds to applicants which serve households located in a non-participating jurisdiction. In addition, five percent of the HOME funds are to be allocated to applicants serving person with disabilities.² HOME funds under this 5 percent set-aside may be used to serve households in participating jurisdictions. All housing related applications intended to serve persons with disabilities must adhere to TDHCA's Integrated Housing Rule.

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

Section 2306.111, Texas Government Code mandates that TDHCA is to allocate housing funds awarded in the HOME, Housing Trust Fund and Housing Tax Credit (HTC) program to each Uniform State Service Region using a formula, developed by TDHCA. As a result, a large portion of the HOME funds were awarded using the Regional Allocation Formula (RAF) that responds to Section 2306.111. Funding associated with the following set asides is not distributed through the RAF: Persons with Disabilities, Olmstead Populations, Contract for Deed Conversions, Rental Housing Preservation Program, Rental Housing Development Program, and CHDO.

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

² According to HUD, a person shall be considered to have a disability if the person is determined to have a physical, mental, or emotional impairment that: (1) is expected to be of long-continued and indefinite duration, (2) substantially impeded his or her ability to live independently, and (3) is of such a nature that the ability could be improved by more suitable housing conditions. A person shall also be considered to have a disability if he or she has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 USC. 6001-6006). The term also includes the surviving member(s) or any household described in the first sentence of this paragraph who is (were) living in an assisted unit with the disabled member of the household at the time of his or her death. Disabilities reflect the consequences of a bodily impairment in terms of functional performance.

Activities

HUD regulations allow the HOME program to serve a variety of activities such as owner-occupied housing rehabilitation and reconstruction, homebuyer down payment and closing cost assistance, tenant-based rental assistance, and rental development assistance.

Activities Awarded Using the RAF

OWNER-OCCUPIED HOUSING ASSISTANCE. Rehabilitation or reconstruction cost assistance, in the form of grants, is provided to homeowners for the repair or reconstruction of their existing homes. The homes must be the principal residence of the homeowner. At the completion of the assistance, all properties must meet the State of Texas Minimum Construction Standards and local building codes. If a home is reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by §2306.514, Texas Government Code. This requirement applies to any applicants utilizing federal or state money administered by TDHCA in the construction of single family homes. This activity comprised 45 percent of the HOME allocation that was made available through the RAF process – approximately \$13,199,603.

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

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

Eligible homebuyers may receive loans up to \$10,000 per household for down payment and closing costs, in the form of a 2nd or 3rd lien, zero-interest, deferred-forgivable 10-year loan. Homebuyer assistance loans are to be repaid at the time of resale of the property, transfer of any interest in the property, lease of the property, default under the terms of the loan, refinance of the first lien, or repayment of the first lien, if any of these events occur before the end of the 10-year term. The amount of recapture will be based on the pro-rata share of the remaining term subject to available net proceeds from the sale, voluntary or involuntary, of the property. The Department has elected to utilize the recapture provision under 24 CFR 92.254(a)(5)(ii) as its method of recapturing HOME funds under any homebuyer program the State administers.

At the completion of the assistance, all properties must meet the State of Texas Minimum Construction Standards or the Colonia Housing Standards, if located in a colonia, and local building codes. Compliance with the basic access standards in new construction, established by §2306.514, Texas Government Code, is also required for any applicants utilizing federal or State money administered by TDHCA in the construction of single family homes. This activity comprised 35 percent of the HOME allocation that was available through the RAF process – approximately \$10,266,358.

TENANT BASED RENTAL ASSISTANCE. Rental subsidy and security and utility deposit assistance is provided to tenants, in accordance with written tenant selection policies, for a period not to exceed two years. TBRA allows the assisted tenant to live in and move to any dwelling unit with a right to continued assistance with the condition that assisted families participate in a self-sufficiency program. This activity comprised 20 percent of the HOME allocation that was made available through the RAF process – approximately \$5,866,490.

Activities Awarded Using Set Asides

CHDO. A minimum of 15 percent of the annual HOME allocation, approximately \$6,789,158 (plus \$414,458 in operating expenses) was reserved for CHDOs. CHDO set-aside projects are owned, developed, or sponsored by the CHDO, and result in the development of rental units or homeownership. Development includes projects that have a construction component, either in the form of new construction or the rehabilitation of existing units. If the CHDO owns the project in partnership, it or its wholly-owned for-profit or nonprofit subsidiary must be the managing general partner. These

organizations can apply for multifamily rental housing acquisition, rehabilitation, or new construction, as well as for the acquisition, rehabilitation, or new construction of single family housing (through direct funding or loan guarantees). CHDOs can also apply for homebuyer assistance if their organization is the owner, developer, or sponsor of the single family housing project.

RENTAL HOUSING PRESERVATION. Awards are to be used for the acquisition and/or rehabilitation (including barrier removal activities) for the preservation of existing affordable or subsidized rental housing.

AMERICAN DREAM DOWNPAYMENT INITIATIVE (ADDI). ADDI was signed into law on December 16, 2004 and was created to help homebuyers with downpayment and closing cost assistance. ADDI aims to increase the homeownership rate, especially among lower income and minority households and revitalize and stabilize communities.

CONTRACT FOR DEED CONVERSIONS. In 2003, the 78th Legislature passed Appropriations Rider 10 to TDHCA's appropriation, which required TDHCA to spend no less than \$4 million on contract for deed conversions for families that reside in a colonia and earn 60 percent or less of the Applicable AMFI. Furthermore, TDHCA should convert no less than 400 contracts for deeds into traditional notes and deeds of trust by August 31, 2004. The intent of this program is to help colonia residents become property owners by converting their contracts for deeds into traditional mortgages. Households served under this initiative must be permanent legal residents of this country and must not earn more than 60 percent of AMFI. Properties proposed for this initiative must be located in a colonia as identified by the Texas Water Development Board colonia list or meet TDHCA's definition of a Colonia.

COLONIA MODEL SUBDIVISION LOAN PROGRAM. Subchapter GG of Chapter 2306, Texas Government Code created this program to provide low interest rate or possibly interest-free loans to promote the development of new, high-quality, residential subdivisions, that provide alternatives to substandard colonias, and housing options affordable to individuals and families of extremely low and very low income who would otherwise move into substandard colonias. TDHCA only make loans to CHDOs certified by TDHCA and for the types of activities and costs described under the previous section regarding CHDO Predevelopment Loans.

PERSONS WITH DISABILITIES. A minimum of 5 percent of the annual HOME allocation was reserved for applicants serving persons with disabilities – approximately \$2,250,000. Eligible applicants include nonprofits, units of general local government, and PHAs with documented histories of working with special needs populations. Eligible activities include homebuyer assistance, owner occupied housing assistance, and tenant based rental assistance.

OLMSTEAD POPULATION. In an effort to address the Supreme Court Olmstead Decision (related to the de-institutionalization of persons with disabilities), for PY 2004 TDHCA allocated \$2,000,000 towards those populations outlined in §531.055, Texas Government Code.³ These funds are used for tenant based rental assistance, including security deposits.

Funds Available

In PY 2004, TDHCA was allocated \$49,513,150 by HUD.

³Institutional housing meaning: (a) an ICF-MR, as defined by Section 531.002, Health and Safety Code, (b) a nursing facility; (c) a state hospital, state school, or state center maintained and managed by the Texas Department of Mental Health and Mental Retardation; or (d) an institution for the mentally retarded licensed or operated by the Department of Protective and Regulatory Services. Note that SB 367, from the 77th Legislative Session, expanded the state's definition of the Olmstead Population to include not only those individuals who had been served in a state mental health facility for twelve months, but also those individuals who had three inpatient hospitalizations within a 180-day period to a TDMHMR facility (State hospital) to be presumed at imminent risk of institutionalization.

Funds Awarded

During 2004, TDHCA utilized a total of \$49,513,150 in HOME funds in the following manner. Awards and administrative funds in the amount of \$46,910,185 was allocated to HOME applicants in the following manner.

Funding Activity	Targeted			Awarded
	HOME	ADDI	Total	
2004 HUD Allocation	45,261,052	4,252,098	49,513,150	49,625,848⁽¹⁾
<i>Less Administrative and CHDO</i>				
TDHCA (6% of Allocation)	2,715,663	120,946	2,836,609	2,715,663
Administrator (4% of Allocation)	1,810,442	80,630	1,891,072	1,666,742
CHDO Funds (15% of Allocation)	6,789,158		6,789,158	1,500,000 ⁽²⁾
CHDO Operating Expenses (5% of CHDO Funds)	339,458		339,458	75,000
Total Deductions	11,654,721	201,576	11,856,297	5,957,405
= Available SF & MF Non-CHOD Funds	33,606,331	4,050,522	37,656,853	43,668,443
<i>Less Set-Asides or Special Use</i>				
Persons with Disabilities (5% of Allocation)	2,263,053		2,263,053	2,263,053
Olmstead Populations	2,000,000		2,000,000	1,670,227
Contract for Deed Conversions	2,000,000		2,000,000	- ⁽³⁾
Rental Housing Preservation Program	2,000,000		2,000,000	2,835,000
Rental Housing Development Program	3,000,000		3,000,000	-
Disaster Relief Housing Assistance				5,386,600
Total Set-Asides or Special Use	11,263,053		11,263,053	12,154,880
= General (Includes Special Needs Awards)	22,343,279	4,050,522	26,393,801	31,513,563

(1) Total includes deobligated funding. It does not include any ADDI funds as TDCHA did not release a NOFA for ADDI funds until January of 2005. TDHCA will make award recommendations for the remaining 2003 ADDI funds, along with 2004 and 2005 ADDI funds at the August 19, 2005 Board meeting.

(2) \$1.5 million rental housing development award was to a CHDO.

(3) Funding will be awarded in 2005 through a January 2005 NOFA.

Award of HOME Funds by Activity PY 2004 (Includes Administrator Funds)

Activity	Amount	Percentage
Homebuyer Assistance	\$5,373,676	11%
Owner Occupied Housing Assistance	\$30,811,142	66%
Tenant Based Rental Assistance	\$6,315,368	13%
Rental Development	\$ 4,410,000	9%
Total	\$46,910,185	100%

Regional Award of HOME Funds PY 2004 (Includes Administration Funds)*

Region	Amount	Percentage of Total
1	\$3,337,701	7%
2	\$1,525,288	3%
3	\$6,113,550	13%
4	\$5,388,218	12%
5	\$2,683,102	6%
6	\$3,942,978	9%
7	\$2,343,765	5%
8	\$1,525,288	3%
9	\$1,738,827	4%
10	\$6,155,822	13%
11	\$7,476,138	16%
12	\$2,192,616	5%
13	\$1,426,891	3%
Total	\$45,850,185	100%

*An additional tenant based rental assistance award of \$1,060,000 was made to a grantee that will serve the entire state.

Funds Committed

The Department committed \$39,308,402.17 to HOME project setups and expended \$25,762,823 in draws during PY 2004. The draws represent expenditures for setups from PY 2004 and previous years. The following tables describe the project type and households characteristics.

Activity Types Set-Up during PY 2004

Activity Type	Number of Units	Percentage
Homebuyer Assistance	385	19%
Owner Occupied Housing Assistance	528	25%
Tenant-Based Rental Assistance	868	42%
Rental Housing Development	292	14%
Total	2,073	100%

Income of Households Served in PY 2004

Income Category	Number of Households	Percentage
0-30% AMFI	1,210	68%
31-50% AMFI	292	16%
51-60% AMFI	83	5%
61-80% AMFI	194	11%
Vacant	294	1%
Total	2,073	100%

Income of Households Served in PY 2004 by Activity

	0-30%	31-50%	51-60%	61-80%	Vacant	Totals
Owner						
Homebuyer Asst	32	98	73	182	0	385
Owner Occupied Housing Assistance	367	142	8	11	0	528
Total	399	240	81	193	0	913
Renter						
Tenant Based Rental Asst	811	52	2	1	2	868
Rental Housing Development	0	0	0	0	292	292
Total	811	52	2	1	294	1,160
Grand Total	1,210	292	83	194	294	2,073

Race and Ethnicity of Households Served in PY 2004

Race/Ethnicity	Number of Households	Percentage
White	707	34.1%
Black	367	17.7%
Native American	3	0.1%
Asian	3	0.1%
Hispanic	700	33.8%
Unspecified	293	14.1%
Total	2,073	100.0%

Households with Special Needs Served in PY 2004

Special Needs	Number of Households	Percentage
AIDS	17	0.8%
Elderly	227	11.0%
Homeless	169	8.2%
Large Family	2	0.1%
Mental Disability	21	1.0%
Physical Disability	670	32.3%
Migrant Farm-worker	2	0.1%
Colonias	6	0.3%
Not Applicable	959	46.3%
Total	2,073	100.0%

Affirmative Marketing

To avoid duplicative information in the *CPAPR*, TDHCA's affirmative marketing policies are discussed in the narrative portion of Section Two entitled "Actions Taken to Overcome Impediments to Fair Housing."

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

	Minority Business Enterprises (MBE)					
	a. Total	b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	f. White Non-Hispanic
A. Contracts						
1. Number	107	-	-	15	13	79
2. Dollar Amount	\$6,921,468	\$-	\$-	\$687,839	\$251,764	\$5,981,865
B. Sub-Contracts						
1. Number	1,351	-	-	108	546	697
2. Dollar Amount	\$4,789,284	\$-	\$-	\$295,853	\$2,059,848	\$2,433,583
	a. Total	b. Women Business Enterprises (WBE)	c. Male			
C. Contracts						
1. Number	107	0	107			
2. Dollar Amount	\$6,921,468	\$-	\$6,921,468			
D. Sub-Contracts						
1. Number	1,351	13	1,338			
2. Dollar Amounts	\$4,789,284	\$31,950	\$4,757,334			

Single Audit Reports

Portfolio Management performs desk reviews that consist of evaluating the single audit reports submitted by contractors to ensure compliance with OMB circulars and HOME program rules. Any noncompliance is resolved through the single audit resolution process.

Results of On-Site Inspections of Affordable Rental Housing Assisted under the HOME Program

During the PY 2004, 16 properties were in material non-compliance according to the TDHCA Portfolio Management and Compliance Division (PMC). See *Appendix C: HOME Non-Compliance Report* for additional information on these properties.

Home Program Match Requirements

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

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

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

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

Program Objectives

The Human Immunodeficiency Virus (HIV) disease and Acquired Immunodeficiency Syndrome (AIDS) is fast becoming a disease of the poor. The proportion of AIDS cases is higher among women, children, and minorities, who are already over-represented among the poor. The debilitating nature of HIV disease and the high cost of medical treatment affect employability, while increasing the cost of living. Loss of employment, under-employment and lack of insurance quickly drain financial resources and can lead to loss of housing. While affordable housing declines, the need for housing may actually increase as people with HIV live longer due to improved medical treatments.

Using an estimate made by the National Commission on AIDS that one-third to one-half of persons with AIDS are either homeless or at risk of homelessness, there may be from 13,975 to 20,963 people living with AIDS in Texas who are homeless or at risk of homelessness. It is unknown how many symptomatic people with HIV are at risk. Housing continues to rank high on the needs assessments of people with HIV/AIDS.

DSHS distributes approximately \$23.8 million in Ryan White and State Services grants to provide a wide array of health and social services for persons with HIV/AIDS. An additional \$61.7 million is spent on HIV medications. Federal Ryan White funds may not be used for housing except for housing referral services and short-term or emergency housing, defined as necessary to gain or maintain access to medical care.

The Texas HOPWA program continues to fill the unmet need by providing emergency housing assistance and rental assistance. Since the primary objective of this project is the provision of assistance to continue independent living, the continuation of HOPWA funding is critical in addressing the future threat of homelessness for persons with HIV/AIDS in Texas.

Activities Performed

In 2004, the HOPWA program administered by the DSHS provided the following two activities.

EMERGENCY ASSISTANCE PROGRAM. This program provides short-term rent, mortgage, and utility payments to prevent homelessness of the tenant or mortgagor of a dwelling. It enables low-income individuals at risk of becoming homeless to remain in their current residences for a period not to exceed 21 weeks in any 52-week period. Payments for rent, mortgage, and/or utilities, including telephone, up to the cap established locally, are provided. The project sponsor makes payment directly to the provider with the client paying any balance due.

RENTAL ASSISTANCE PROGRAM. This program provides tenant-based rental assistance, including assistance for shared housing arrangements. It enables low-income clients to pay their rent and utilities until there is no longer a need, or until they are able to secure other housing. Clients must contribute the greater of 10 percent of gross income or 30 percent of adjusted gross income towards their rent or they must contribute the amount of welfare or other assistance received for that purpose. The project sponsor pays the balance of the rent up to the Fair Market Rent value.

Distribution of Funds

The HOPWA program covers the entire State through established HIV Service Delivery Areas (HSDAs). In addition to the HOPWA program, administrative agencies administer the State and federal funds for HIV health and social services, including the Ryan White CARE Act-Title II, and State Services grants. An Administrative Agency administers the HOPWA grant, Ryan White CARE Act/Title II grant, and the State Services grants. There are 26 counties that are excluded from the state allocation because they receive direct funding from HUD.

HOPWA funds are allocated to project sponsors based on a formula allocation:

1. Each HSDA's proportion of the total number of Texas AIDS cases reported, as collected by DSHS HIV/AIDS Surveillance System;

2. Each HSDA's proportion of the total Texas population, using estimates from the Texas A&M University Texas State Data Center; and
3. The ratio of each HSDA's estimated 1990 poverty rate to the State's 1990 poverty rate.

All counties that are included in the 5 directly-funded Eligible Metropolitan Service Areas (Austin, Dallas, Fort Worth, Houston, and San Antonio) in Texas are excluded from the formula. Those counties removed from the formula to avoid duplication of services are Bastrop, Caldwell, Hays, Travis, Williamson, Collin, Dallas, Denton, Ellis, Hunt, Kaufman, Rockwall, Hood, Johnson, Parker, Tarrant, Chambers, Fort Bend, Harris, Liberty, Montgomery, Waller, Bexar, Comal, Guadalupe, and Wilson.

Since 1998, in addition to the above formula allocation, DSHS uses any annual increase in funds to reallocate and/or redistribute unspent funds to HSDAs that have shown the ability to effectively use HOPWA funds and are in greatest need of the funds.

All 26 of the state's HSDAs receive HOPWA funding through a contract with the Administrative Agency serving the HSDA. Each Administrative Agency serves as the project sponsor and will either directly administer the HOPWA funds or contract with another provider for delivery of these services. Administrative agencies are selected based on a competitive RFP process.

Each Administrative Agency is required to submit objectives and a plan of action for expenditure of its allocation. Award of their funding allocation is contingent upon the submission of a DSHS accepted plan of action. DSHS reserves three percent of total award for administrative and indirect cost combined. Administrative agencies are allowed to use up to seven percent of their allocation for personnel or other administrative costs. The project sponsors are listed below.

HIV Service Delivery Areas with State HOPWA funding

Abilene	Fort Worth	Temple-Killeen
Amarillo	Galveston	Texarkana
Austin	Houston	Tyler
Beaumont-Port Arthur	Laredo	Uvalde
Brownsville	Lubbock	Victoria
Bryan-College Station	Lufkin	Waco
Concho Plateau	Permian Basin	Wichita Falls
Corpus Christi	San Antonio	
El Paso	Sherman-Denison	

Exhibit A: Overview of Accomplishments

During this reporting period, housing assistance was provided to 2,890 persons for short-term and tenant-based rental assistance.

Exhibit B: Program Improvements

Barriers

The following comments were received from DSHS contractors:

1. The only barrier is the lack of funding to assist all in need. For nine months of the twelve month period, the program operated on a priority basis which meant only individuals with an eviction notice or disconnection notice could be assisted. (Bexar County Housing and Human Services)
2. There is still a problem with deposits and first-month's rent. Clients still need to realize Special Health Resources cannot set them up in an apartment if they have no income to pay the rent after emergency assistance has been used. (Special Health Resources for Texas, Inc.: East Texas Administrative Resource Center)
3. The limited funding available to address the housing needs for the HIV/AIDS individuals is one of the main barriers to implement the programs. Clients are encouraged to submit applications to the El Paso Housing Authority for housing assistance. However, El Paso Housing Authority (Public Housing Assistance

or the Section 8 HUD Program) only accepts applications periodically upon availability of units. Another barrier is the policy held by the El Paso Housing Authority to purge applications for housing programs on an annual basis. The HOPWA Case Manager has been informed by the Housing Authority Occupancy Supervisor that this policy is held due to the large number of applications submitted to them. This is a hardship for many of the clients looking for a housing solution, due to health issues, transportation to meet deadlines, ability to complete necessary forms and short notification on application deadlines. Clients moving from a homeless emergency shelter or being released from incarceration do not have adequate furnishings. Even if housing can be provided, there is limited ability to help them obtain the most basic furnishing or appliances, therefore, clients often do not strive to better their situation because of lack of support and difficulty in obtaining funds for needed furnishings. (Planned Parenthood Center of El Paso, Inc)

4. Several HOPWA clients are barely above the federal poverty rate and are not able to utilize this housing program. The difference in income is not enough to say that these clients do not need the housing assistance. There is still a recommendation that the time allowed for a client to receive short term emergency assistance be increased. This would benefit clients who have been buying their home and, because of illness, are forced to temporarily stop working. It takes these clients several weeks to get back on their feet. Some are forced to abandon the homes they are buying and look for other housing alternatives in order to qualify for HOPWA assistance. (San Angelo AIDS Foundation and Brazos Valley Council of Governments).

5. There is still a problem with clients coming up with deposits and first month's rent if they are homeless (Tyler HSDA))

6. There is a lack of availability of Section 8 housing in the Lubbock area. The contractor notes that HOPWA funding is temporary to provide assistance while clients await transition to Section 8 housing or assist clients in obtaining Section 8 housing. The Lubbock area Section 8 housing office was unable to assist many clients due to funding cuts and did not accept client information or accept names to be added to a waiting list. The contractor has referred clients to local independently managed housing programs that have their own waiting lists for Section 8 housing. Unfortunately, there is a waiting period of 8 months to a year for assistance in those programs. The contractor reports that the Lubbock Housing Authority has a waiting list that has a four to five year wait. The contractor has also referred clients to surrounding communities in the Lubbock area in hopes of obtaining housing assistance. The relocation is only available if the client agrees to move to a smaller town resulting in decreased access to available services. There are currently 28 clients on the contractor's waiting list. The barrier to providing services for these clients is the limited funding available. (Planned Parenthood Association of Lubbock)

7. There continues to be a shortage of habitable residences – more staff is needed for this contractor to investigate suitable possibilities for their clients. There are ongoing issues in rural areas which include a lack of adequate housing and a lack of semi-skilled or unskilled jobs. (Resource Group – Health Horizons of East Texas)

8. While waiting for Section 8 approvals, a long waiting list has developed for both HOPWA and Section 8 services in the Denison area. Funding allocation is not sufficient to meet the housing needs of this population. (Dallas County Health and Human Services)

Recommendations

The following recommendations were received from DSHS contractors:

1. The only recommendation would be that the HOPWA program should allocate some funds for clients who are living with parents so that they can feel that they are contributing to the household. (United Medical Centers, Uvalde County)

2. Funding for rural areas should be higher due to lack of transportation, affordable housing and limited unskilled/semi-skilled jobs which make it more difficult for clients to meet their own needs. (Resource Group – Health Horizons of East Texas)

3. Establishing lines of communications and/or working agreements with local Section 8 housing offices was recommended to streamline the transition of clients receiving HOPWA assistance to Section 8 housing to better serve the population and improve upon the present system. It appears that the Section

8 administrators are not willing to recognize the clients' housing needs because the clients are already receiving housing assistance through HOPWA. They do not seem to understand the long-term housing need for people with HIV and do not appear to be willing to assist the contractor in establishing a better process. The contractor recommends establishing more effective guidelines for clients with home mortgages. In using the current waiting list system, clients with home mortgages may end up in foreclosure with the threat of being homeless before assistance can be provided. A means of providing assistance before this occurs would be beneficial for these clients to remain in their own homes. (Planned Parenthood Association of Lubbock)

4. The most important recommendation is to increase the amount of funding available to provide more housing rental assistance in the West Texas HIV Planning Area. Consider allowing funding for basic furnishing and appliances such as refrigerators, beds, stoves, utensils, dinnerware, etc., for clients in need of them when accessing the Emergency Housing Assistance. (Planned Parenthood of El Paso, Inc.)

Exhibit C: Numbers of Persons and Families Assisted During the PY with HOPWA Funds

Demographics

1. *Persons Assisted With Housing Assistance.* In the table below, enter the number of persons who received housing assistance funded by HOPWA during the PY. Do not report on persons only receiving supportive services or persons only receiving housing information services. If a person's HIV status is unknown, count that person in (b).

a) number of persons (adults and children) with HIV/AIDS who received housing assistance.	1,646
b) number of other persons in family units who received housing assistance	1,244
c) number of persons who received housing assistance (a. plus b.)*	2,890

* Note that this number will be that basic participation number used for reporting other program information throughout the report, including the characteristics of persons assisted (Exhibit D).

2. *Families Assisted With Housing Assistance.* Of the total of persons assisted with housing assistance (1-c, above), how many family units were assisted (do not include single person households).

(Definition of Family: "Family" means a household composed of two or more related persons. The term "family" also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well being, and the surviving member or members of any family described in this definition who were living in a unit assisted under the HOPWA program with the person with AIDS at the time of his/her death. [Section 574.3])

Total of family units assisted with housing assistance:	612
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3. *Persons Assisted With Supportive Services Only.* In the table below, enter the number of persons who received only supportive services funded by HOPWA during the PY. Do not include persons who received supportive services in conjunction with housing assistance (1-c. above).

a) number of persons (adults and children) with HIV/AIDS who received supportive services only	N/A
b) number of other persons in family units who received supportive services only	N/A
c) number of persons who received supportive services only (a. plus b.)*	N/A

4. *Persons Receiving Housing Information Services.* Enter the estimated number of persons who received housing information services funded by HOPWA during the PY. This number may include persons also reported above (1, 2, and 3).

Estimated total of persons receiving services:	N/A
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Exhibit D: Characteristics of Persons Receiving Housing Assistance During the PY

Throughout this exhibit answer all questions regarding persons receiving HOPWA supported housing assistance during the year (i.e. persons reported in Exhibit C 1). Do not include information on persons only provided with supportive or housing information.

Demographics

a. Age and gender. Of those who received housing assistance during the operating year, how many are in the following age and gender categories?

Persons	Male	Female
a. 17 years and under	347	350
b. 18 to 30 years	162	225
c. 31 to 50 years	883	456
d. 51 years and over	156	130

b. Hispanic/non-Hispanic. How many participants are in the following ethnic categories?

a. Hispanic	966
b. Non-Hispanic	1,721

c. Race. How many participants are in the following racial categories?

a. Asian/Pacific Islander	8
b. Black	833
c. Native American or Alaskan Native	7
d. White	1780

d. Recent living situation. How many participants were in the following living situations immediately prior to entering the program? Include participant's most recent living situation.

a. Homeless from the streets	29
b. Homeless from emergency shelters	28
c. Transitional housing	13
d. Psychiatric facility*	0
e. Substance abuse treatment facility*	27
f. Hospital or other medical facility*	3
g. Jail/prison*	17
h. Domestic violence situation	1
i. Living with relatives/friends	143
j. Rental housing	1,114
k. Participant-owned housing	140
l. Other (please specify): Unknown - purchasing home	21

** If a participant or family head(s) of household came from one of these facilities but were there less than 30 days and were living on the street or in emergency shelter before entering the treatment facility, they should be counted in either the street or shelter category, as appropriate.*

Incomes

The following table lists income categories for individuals and family units at the time of their entry into the program.

Gross Monthly Incomes at Entry in Program (\$)	0- 250	251-500	501-1,000	1,001-1,500	1,501-2,000	2,001 +
Number of Individuals and family units	319	192	769	222	81	72

Reasons for Leaving

Of those who left a program that provided housing assistance during the operating year and are not expected to return (do not include, for example, participants who temporarily left their housing for a brief period of hospitalization), complete the chart below based on how long they were in the program before leaving and the primary reason for their leaving the program. If a participant left for multiple reasons, include only the primary reason for their departure.

Reason for Leaving	Number of Months in Program			
	Less than 3	3 to 6	7 to 12	12 plus
a. Voluntary departure	172	64	16	23
b. Non-payment of rent	9	14	3	2
c. Non-compliance with supportive service requirements	7	3	2	3
d. Unknown/Disappeared	10	3	0	1
e. Criminal Activity/destruction of Property/violence	2	4	1	1
f. Death	11	12	2	11
g. Other (please specify):				
Received maximum benefit or received other housing assistance/lack of funding	140	143	2	2
Hospice/Nursing Home	0	1	0	1
Jail	1	0	0	1
Accepted Section 8	0	0	1	0

Program Expenditures and Housing Provided

Expenditures are amounts spent for eligible activities. Do not include non-HOPWA sources or in-kind items, such as the value of services or materials provided by volunteers or by other individuals or organizations.

Exhibit E: Summary of Program Expenditures

This exhibit will provide information about available HOPWA funds and HOPWA expenditures for the program during this period.

For a Formula grantee, include expenditures made from any HOPWA grant available during the period that was expended in connection with a HOPWA-assisted activity. For a Competitive grantee, include only expenditures made from a single competitively awarded HOPWA grant.

HOPWA Funding Available

1. Unexpended HOPWA funds at the end of previous report period (this balance is 0 in the first year of program)	\$1,195,650 (Same)
2. Amount of HOPWA grant received during period	\$2,727,000
3. Program Income (e.g., loan repayments)	\$0
4. Total of HOPWA funds available during period (sum of lines 1 thru 3)	\$3,922,650

Also report the following aggregate totals by type of activity for the report period (Totals equal all expenditures of HOPWA funds during this period):

HOPWA Expenditures (Totals by Eligible Activity)	
5. Expenditures for Housing Information Services	\$0
6. Expenditures for Resource Identification	\$0
7. Expenditures for Housing Assistance (equals the sum of all sites and scattered-site Housing Assistance reported in Exhibit G.)	\$2,860,237
8. Expenditures for Supportive Services (equals the sum of all Exhibit H funds used)	\$0
9. Grantee Administrative Costs expended	\$85,256 (same)
10. Project Sponsor(s) Administrative Costs expended	\$16,862
11. Total of HOPWA funds expended during period (sum of lines 5 - 10)	\$2,962,355
12. Balance of HOPWA funds at end of report period (line 4 minus 11)	\$960,295

Exhibit F: Units of Housing Assistance

For housing assistance provided in facilities, including project-based rental assistance, complete Item 1. For housing assistance payments, either tenant-based rental assistance or short-term payments, complete Item 2.

1. Units by type of housing facility. Report the number of units that were used during the PY by number of bedrooms. Enter the number of units of project-based rental assistance under the appropriate type of facility.

Type of housing facility	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5+
a. Short-term facility N/A							
b. Single room occupancy dwelling N/A							
c. Community residence N/A							
d. Other housing facility (specify): N/A							

2. Units by type of housing assistance payment. Report the number of units that were used during the PY by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for that unit.

Type of housing facility	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5+
a. Tenant-based rental assistance	3	2	344	170	81	15	0
b. Short-term rent, mortgage and utility payments	13	2	417	295	146	32	0

(Note: This page summarizes information provided on each site or activity location in Exhibit G.)

Exhibit G - Housing Assistance Expenditures

Facility Based Housing Assistance. For each site, provide information on development actions and actual HOPWA expenditures for facility during the reporting period. Such facilities include community residences, SRO dwelling, short-term facilities, and other housing facilities approved by HUD, and non-housing facilities. A site may include more than one structure or type facility. All expenditures or acquisition, rehabilitation/conversion, lease, repairs, new construction, opening costs and technical assistance for a facility should be reported in this exhibit. (Please do not include funding for related supportive services; these services are reported in Exhibit H. Except administrative costs for community residences supported by a 1992 grant, all grantee and project sponsor administrative expenses are reported in Exhibit E. Housing information services and resource identification are also reported in Exhibit E.)

a. Site information

Name of project	N/A	Name and Address of project sponsor
Address/location of site		

b. Site development actions. For each site, provide the following dates or other information. (Do not submit if a previous annual progress report indicated that all activities at this site were completed and that services had been initiated).

a. Date of closing on purchase of building or execution of lease	N/A	e. Date new construction was completed	N/A
b. Date rehabilitation started	N/A	f. Date operations staff were hired	N/A
c. Date new construction started	N/A	g. Date residents began to occupy	N/A
d. Date new construction started	N/A	h. Date supportive services began	N/A

c. Units by type of housing facility. Indicate the type of housing that was provided (i.e., enter one of the following: Short-term facility, SRO dwelling, Community residence (specify another type of housing facility)).

Type of housing facility	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5+
N/A							

d. Expenditures by facility site. Enter the amount of HOPWA funds expended during the operating year for the activities listed below.

Type of activity	HOPWA funds
a. Acquisition	N/A
b. Rehabilitation/conversion/repair	N/A
c. Lease	N/A
d. New construction (community residences/SRO dwellings only)	N/A
f. Technical assistance (community residences only)	N/A
g. Project-based rental assistance	N/A
h. Community residences' administration costs (for 1992 grants only)	N/A
i. Other (specify)	N/A
j. HOPWA Total for this site	N/A

EXHIBIT G - HOUSING ASSISTANCE EXPENDITURES

The following information is provided for each project sponsor.

2. Scattered-Site Housing Assistance. For housing provided through tenant-based rental assistance and short-term rent, mortgage, and utility payments, submit this form for each project carrying out scattered-site housing assistance.

2-a. Name and address of project sponsor:

Bexar County Housing and Human Services
233 North Pecos Street, Suite 590/
San Antonio, Texas 78207-3180

2-b. General location(s) of activity:

Region: 1

Counties: Aransas, Bee, Bexar, Brooks, Calhoun, Comal, DeWitt, Dimmit, Duval, Edwards, Frio, Gillespie, Goliad, Gonzales, Guadalupe, Jackson, Jim Wells, Karnes, Kenedy, Kerr, Kinney, Kleberg, La Salle, Lavaca, Live Oak, Maverick, McMullen, Medina, Nueces, Real, Refugio, San Patricio, Uvalde, Val Verde, Victoria, Wilson, Zavala

2-c. Implementation actions. For the project, provide the following dates. (Do not submit if a previous annual progress report indicated that housing assistance and services had been initiated.)

a. Date residents began to use payments	February 1, 2004
b. Date supportive services began	N/A

2-d. Units by type of housing assistance payments. Report the number of units that were used during the PY by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for the unit.

Type of Housing Assistance Payment	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5
a. Tenant-based rental assistance	0	0	42	25	15	0	0
b. Short-term rent, mortgage and utility payments	1	0	47	42	18	0	0

2-e. Expenditures by type of housing assistance payment. Enter the amount of HOPWA funds expended during the operating year for the activities listed below:

Type of Housing Assistance Payment	HOPWA Funds
a. Tenant-based rental assistance	\$ 175,821
b. Short-term rent, mortgage and utility payments	\$ 80,319

The following information is provided for each project sponsor.

2. Scattered-Site Housing Assistance. For housing provided through tenant-based rental assistance and short-term rent, mortgage, and utility payments, submit this form for each project carrying out scattered-site housing assistance.

2-a. Name and address of project sponsor:

Brazos Valley Community Action Agency
401 South Washington
Bryan, Texas 77803

2-b. General location(s) of activity:

Region: 7

Counties: Andrews, Bastrop, Bell, Blanco, Borden, Bosque, Burnet, Caldwell, Coryell, Crane, Dawson, Ector, Falls, Fayette, Freestone, Gaines, Glasscock, Grimes, Hamilton, Hays, Hill, Howard, Irion, Kimble, Lampasas, Lee, Leon, Limestone, Llano, Loving, Martin, McLennan, Midland, Milam, Mills, Pecos, Reeves, San Saba, Terrell, Travis, Upton, Ward, Williamson, Winkler

2-c. Implementation actions. For the project, provide the following dates. (Do not submit if a previous annual progress report indicated that housing assistance and services had been initiated.)

a. Date residents began to use payments	February 1, 2004
b. Date supportive services began	N/A

2-d. Units by type of housing assistance payments. Report the number of units that were used during the PY by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for the unit.

Type of Housing Assistance Payment	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5
a. Tenant-based rental assistance	0	0	42	25	15	2	0
b. Short-term rent, mortgage and utility payments	0	0	47	42	18	0	0

2-e. Expenditures by type of housing assistance payment. Enter the amount of HOPWA funds expended during the operating year for the activities listed below:

Type of Housing Assistance Payment	HOPWA Funds
a. Tenant-based rental assistance	\$ 175,801
b. Short-term rent, mortgage and utility payments	\$ 80,319.20

The following information is provided for each project sponsor.

2. Scattered-Site Housing Assistance. For housing provided through tenant-based rental assistance and short-term rent, mortgage, and utility payments, submit this form for each project carrying out scattered-site housing assistance.

2-a. Name and address of project sponsor:

Dallas County Health and Human Services Dept.
2377 North Stemmons Frwy. Ste. 200
Dallas, Texas 78401

2-b. General location(s) of activity:

Region: 3

Counties: Collin, Cook, Dallas, Denton, Ellis, Fannin, Grayson, Hunt, Kaufman, Navarro, Rockwall

2-c. Implementation actions. For the project, provide the following dates. (Do not submit if a previous annual progress report indicated that housing assistance and services had been initiated.)

a. Date residents began to use payments	February 1, 2004
b. Date supportive services began	N/A

2-d. Units by type of housing assistance payments. Report the number of units that were used during the PY by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for the unit.

Type of Housing Assistance Payment	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5
a. Tenant-based rental assistance*	2	0	15	2	0	0	0
b. Short-term rent, mortgage and utility payments*	3	0	7	2	2	0	0

**Information for these two categories is forthcoming.*

2-e. Expenditures by type of housing assistance payment. Enter the amount of HOPWA funds expended during the operating year for the activities listed below:

Type of Housing Assistance Payment	HOPWA Funds
a. Tenant-based rental assistance	\$ 38,858
b. Short-term rent, mortgage and utility payments	\$ 2,761

The following information is provided for each project sponsor.

2. Scattered-Site Housing Assistance. For housing provided through tenant-based rental assistance and short-term rent, mortgage, and utility payments, submit this form for each project carrying out scattered-site housing assistance.

2-a. Name and address of project sponsor:

East Texas Administrative Resource Center
 PO Box 9007, 911 West Loop 281
 Longview, Texas 75604

2-b. General location(s) of activity:

Region: 4

Counties: Anderson

2-c. Implementation actions. For the project, provide the following dates. (Do not submit if a previous annual progress report indicated that housing assistance and services had been initiated.)

a. Date residents began to use payments	February 1, 2004
b. Date supportive services began	N/A

2-d. Units by type of housing assistance payments. Report the number of units that were used during the PY by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for the unit.

Type of Housing Assistance Payment	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5
a. Tenant-based rental assistance	0	0	24	14	8	1	0
b. Short-term rent, mortgage and utility payments	0	0	143	65	39	7	0

2-e. Expenditures by type of housing assistance payment. Enter the amount of HOPWA funds expended during the operating year for the activities listed below:

Type of Housing Assistance Payment	HOPWA Funds
a. Tenant-based rental assistance	\$ 157,826
b. Short-term rent, mortgage and utility payments	\$ 136,370

The following information is provided for each project sponsor.

2. Scattered-Site Housing Assistance. For housing provided through tenant-based rental assistance and short-term rent, mortgage, and utility payments, submit this form for each project carrying out scattered-site housing assistance.

2-a. Name and address of project sponsor:

Galveston County Health District
 P O Box 939
 1207 Oak Street
 La Marque, Texas 77568

2-b. General location(s) of activity:

Region: 6

Counties: Brazoria, Galveston, and Matagorda

2-c. Implementation actions. For the project, provide the following dates. (Do not submit if a previous annual progress report indicated that housing assistance and services had been initiated.)

a. Date residents began to use payments	February 1, 2004
b. Date supportive services began	N/A

2-d. Units by type of housing assistance payments. Report the number of units that were used during the PY by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for the unit.

Type of Housing Assistance Payment	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5
a. Tenant-based rental assistance	0	0	14	25	15	9	0
b. Short-term rent, mortgage and utility payments	0	0	19	21	7	15	0

(Data temporarily unavailable)

2-e. Expenditures by type of housing assistance payment. Enter the amount of HOPWA funds expended during the operating year for the activities listed below:

Type of Housing Assistance Payment	HOPWA Funds
a. Tenant-based rental assistance	\$ 94,543
b. Short-term rent, mortgage and utility payments	\$ 22,427

The following information is provided for each project sponsor.

2. Scattered-Site Housing Assistance. For housing provided through tenant-based rental assistance and short-term rent, mortgage, and utility payments, submit this form for each project carrying out scattered-site housing assistance.

2-a. Name and address of project sponsor:

Houston Regional HIV/AIDS Resource Group, Inc.
500 Lovett Boulevard, Suite 100
Houston, Texas 77006

2-b. General location(s) of activity:

Region: 6

Counties: Angelina, Austin, Chambers, Colorado, Fort Bend, Hardin, Harris, Houston, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, Walker, Waller

2-c. Implementation actions. For the project, provide the following dates. (Do not submit if a previous annual progress report indicated that housing assistance and services had been initiated.)

a. Date residents began to use payments	February 1, 2004
b. Date supportive services began	N/A

2-d. Units by type of housing assistance payments. Report the number of units that were used during the PY by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for the unit.

Type of Housing Assistance Payment	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5
a. Tenant-based rental assistance	0	0	35	18	17	6	0
b. Short-term rent, mortgage and utility payments	0	0	29	33	17	6	0

2-e. Expenditures by type of housing assistance payment. Enter the amount of HOPWA funds expended during the operating year for the activities listed below:

Type of Housing Assistance Payment	HOPWA Funds
a. Tenant-based rental assistance	\$ 162,488
b. Short-term rent, mortgage and utility payments	\$ 71,614

The following information is provided for each project sponsor.

2. Scattered-Site Housing Assistance. For housing provided through tenant-based rental assistance and short-term rent, mortgage, and utility payments, submit this form for each project carrying out scattered-site housing assistance.

2-a. Name and address of project sponsor:

Lubbock Regional MHMR Center
P. O. Box 2828, 1602 Tenth Street
Lubbock, Texas 79408-2828

2-b. General location(s) of activity:

Region: 1

Counties: Andrews, Armstrong, Bailey, Borden, Briscoe, Carson, Castro, Childress, Cochran, Collingsworth, Crane, Crosby, Dallam, Dawson, Deaf Smith, Dickens, Donley, Ector, Floyd, Gaines, Garza, Glasscock, Gray, Hale, Hall, Hansford, Hartley, Hemphill, Hockley, Howard, Hutchinson, King, Lamb, Lipscomb, Loving, Lubbock, Lynn, Martin, Midland, Moore, Motley, Ochiltree, Oldham, Parmer, Pecos, Potter, Randall, Reeves, Roberts, Sherman, Swisher, Terrell, Terry, Upton, Ward, Wheeler, Winkler, Yoakum

2-c. Implementation actions. For the project, provide the following dates. (Do not submit if a previous annual progress report indicated that housing assistance and services had been initiated.)

a. Date residents began to use payments	February 1, 2004
b. Date supportive services began	N/A

2-d. Units by type of housing assistance payments. Report the number of units that were used during the PY by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for the unit.

Type of Housing Assistance Payment	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5
a. Tenant-based rental assistance	1	2	42	19	9	0	0
b. Short-term rent, mortgage and utility payments	5	1	66	24	14	1	0

2-e. Expenditures by type of housing assistance payment. Enter the amount of HOPWA funds expended during the operating year for the activities listed below:

Type of Housing Assistance Payment	HOPWA Funds
a. Tenant-based rental assistance	\$ 183,395
b. Short-term rent, mortgage and utility payments	\$ 93,443

The following information is provided for each project sponsor.

2. Scattered-Site Housing Assistance. For housing provided through tenant-based rental assistance and short-term rent, mortgage, and utility payments, submit this form for each project carrying out scattered-site housing assistance.

2-a. Name and address of project sponsor:

Planned Parenthood Center of El Paso
1801 Wyoming Avenue, Suite 202
El Paso, TX 79902

2-b. General location(s) of activity:

Region: 10

Counties: Brewster, Culberson, El Paso, Hudspeth, Jeff Davis, Presidio

2-c. Implementation actions. For the project, provide the following dates. (Do not submit if a previous annual progress report indicated that housing assistance and services had been initiated.)

a. Date residents began to use payments	February 1, 2004
b. Date supportive services began	N/A

2-d. Units by type of housing assistance payments. Report the number of units that were used during the PY by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for the unit.

Type of Housing Assistance Payment	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5
a. Tenant-based rental assistance	0	0	40	8	3	2	0
b. Short-term rent, mortgage and utility payments	0	0	30	9	4	2	0

2-e. Expenditures by type of housing assistance payment. Enter the amount of HOPWA funds expended during the operating year for the activities listed below:

Type of Housing Assistance Payment	HOPWA Funds
a. Tenant-based rental assistance	\$ 239,204
b. Short-term rent, mortgage and utility payments	\$ 48,183

The following information is provided for each project sponsor.

2. Scattered-Site Housing Assistance. For housing provided through tenant-based rental assistance and short-term rent, mortgage, and utility payments, submit this form for each project carrying out scattered-site housing assistance.

2-a. Name and address of project sponsor:

South Texas Development Council (STDC)
P. O. Box 2187, 4812 North Bartlett
Laredo, Texas 78044-2187

2-b. General location(s) of activity:

Region: 9

Counties: Cameron, Duval, Hidalgo, Jim Hogg, Starr, Webb, Willacy, and Zapata

2-c. Implementation actions. For the project, provide the following dates. (Do not submit if a previous annual progress report indicated that housing assistance and services had been initiated.)

a. Date residents began to use payments	February 1, 2004
b. Date supportive services began	N/A

2-d. Units by type of housing assistance payments. Report the number of units that were used during the PY by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for the unit.

Type of Housing Assistance Payment	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5
a. Tenant-based rental assistance	0	0	72	38	23	1	0
b. Short-term rent, mortgage and utility payments	0	0	13	19	7	0	0

2-e. Expenditures by type of housing assistance payment. Enter the amount of HOPWA funds expended during the operating year for the activities listed below:

Type of Housing Assistance Payment	HOPWA Funds
a. Tenant-based rental assistance	\$ 379,317
b. Short-term rent, mortgage and utility payments	\$ 17,246

The following information is provided for each project sponsor.

2. Scattered-Site Housing Assistance. For housing provided through tenant-based rental assistance and short-term rent, mortgage, and utility payments, submit this form for each project carrying out scattered-site housing assistance.

2-a. Name and address of project sponsor:

Tarrant County Public Health Department
 1101 South Main Street, Suite 2500
 Fort Worth, Texas 76104-4802

2-b. General location(s) of activity:

Region: 3

Counties: Archer, Baylor, Brown, Callahan, Clay, Coleman, Comanche, Cottle, Eastland, Erath, Fisher, Foard, Hardeman, Haskell, Jack, Johnson, Jones, Kent, Knox, Mitchell, Montague, Nolan, Palo Pinto, Parker, Runnels, Scurry, Shackelford, Somervell, Stephens, Stonewall, Tarrant, Taylor, Throckmorton, Wichita, Wilbarger, Wise and Young

2-c. Implementation actions. For the project, provide the following dates. (Do not submit if a previous annual progress report indicated that housing assistance and services had been initiated.)

a. Date residents began to use payments	February 1, 2004
b. Date supportive services began	NA

2-d. Units by type of housing assistance payments. Report the number of units that were used during the PY by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for the unit.

Type of Housing Assistance Payment	Units by Number of Bedrooms						
	SRO	0	1	2	3	4	5
a. Tenant-based rental assistance	0	0	22	7	2	0	0
b. Short-term rent, mortgage and utility payments	4	0	35	22	6	0	0

2-e. Expenditures by type of housing assistance payment. Enter the amount of HOPWA funds expended during the operating year for the activities listed below:

Type of Housing Assistance Payment	HOPWA Funds
a. Tenant-based rental assistance	\$ 52,799
b. Short-term rent, mortgage and utility payments	\$ 58,416

EXHIBIT G: HOUSING ASSISTANCE EXPENDITURES

Summary of HOPWA Expenditures by Contractor. Reporting Period: February 1, 2004 – January 31, 2005

CONTRACTOR	CONTRACT AMOUNT	EXPENDITURES				UNEXPENDED BALANCE
		SHORT-TERM	LONG-TERM	ADMIN	TOTAL	
1. Bexar County Housing and Human Svcs.	\$465,025.00	\$240,491.25	\$94,642.14	\$82,146.98	\$417,280.37	\$47,745.4
2. Brazos Valley Council of Governments	\$287,326.00	\$80,319.20	\$175,820.77	\$13,495.17	\$269,635.00	\$17,691
3. Dallas County HHSD	\$55,033.00	\$2,761.32	\$38,858.10	\$11,873.10	\$53,492.52	\$1,540.48
4. East Texas Admin Resource Center	\$345,570.00	\$136,370.09	\$157,825.53	\$51,374.38	\$345,570	\$0
5. Galveston County Health District	\$149,874.00	\$22,426.93	\$94,542.94	\$9,655	\$126,624.87	\$23,249.13
6. Houston Regional Resource Group	\$283,596.00	\$71,613.54	\$162,488.15	\$49,494.31	\$283,596	\$0
7. Lubbock Regional MHMR Center	\$313,054.00	\$93,442.73	\$183,395.36	\$31,114.80	\$307,952.89	\$5,101.11
8. Planned Parenthood of El Paso	\$361,401	\$48,183.28	\$239,204.18	\$61,055.06	\$348,452.52	\$12,948.48
9. South Texas Development Council (STDC)	\$437,825.00	\$17,245.62	\$379,316.80	\$21,688.58	\$418,251	\$19,574
10. Tarrant County Health Dept.	\$143,044.00	\$58,416.39	\$52,799	\$31,829	\$143,044	\$0
TOTAL	\$2,861,648.00	\$771,270.35	\$1,578,891.97	\$363,726.38	\$2,713,899.17	\$147,748.83

Exhibit H - Supportive Service Expenditures.

Submit this form for each project carrying out supportive services. N/A*

Name and Address of project sponsor: N/A

General location(s) of activity: N/A

Dates services began: N/A

Enter amount for supportive services which apply:	Amount
1. Outreach	
2. Case management/client advocacy/access to benefits/services	
3. Life management (outside of case management)	
4. Nutritional services/meals	
5. Adult day care and personal assistance	
6. Child care and other children services	
7. Education	
8. Employment assistance	
9. Alcohol and drug abuse services	
10. Mental health services	
11. Health/medical/intensive care services	
12. Permanent housing placement	
13. Other (specify)	
14. HOPWA total for this sponsor	N/A

**For each project sponsor or for the grant in total, report on the amounts expended by type of activity. In cases where multiple activities are carried out by the sponsor and records do not reflect actual expenditures by individual services, provide the total amount expended by the sponsor during the reporting period and an estimate of the amounts by type of activity or, aggregate the amount reported under the primary type of service provided by the sponsor.*

Matching Requirement

The HOPWA program has no matching requirement.

SECTION TWO - REQUIRED NARRATIVES

HOUSING AND COMMUNITY ASSISTANCE INITIATIVES

The Departments are continually working to strengthen policies that address the overwhelming need of housing and community assistance across the state. These policies are intended to address the goals and objectives as laid out not only by the State's *Consolidated Plan*, but also its Strategic Plan. With these policies, the Departments aim to increase and preserve the availability of safe, decent, and affordable housing for low, very low, and extremely low income persons, as well as improve the living conditions for the poor and homeless.

The following topics in this section describe actions taken during PY 2004 by the Departments to affirmatively further fair housing and address other items in the strategic plan and the action plan.

- Actions Taken to Analyze Impediments to Fair Housing
- Impediments to Fair Housing
- Barriers to Affordable Housing
- Actions Taken to Overcome Impediments to Fair Housing
- Actions Taken to Assist Homeless Persons and Persons With Special Needs
- Actions Taken to Assist Extremely Low and Very Low Income Households
- Strategies to Overcome Poverty
- Coordination of Resources
- Public Input
- Public Housing Strategy
- Overcoming Gaps In Institutional Structure
- Compliance and Monitoring
- Lead-Based Paint Hazards

ACTIONS TAKEN TO ANALYZE IMPEDIMENTS TO FAIR HOUSING

TDHCA's *Analysis of Impediments to Fair Housing* examines in detail impediments to fair housing that currently exist in Texas. From this analysis, the report makes recommendations and outlines a strategy for furthering fair housing in Texas. Among the identified impediments are the stock of affordable housing, lending issues, discrimination against persons with disabilities, discrimination in the homeowner insurance industry, local zoning and subdivision practices, and ignorance of the requirements of the Fair Housing Act. This plan is available under separate cover from the TDHCA Division of Policy and Public Affairs, (512) 475-4595.

The Texas Community Development Program encourages all TCDP Contractor localities to conduct an analysis of impediments to fair housing choice at the local level. The analysis must document an assessment of the Contractor locality's housing needs; the methods it will utilize to address any inequities identified; a time frame for resolving any inequities included in the assessment; and an extensive review of conditions surrounding public housing (if applicable).

IMPEDIMENTS TO FAIR HOUSING

The following conclusions regarding impediments in providing affordable housing for the citizens of Texas were developed through TDHCA's citizen participation process. This process includes ongoing public comment periods and hearings for a variety of publications.

Lack of Affordable Housing

The most apparent obstacle to meeting underserved housing needs in Texas is a severe shortage of affordable housing. This shortage is compounded by a shortage of available funding sources to develop housing stock that would alleviate this need.

According to a study by the National Low Income Housing Coalition, an extremely low income household in Texas, defined as earning 30 percent or less of the area median income of \$53,536, can afford a maximum rent of only \$402. A minimum wage earner can afford monthly rent of no more than \$268. Households on supplemental security income, which include many persons with disabilities, can afford monthly rent of no more than \$166. A worker earning the federal minimum wage (\$5.15) has to work 104 hours per week in order to afford a two-bedroom unit at the area's fair market rent. Fair market rent for a two-bedroom unit is \$695. Such a worker would have to earn \$13.36, or 259 percent of the federal minimum wage, in order to be able to work 40 hours per week and afford such a unit.⁴

Lack of Available Resources

Every housing program administered by TDHCA in 2004 received far more applications than could be funded from available resources. As an example, the HOME oversubscription rate of approximately 5:2 demonstrates that there is interest from both nonprofit and for-profit sectors to produce the housing that is needed.

Lack of Organizational Capacity

While the evidence of interest in producing affordable housing is easily documented, the actual capacity of organizations to produce such housing is not as clear. A lack of organizational capacity, especially in the harder to reach areas of the state, might explain the hesitancy of smaller communities to attempt to address affordable housing issues. As the HOME program's main focus is on non-participating jurisdictions/smaller rural areas, this is of particular concern.

Marketing of Available Resources

Another factor related to the lack of organizational capacity to develop affordable housing is a lack of knowledge of available resources to address a community's needs. There are both public and private resources available throughout the state that can be layered and leveraged to help stretch local funding. Unfortunately, many communities are not aware of how these options may be successfully obtained. This lack of knowledge and, in some cases, communication, proves to be a barrier to the development of affordable housing.

Public Opposition to Affordable Housing

Aside from obvious shortages of funding and housing stock, another barrier to multifamily development is local objection to affordable housing. Although most people agree that housing lower income individuals and families is an admirable endeavor, fewer want multifamily affordable housing in their neighborhoods. The common misperception that affordable housing equates to crime-ridden neighborhoods that will lower the surrounding property values is difficult to dispel. While relatively few PHAs are actually considered troubled, both public and affordable housing as a whole continues to be viewed with distrust. Even properties that are developed as mixed income, such as those funded by HTCs, can experience significant opposition.

BARRIERS TO AFFORDABLE HOUSING

In 1997, the 75th Texas Legislature enacted Senate Bill 1852, which created the Texas Affordable Housing Task Force. The task force's purpose was to evaluate and identify federal, state, and local government regulations and policies that unnecessarily increase the cost of constructing or rehabilitating housing, create barriers to affordable housing for low income Texans, and limit the availability of affordable housing. In their report⁵, the task force found the following:

- **Zoning Provisions:** Because municipalities have zoning authority, they are in the position to shape the type and direction of growth within their boundaries. Unfortunately, local zoning authorities can be influenced by attitudes of fear and distrust of affordable housing, and prevent affordable multifamily development.

4 National Low Income Housing Coalition, 2004. Out of Reach 2003: America's Housing Wage Climbs, World Wide Webpage http://www.nlihc.org/oor_current/.

5 Excerpts from the *Report of the Texas Affordable Housing Task Force*, December 1998

- **Deed Restrictions:** Restrictions, such as minimum square footage requirements, construction material requirements, and amenity requirements, can prevent the development of affordable neighborhoods.
- **Restrictions on Affordable Housing Options:** Communities may place restrictions on certain types of housing. For some lower income families, manufactured housing may be the most affordable choice, which is not permitted in some communities.
- **Building Codes:** Because cities have the authority to adopt building codes, a house on one side of the street or neighboring area may have to be built to a different standard than a house on the other side of the street or in a neighboring area. This can be confusing, time consuming, and costly to those builders in areas with multiple codes.
- **Overlapping Government Authority Over Housing Construction:** In many cases, more than one government entity has authority over a specific part of the building and development process. There are times when this overlapping authority could cause delays and add costs to construction.
- **Environmental Regulations:** There are several state and federal regulations that have been passed for the purpose of protecting the environment, such as the Endangered Species Act and Wetlands regulations that can significantly increase the cost of construction.
- **Rural Median Incomes:** Rural incomes fall far below urban incomes. As such, a developer will choose to locate new projects in larger metro areas where it is easier and more profitable to build - allowing them to charge more for either the sale of a single family home or rents on multifamily properties. As TDHCA tries to serve rural areas, this presents enormous challenges.

These findings are also consistent with many of the observations from the Regional Advisory Committee meetings that TDHCA holds annually in each state service region.

ACTIONS TAKEN TO OVERCOME IMPEDIMENTS TO FAIR HOUSING

The Cranston Gonzales National Affordable Housing Act, which guides federal and state housing policy, recognizes that the best awareness and understanding of housing needs is found at the local level. While TDHCA concurs that localities should implement specific regulatory reforms related to affordable housing because of a greater awareness of their individual economic, demographic, and housing conditions, the State also believes that it should provide some form of guidance. As the “trustee” of funding for these local entities, it is incumbent upon the State to continue to explore avenues for promoting affordable housing that aid those at the local level. Accordingly, TDHCA evaluates the appropriate role for the State in influencing factors that favor affordable housing.

It should be noted that TDHCA does not have regulatory authority over the housing/building industry, except for certain projects funded with TDHCA funds and certain aspects of the manufactured housing industry. Additionally, as a governmental entity, TDHCA cannot lobby or attempt to influence the policies related to the governing of the State of Texas.

TDHCA can act as an information resource and will continue to engage in the following actions to assist localities in overcoming unnecessary regulatory barriers, which may increase the cost of housing.

- **Encourage localities, through documents such as the *State of Texas Low Income Housing Plan and Annual Report* and the *Consolidated Plan*, to identify and address building codes and zoning regulations that lead to increased housing costs and exclusionary zoning. For example:**
 - To set aside undeveloped or underdeveloped land for affordable housing developments.
 - To adopt zoning ordinances that do not discriminate against affordable housing.
 - To review local amendments to building codes and modify those that restrict the use of new advances in construction materials and techniques.
- **Expand education and outreach activities:**
 - Creation of web-based, online databases, that will help consumers access affordable housing and housing related services.
 - Continue to work with the TDHCA Disability Advisory Committee (DAC).

TDHCA will continue to do the following:

- Provide below-market-rate loans to first time homebuyers through the single family bond program.
- Leverage funds from both public and private sources for maximum results.
- Provide education to consumers through such programs as the Texas Statewide Homebuyer Education Program.
- Expand capacity building efforts for organizations interested in developing affordable housing. TDHCA's Housing Trust Fund sets aside up to 10 percent of funding for capacity building activities.

The Texas Fair Housing Act of 1989 enables the State to remedy discriminatory public policies affecting housing affordability and access. The Act prohibits discrimination against individuals in their pursuit of homeownership or rental housing opportunities based on race, color, national origin, sex, religion, familial status, and physical or mental disabilities. Recent state activities or current objectives relating to fair housing are discussed below:

- Require compliance with the Texas Fair Housing Act in programs administered by the Departments.
- Provide fair housing training to TDHCA and ORCA staff and governing board members.
- Distribute fair housing brochures and information to recipients of housing program funds and make the information available to the public upon request.
- Coordinate fair housing efforts with the Texas Workforce Commission Civil Rights Division (TWCCRD), which was created under the Fair Housing Act to directly address public grievances related to fair housing. This will be accomplished in two ways:
- TDHCA Housing Sponsor Report (submitted annually and due by March 1st): A list of all properties responding affirmatively that they have had a fair housing complaint will be submitted to TWCCRD.
- Written Complaints: All written complaints will be handled in a manner outlined in the Texas Government Code. If fair housing issues are involved, the complaint will be forwarded to TWCCRD.

In June, 2000, TDHCA appointed a Section 8 Task Force and charged it to develop a policy for expanding housing opportunities for Section 8 voucher and certificate holders in TDHCA-assisted properties. The policy adopted by the TDHCA Board is as follows:

- Managers and owners of HTC properties are prohibited from having policies, practices, procedures and/or screening criteria which have the effect of excluding applicants because they have a Section 8 voucher or certificate.
- The verification of such an exclusionary practice on the part of the owner or the manager by TDHCA will be considered a violation and will result in the issuance of a Notice of Violation and, if appropriate, issuance of a Form 8823 to the Internal Revenue Service.
- Any violation of program requirements relative to this policy will also impact the owner's ability to participate in future TDHCA programs.

Texas Governor Rick Perry signed a proclamation to designate April 2004 as Fair Housing Month in Texas. TDHCA and ORCA issued press releases throughout the state to inform the public of the Governor's fair housing proclamation. The press release included information regarding the Fair Housing Act and the programs available through the Departments. An article about National Fair Housing Month was published in ORCA's "The Rural Texan" and TDHCA's Breaking Ground quarterly newspapers.

Below are the activities undertaken by TDHCA and ORCA throughout 2004 that address the impediments to fair housing. The State of Texas continues to meet its certification to HUD to affirmatively further fair housing by conducting various fair housing activities every year. All of these activities are intended to reduce the number of families in poverty and assist underserved populations.

Texas Community Development Program (TCDP) Fair Housing Education and Outreach Efforts

Beneficiary Information

Each activity proposed for funding under the Texas Community Development Program must address one or more of the following three national program objectives:

- Principally benefit low and moderate income persons. (At least fifty-one percent (51%) of the identified beneficiaries must have an income of less than 80% of the area median family income).

- Aid in the prevention or elimination of slum or blighted areas.
- Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.

The applicant must provide the method(s) used to identify the beneficiaries for each application activity (with the exception of the engineering and administration activities) and an explanation concerning the reasons why each method was used to identify the beneficiaries of the proposed project. For the purpose of principally benefiting low and moderate income persons, applicants may identify beneficiaries by area benefit, citywide benefit, housing activity eligibility, and; limited clientele eligibility.

The applicant must explain why and how the method was used to identify the beneficiaries of the application activity.

For limited clientele eligibility, the applicant must provide specific references to programs and income limits or the condition on which the limited clientele eligibility was based. The number of limited clientele beneficiaries must be substantiated through clientele lists or certified by the director of the facility or program.

For the prevention or elimination of slum or blighted area conditions, project activities must be located within the "slum or blighted areas" based on specific qualifying conditions and must address the condition contributing to the deterioration of the designated area.

The TCDP requires applicants to document and report the beneficiaries of each proposed activity regardless of the program objective met by the activity. Beneficiaries for each activity may be determined through the use of 2000 Census information, through the use of information obtained from the TCDP-approved household survey, and based on TCDP-accepted limited clientele information, or an approved combination of these methods.

In addition, all localities applying for Community Development Block Grant (CDBG) funds must provide project area beneficiary data including race, sex, and ethnicity. Applicants use 2000 census data or the TCDP survey form provided in the application guides to collect and report this information. Complete beneficiary data is required with all applications. These same beneficiaries are documented as part of the Project Completion Report, which includes beneficiaries broken out, by race, ethnicity, gender, and low/moderate income status.

Any changes proposed to the project plans or locations that affect the original beneficiaries require that the locality submit acceptable methods noted above to document the change in beneficiaries. Staff reviews the revised beneficiary information to ensure eligibility and to determine that the change would not affect the application score. If approved, the contract is legally amended to reflect the actual project beneficiaries and the corresponding changes are noted on the database for reporting purposes. This beneficiary information is reported to HUD on an annual basis, or as requested, and is available to the public upon request. Beneficiary data is included in this Consolidated Annual Performance Evaluation Report for program years 1990 through January 31, 2005.

State Review of Recipients' Performance

In compliance with 24 CFR Part 570, § 570.487 Other applicable laws and related program requirements, the state has completed the required actions to affirmatively further fair housing.

The State of Texas conducts training and provides educational material to the participating units of general local government on federal and state fair housing laws and procedures, including technical assistance. The following are examples of this performance:

Contractor Certifications

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

Civil Rights and Fair Housing Technical Assistance

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

Project Implementation Manual

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

Pre-funding Site Visits

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

Availability of Fair Housing Posters and Brochures

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

Fair Housing Expenses

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

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

Contract Administration

The TCDP administers, on average between 800 to 1,000 open CDBG contracts throughout the year. The State of Texas is divided into 24 State Planning Regions, with several counties in each region. The contract administration workload is divided among "Regional Coordinators" who are assigned to several of the 24 State Planning Regions. Regional Coordinators review the recipients' performance throughout the contract period and are always available to provide technical assistance to Contractors as requested.

Quarterly Report Requirements

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

Staff Outreach, Training, Conferences and Workshops

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

The staff members of the ORCA Field Offices attended various workshops to provide technical assistance regarding ORCA housing programs and fair housing issues. USDA, local community services, lenders and realtors participated in these workshops. These staff members provide technical assistance in housing, community and economic development and capacity building of non-profit organizations. The staff members also provide information on TDHCA's housing programs including First-time Homebuyer and Down Payment Assistance, the Bootstrap Program and Manufactured Housing permits and requirements. Information distributed also includes health-care related information for the rural areas.

In addition to the 10% federally mandated colonia set-aside, a rider to CDBG's state appropriation continues to increase the 10% set-aside by an additional 2.5% for operation of colonia self-help centers in Cameron/Willacy, Hidalgo, Starr, Webb, and El Paso counties. TDHCA's Office of Colonia Initiatives (OCI) staff provide one-on-one training and technical assistance on their housing and community affairs programs and services (i.e., Contract For Deed Conversion, Texas Bootstrap Loan Program, First-Time Homebuyer, Contract for Deed Consumer Education, etc.) to colonia and border residents located within 150 miles of the Texas-Mexico border. During the reporting period, \$3,305,326 of 2004 program year funds were awarded to further support existing colonia self-help centers in Maverick, Starr and Webb County.

Monitoring of Civil Rights Requirements

Program Monitors utilize a detailed checklist on civil rights and fair housing requirements. A review of the files includes, but is not limited to the following:

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

HOME Investment Partnerships Program

Fair Housing, Accessibility, and Affirmative Marketing

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

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

Affirmative Marketing

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

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

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

Affirmative Marketing Actions

- Program administrators must ensure that the public, including potential beneficiaries of HOME-assisted housing, is informed that the HOME program is administered under an established, affirmative marketing policy, applicable federal Fair Housing laws, and other applicable federal, state, and local housing laws. This policy must be promoted in the community through media and other outlets, and communicated to beneficiaries of housing that will be or has been assisted with HOME funds.
- Program administrators shall affirmatively market available housing in local newspapers and using other appropriate methods. All forms of program marketing should depict the Equal Housing Opportunity logo.
- To help ensure that available housing is affirmatively marketed to persons not likely to apply for such housing, Program administrators are encouraged to make HOME information available in non-English languages spoken by minority groups residing in or near the community. Furthermore, Program administrators are encouraged to distribute marketing materials to area social service agencies that work with minorities, disabled individuals, or other protected groups.

Affirmative Marketing Record Keeping

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

Monitoring and Compliance of the Fair Housing Requirements

- Fair Housing complaints received by TDHCA are forwarded directly to TWCCRD.
- If design and construction violations of Section 504 of the Rehabilitation Act of 1973 are identified, TDHCA requires Program administrators to take corrective actions. Such violations can impact the owner's future participation in the HOME Program.

TDHCA's PMC is responsible for on-site monitoring review of Program administrators. Monitors utilize a checklist to review compliance with fair housing, accessibility and affirmative marketing requirements.

- The monitoring checklist provides several questions related to the availability of the affirmative marketing plan and is reviewed during the on-site monitoring visit. Documentation of outreach efforts, such as copies of newspaper notices, posters, brochures, and general knowledge of the Program administrator is reviewed by the monitors.
- The monitors review information provided by the Program administrator and demographic data of the beneficiaries served.
- Any findings of noncompliance must be resolved prior to close-out of the contract. Repeated findings may affect future funding.

TDHCA PMC staff provide technical assistance during their onsite review if the Program administrator's affirmative marketing plan appears to be too general.

Fair Housing Conferences and Workshops

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

Fair Housing Training

The HTC Qualified Allocation Plan required owners and architects to attend at least eight hours of Fair Housing training. On October 20, 2004, TDHCA sponsored a Fair Housing training session facilitated by Fair Housing Solutions. This training was attended by developers, architects, and TDHCA staff. Fair Housing training is required of tax credit developments on or before the closing of the construction loan. Training attended by owners and architects that is offered by other entities satisfy this requirement.

Border Fair Housing

Homero Cabello, Director, Office of Colonia Initiatives, is a board member for the Border Fair Housing and Economic Justice Center in El Paso, Texas. The Center's commitment is to economic justice, affordable housing, equal access to credit and fair housing in the El Paso region and colonias. The Center offers educational programs and provides testing to uncover housing discrimination in the community while fulfilling its commitment to the broader issues of economic justice and greater compliance with federal, state and local laws through a multifaceted fair housing program in the El Paso region and Colonias.

ACTIONS TAKEN TO ASSIST HOMELESS PERSONS AND PERSONS WITH SPECIAL NEEDS

Special needs populations include persons with alcohol and/or drug addictions, colonia residents, persons with physical and/or mental disabilities, victims of domestic violence, elderly populations, persons with HIV/AIDS, homeless populations, and migrant farmworkers. Because of the unique challenges associated with the housing needs of these varying populations, a considerable level of planning and consumer-need-based focus is required.

ESG

ESG provides grants to units of general local government and private nonprofit organizations to provide emergency shelter and related services for homeless persons and homelessness prevention activities. Activities eligible for funding include the following:

- renovation, major rehabilitation, or conversion of buildings for use as emergency;
- shelters for the homeless;
- provision of essential services;

- assistance in obtaining permanent housing;
- medical and psychological counseling and supervision;
- nutritional counseling;
- substance abuse treatment;
- assistance in obtaining other federal, state and local aid;
- child care, transportation, job placement and job training;
- operations, furnishings, and maintenance;
- general operating and administrative costs; and
- developing and implementing homelessness prevention activities.

ESG serves only homeless persons, who are defined as persons with special needs, and persons at risk of homelessness if they meet the conditions stated in 42 U.S.C. 11374(a)(4).

Continuum of Care

The continuum of care approach to fight homelessness acknowledges that homelessness is not caused merely by a lack of shelter, but it involves a variety of underlying unmet needs: mental, physical, economic, and social. The continuum of care approach recognizes the importance of giving each community the flexibility to design a strategy that works within its unique service delivery system. Through the continuum of care concept, local communities strive to meet the needs of homeless persons through a combination of outreach, emergency shelter, transitional housing, essential services, and permanent housing, which lead to self-sufficiency. Essential services may include substance abuse services, mental and physical health services, educational services, job training, and family support. The ultimate goal is permanent housing and self-sufficiency.

The ESG application requirements asked homeless service providers to describe their involvement in providing services to the homeless and at-risk populations. These applications again show that local care providers have made great strides in coordinating their efforts and adopting a more comprehensive “continuum of care” approach to service. A majority of ESG applicants include case management and information and referral in their range of services, while a significant number of communities have formed local homeless coalitions and social services coordinating councils as part of the Continuum of Care concept.

Transitional Services

TDHCA addresses gaps in institutional structure in a manner similar to the Continuum of Care approach to homelessness. With approximately 25 programs at its disposal, TDHCA has the unique ability to partner agency programs that help move individuals from homelessness/poverty to homeownership.

TDHCA’s network of emergency shelter providers deliver much needed services to the homeless population. Working with the homeless population through tenant services such as job training and placement and self-sufficiency programs, TDHCA aims to transition homeless individuals into decent housing. To provide safe, decent, and affordable housing for extremely low income households, TDHCA offers numerous programs to develop or rehabilitate multifamily housing. All multifamily housing funded by TDHCA requires ceilings on rents charged to families and individuals in need to make the housing affordable.

Texas Interagency Council for the Homeless

TDHCA participates in the Texas Interagency Council for the Homeless (TICH). TICH is charged with surveying and evaluating services for the homeless in Texas; assisting in the coordination and provision of services for homeless persons throughout the state; increasing the flow of information among separate service providers and appropriate authorities; developing guidelines to monitor services for the homeless; providing technical assistance to TDHCA in assessing housing need for persons with special needs; establishing a central resource and information center for the state’s homeless; and developing, in cooperation with TDHCA and the Health and Human Services Commission, a strategic plan to address the needs of the homeless.

Community Services Block Grant Program

CSBG provides administrative support to a statewide network of Community Action Agencies (CAAs) that provide services to very low and extremely low income persons in all 254 counties in Texas. The funding assists CAAs in providing essential services such as access to child care; health and human services for children, families, and the elderly; nutrition; transportation; job training and employment services; housing; substance abuse prevention; migrant assistance; and other poverty-related programs. Five percent of CSBG funds are reserved to fund organizations providing services to migrant seasonal farm workers, Native Americans, victims of natural and man-made disasters, and to implement innovative projects addressing poverty issues.

Olmstead

In June of 1999, the Supreme Court of the United States affirmed a judgment in the Olmstead v. L.C. and E. W. (Olmstead) lawsuit, which has had far-reaching effects with states regarding services for individuals with disabilities. The Olmstead decision upheld Title II of the Americans with Disabilities Act (ADA) and applied it to access to services in the most integrated setting for the plaintiffs in the case. Title II of the ADA proscribes discrimination in the provision of public services, which specifies, inter alia, that no qualified individual with a disability shall, “by reason of such disability,” be excluded from participation in, or be denied the benefits of, a public entity’s services, programs, or activities. Congress instructed the Attorney General to issue regulations implementing Title II’s discrimination proscriptions, and one such regulation, known as the “integration regulation,” requires a “public entity to administer programs in the most integrated setting appropriate to the needs of qualified individuals with disabilities.”

The Court went further in their opinion to state that it acknowledged that Congress found that discrimination against people with disabilities includes segregation, isolation, and institutionalization, and that under the ADA, an individual with disabilities has the legal right to be served in the most integrated setting. The court stated that the reasonable modifications standard for the ADA would be met if the state has a comprehensive, effectively working plan for persons and a waiting list that moved at a reasonable pace, not controlled by the state’s endeavors to keep institutions fully populated. The Court stated, “Confinement in an institution severely diminishes the everyday life activities of individuals, including family relations, social contacts, work options, economic independence education advancement, and cultural enrichment.”

With the advent of the Olmstead decision, the Health and Human Services Commission (HHSC) initiated the Promoting Independence Initiative and appointed the Promoting Independence Advisory Board, as directed by then-Governor George Bush’s Executive Order GWB 99-2. The Promoting Independence Advisory Board (PIAB) met during FY 1999 and FY 2000 and assisted the HHSC in creating the State’s response to the Olmstead decision. This was accomplished with the development and implementation of the Promoting Independence Plan. This plan highlights the State’s efforts to assist those individuals desirous of community placement, appropriate for community placement as determined by the state’s treatment professionals, and who do not constitute a fundamental alteration in the state’s services, to live in the community.

During the 77th Session of the Texas Legislature, SB 367 was passed, which renamed the Promoting Independence Advisory Board as the “SB 367 Interagency Task Force on Appropriate Care Settings for Persons with Disabilities.” The Commissioner of Health and Human Services appoints the SB 367 Task Force and its presiding officer, and determines the number of task force members, who include representatives of appropriate health and human service agencies, related work groups, consumer and family advocacy groups, and providers of services. A representative from TDHCA has been a voting member of the PIAB and SB 367 Task Force since their inception.

TDHCA has taken a strong leadership role in the provision of funding for rental assistance to address the housing needs of persons looking for community-based alternatives to institutionalization. In FY 2002, TDHCA received 35 rental vouchers to administer to the Olmstead population as part of a national pilot program called “Project Access.” To date, all Project Access vouchers have been issued, and 40 voucher recipients, through voucher recycling, have made the transition from a nursing facility into their own homes.

TDHCA also committed \$2,000,000 in 2004 HOME Program funds for tenant-based rental assistance to serve the Olmstead population. Since 2003, a total of \$2.9 million has been committed to providing rental assistance to persons affected by the Olmstead decision.

Integrated Housing Rule

An issue of particular concern for advocates for persons with disabilities involved TDHCA's policies related to integrated housing. Integrated housing, as defined by SB 367, 77th Texas Legislature, is "housing in which a person with a disability resides or may reside that is found in the community but that is not exclusively occupied by persons with disabilities and their care providers." TDHCA, with the assistance of the TDHCA Disability Advisory Committee, developed an integrated housing rule to address this concern. In November 2003, the TDHCA Board approved an Integrated Housing Rule for use by all Department housing programs. Below is a synopsis of the rule.

- A housing development may not restrict occupancy solely to people with disabilities or people with disabilities in combination with other special needs populations.
- Large housing developments (50 units or more) shall provide no more than 18 percent of the units of the development set aside exclusively for people with disabilities. The units must be dispersed throughout the development.
- Small housing developments (less than 50 units) shall provide no more than 36 percent of the units of the development set aside exclusively for people with disabilities. These units must be dispersed throughout the development.
- Set-aside percentages outlined above refer only to the units that are to be solely restricted for persons with disabilities. This section does not prohibit a property from having a higher percentage of occupants that are disabled.
- Property owners may not market a housing development entirely, nor limit occupancy to, persons with disabilities.

Exceptions to the above rule include the following:

- Scattered site development and tenant-based rental assistance is exempt from the requirements of this section.
- Transitional housing is exempt from the requirements of this section, but must be time-limited, with a clear and convincing plan for permanent integrated housing upon exit from the transitional situation.
- This section does not apply to housing developments designed exclusively for the elderly.
- This section does not apply to housing developments designed for other special needs populations.
- The Board may waive the requirements of this rule to further the purposes or policies of Chapter 2306, Texas Government Code, or for other good cause.

Housing Rehabilitation Fund

The ORCA TCDP dedicated 2004 PY funds for housing rehabilitation of existing owner-occupied and renter-occupied housing units. Application selection and scoring criteria for this fund placed an emphasis on housing activities that targeted the provision of accessible housing for persons with disabilities. The TCDP identified the need for this funding category when applicants applying for housing rehabilitation under the Community Development Fund did not score high enough at the regional scoring level to obtain funding. Although TCDP selected housing rehabilitation as one of the top funding priorities, most state planning regions selected water and wastewater infrastructure as a priority over housing rehabilitation, thus giving the housing rehabilitation applicants little chance for funding. As a result, the TCDP awarded a total of \$1,500,000 to six eligible applicants to meet their need for safe and accessible housing.

Texas Home of Your Own (HOYO) Program

The HOYO program helps secure mortgage funding for persons with disabilities. Funding from Fannie Mae and TDHCA, combined with creative underwriting standards for persons with disabilities, is making homeownership a reality for many persons who would otherwise be unable to secure a mortgage. HOYO combines homebuyer education, down payment assistance, and architectural barrier removal not only increases the number of low income homeowners, but also expands the stock of affordable and barrier-free housing. The unique partnerships developed through this coalition allow HOYO to ensure that

individuals receive comprehensive assistance in support of their goal of homeownership. In 2004, TDHCA committed \$500,000 in HOME Program funds to HOYO.

SB 358

Among other things, SB 358 (Texas Health and Safety Code, Section 531.001) required TDHCA and then-Texas Department of Mental Health and Mental Retardation (MHMR) to implement a demonstration program “to demonstrate the effectiveness of interagency cooperation for providing supportive housing services to individuals who reside in personal care facilities.” In the development of the pilot program, TDHCA worked with MHMR and several advocate groups.

To comply with the bill, TDHCA increased the funding available for the tenant-based rental assistance from the HOME program. For entities using the rental vouchers as intended by SB 358, MHMR supplied support services that would help transition persons into community-based settings. The two agencies marketed the program to potential interested parties and conducted application workshops together.

Colonia Issues

The Office of Colonia Initiatives (OCI) was created by TDHCA to administer and coordinate efforts for the enhancement of living conditions for colonias in Texas. OCI plays a vital role in addressing the problems of the state’s colonias through partnerships with other state and federal agencies along the Texas-Mexico border region, as well as those in the for-profit and nonprofit sectors. The following are specific concentrated on-site technical activities currently underway:

- increased affordable housing opportunities (i.e., low-interest-rate loans, new construction, reconstruction, rehabilitation, surveying and platting);
- community development activities;
- conversion of contracts for deed to conventional mortgages with transfer of title and homeownership education;
- construction education and assistance;
- tool library access; and
- access to adequate infrastructure.

In using the self-help approach, TDHCA and ORCA assume the role of an enabler that assists the community within the framework of its local resources and needs rather than a provider that funds projects according to predetermined program guidelines. A portion of the Office of Colonia Initiatives’ funding is provided through the CDBG Program.

Subchapter FF, Texas Government Code

The Texas Bootstrap Loan Program, as defined by Subchapter FF, Texas Government Code, “Owner/Builder Loan Program,” was designed to promote and enhance homeownership opportunities to very low income Texans by providing loan funds to purchase and/or refinance property and to build, reconstruct, or renovate their own home. For FY 2004, \$3 million for this program came from Texas Housing Trust Fund. This initiative provides for the development of affordable housing in the state through TDHCA’ Colonia Self-Help Centers or a nonprofit organization certified by TDHCA as a nonprofit owner-builder housing program. The nine approved applications are estimated to benefit 111 families.

ACTIONS TAKEN TO ASSIST EXTREMELY LOW AND VERY LOW INCOME HOUSEHOLDS

TDHCA’s purpose, as defined in the Texas Government Code, is to “provide for the housing needs of individuals and families of extremely low, very low, and low income and families of moderate income.” Recognizing the formidable housing challenges of extremely low income populations, the Agency strives to develop programs that can adequately and appropriately serve these individuals and families. According to the most recent *Housing Sponsor Report*, which is an annual snapshot of all affordable multifamily housing assisted with TDHCA funds, approximately 20 percent of all assisted units are occupied by extremely low income individuals and families. TDHCA is dedicated to serving populations that traditionally have the highest need for assistance, yet tend to remain underserved. The following populations receive funding priority:

- extremely low income individuals and households (0 to 30 percent AMFI);
- low income, special needs populations, including persons with alcohol and/or drug addictions, persons with disabilities, victims of domestic violence, elderly populations, persons with HIV/AIDS, and migrant farmworkers;
- residents of the colonias; and
- the homeless.

In addition to TDHCA's own efforts to address the affordable housing needs of extremely low income Texans, the 78th Texas Legislature passed a rider to TDHCA's appropriation that requires the housing finance division (which includes the HTC, HOME, HTF, Section 8, Multifamily Bond, and Single Family Bond programs) to adopt an annual goal to apply a minimum of \$30 million of the Division's total housing funds toward housing assistance to individuals and families earning less than \$13,000 for a one-person household, \$16,000 for a two-person household, \$17,000 for a three-person household, \$19,000 for a four-person household, and \$21,000 for a five-person household—for each additional person adding \$1,500. The rider also mandates that no less than 20 percent of the division's funds be spent to serve very low income individuals and families, which are those at or below 60 percent of AMFI .

Working with a focus group comprised of advocacy groups and industry associations, TDHCA determined that the following activities will be the basis for reaching the \$30 million goal:

- tenant-based rental assistance;
- owner-occupied housing rehabilitation;
- housing vouchers (rental/homeownership);
- rental housing development with incentives to set aside units for 0 to 30 percent AMFI;
- point incentives to applicants to serve 0 to 30 percent AMFI; and
- continued marketing and encouragement for organizations to serve 0 to 30 percent AMFI.

TDHCA will continue to explore the use of funds outside the traditional housing programs allocation (e.g., de-obligated funds, bond fees) for activities that serve 0 to 30 percent of AMFI. TDHCA will also explore funding that will allow a cash flow subsidy grant to work with existing development programs.

Many multifamily housing developments funded by TDHCA also have tenant services options to provide residents the opportunities to further their education, improve their job situation, and increase literacy. With the necessary education and training provided through good tenant services programs, working families have a chance to succeed in their jobs and strive for homeownership. While achieving homeownership is less likely for extremely low income households, efforts have been made, whenever possible, to assist this population in reaching homeownership.

Below-Market Interest Rate Loans

The First Time Homebuyer Program channels low interest mortgage money through participating Texas lenders to eligible families who are purchasing their first home or who have not owned a home within the past three years. Eligibility is determined by a variety of factors—most importantly income and first time homebuyer status. The program is designed primarily to serve very low to moderate income Texas families (30 to 115 percent of AMFI. Through the sale of tax-exempt mortgage revenue bonds, the program offers interest rates generally 1 percent to 1.5 percent below market rate. These lower interest rates help TDHCA reach underserved populations that otherwise might not qualify for mortgages.

Homebuyer Education

In 1997 the 75th Texas Legislature mandated the Texas Statewide Homebuyer Education Program (TSHEP). This program aimed to bring comprehensive homebuyer education to all 254 Texas counties without duplicating the efforts of existing successful homebuyer education programs. Since the programs inception in 1999, over 400 individuals have been certified as TSHEP Homebuyer Education Providers.

Consumer Assistance

TDHCA's Division of Policy and Public Affairs, Housing Center, was established to provide educational materials and technical assistance to the public, community-based housing development organizations, nonprofit housing developers, and other state and federal agencies. Primarily the assistance given helps housing providers determine local housing needs, access appropriate housing programs, and identify available funding sources needed to increase the stock of affordable housing. The assistance provided through the Housing Center emphasizes increasing the state's capacity to develop and deliver housing for extremely low, very low, low, and moderate income individuals and families. The Housing Center also acts as a consumer information center which researches housing and housing related topics for individuals in need of assistance.

Self-Help Initiatives

Community-based self-help is an age-old tradition that extends far beyond the implementation of the first government housing programs. Lower income households have used self-help and incremental construction techniques to house themselves throughout history. Within the administrative context of government, self-help techniques, such as volunteer labor and the use of innovative materials and technologies, become a resource that can be used to encourage people's efforts and extend the reach of the government dollar.

Self-help relies almost exclusively on the participation of local communities and residents in addressing problems. It can be defined as any activity for which a community can undertake itself that it would otherwise pay outsiders to complete. When applied to housing and community development, the concept of self-help assumes that (1) the most valuable resources available are those in place within a community and (2) the key to increased production is reducing needs through innovation and volunteerism. Using the self-help approach, the State assumes the role of a facilitator that assists the community within the framework of its local resources and needs, rather than a provider that funds projects according to pre-determined program guidelines.

Self-help can result in significant cost savings through reduced overhead and reduced markups of intermediaries, the use of existing assets, and the substitution of volunteers for paid labor. Communities that use conventional grant programs typically hire outside experts to determine the amount of subsidy required to finance a project. Using the self-help approach, the amount of outside assistance requested for a project is determined locally after the community has established what can be completed independently. TDHCA and ORCA currently fund several successful self-help initiatives:

- Texas Small Town Environment Program (STEP). ORCA is working in partnership with the Texas Commission on Environmental Quality (TCEQ), the Texas Department of Health (TDH), the General Land Office (GLO), and the Texas Water Development Board (TWDB) on an initiative called Texas STEP. This program works with small communities to solve their water and wastewater problems through self-help. Projects are required to save at a minimum 40 percent over retail prices for construction.
- Colonias Self-Help Centers. Subchapter Z of Chapter 2306, Government Code requires the TDHCA to establish at least five self-help centers in the colonias to offer concentrated assistance in the areas of infrastructure and housing. Five colonias were designated in each of the five counties (El Paso, Webb, Starr, Hidalgo and Cameron/Willacy) selected by the Legislature to receive concentrated technical assistance in the area of housing rehabilitation, new construction, surveying and platting, construction skills, tool library access, housing finance, credit and debt counseling, grant preparation, infrastructure construction and access, contract-for-deed conversions, and capital access for mortgages and other improvements. There are now two additional self-help centers in Val Verde County and Maverick County.
- The Texas Bootstrap Loan Program. The Texas Bootstrap Loan Program is a program designed to promote and enhance homeownership opportunities to extremely low and very low income Texans by providing loan funds to purchase and/or refinance real property and to build their own home, reconstruct or renovate single family housing. The owner/builder must contribute a minimum of 60 percent of the labor for construction.

STRATEGIES TO OVERCOME POVERTY

According to the 2000 U.S. Census, Texas has the ninth highest poverty rate among the states: 15.4 percent compared to the national rate of 12.4 percent. The federal government defined the poverty threshold for 1999 as \$17,029 in income for a family of four, and many poor families make substantially less than this. The National Center for Children in Poverty, which focuses on programs and policies for poor children under six, found that nationwide 19 percent of children live in poverty and 8 percent of children live in extreme poverty in which the family income is 50 percent below the poverty line. Poverty of this degree can be self-perpetuating, creating barriers to education, health, and the financial stability provided by homeownership.

Those groups showing the largest growth in proportion of population, the young and minority populations, continue to be overrepresented in the Texas poverty population. According to the 2000 U.S. Census, 38 percent of the poverty population is between the ages of 0-17. Hispanics make up 41 percent of Texas children under the age of 18, but 62 percent of all poor children. African American children account for 12.5 percent of Texas children, but 18 percent of all poor children.

Unemployment

The one economic variable that impacts all TDHCA programs is unemployment. High unemployment contributes to the growing number of persons living in poverty and places added demands on TDHCA's programs as well as upon many of the human service programs managed by other state agencies. In addition to the serious consequences for families and individuals, unemployment can severely impact a community. The ability to generate taxes and utility revenues and to incur debt is directly related to the resources that a community's citizens have. High numbers of unemployed persons form populations that hinder a community's ability to be self-sufficient. Cities located along the Texas-Mexico border typically experience unemployment rates that run almost double the unemployment rate for the state. Also, throughout the state, the minority population suffers double the unemployment rate of the non-minority population. Community service agencies see large increases in the demand for emergency assistance when their service area is affected by increased unemployment.

Energy

The cost of energy represents a burden to the majority of low income households, particularly those on a fixed income. The price of energy used for home usage, particularly electricity and LP gas, has increased. Increases in the cost of energy, coupled with high unemployment and poverty rates and a dilapidated housing stock has increased the demand for energy-related service. Inability to pay not only leads to shut-offs, but for many creates health concerns and forces families to abandon their homes. TDHCA has a variety of programs to respond to these energy-related problems. Some programs address air infiltration in the homes to reduce energy consumption and energy utility costs, while others provide direct assistance to help with payment of utility bills. TDHCA's energy programs support a case management approach to address the underlying causes of energy-induced hardship and to promote self-sufficiency.

Down Payment Costs and Interest Rates

Most families' chief financial asset is their home. However, various factors make homeownership difficult for very low and low income families. National reports indicate that the barrier to homeownership for most families is saving for the upfront cost of financing. According to the Texas Real Estate Center at Texas A&M University, 45 percent of all families in Texas could not afford a median-priced home in the areas where they lived.⁶

Mortgage interest rates can be another barrier to homeownership. For instance, on a \$50,000 mortgage, a 2 percent interest rate hike adds about \$72 to the monthly mortgage payment - a significant amount for low income families. Through programs providing down payment assistance and encouraging low-interest home mortgage loans, TDHCA helps very low and low income Texans overcome obstacles to homeownership.

⁶ Real Estate Center at Texas A&M University, "Texas Housing Affordability Index," <http://recenter.tamu.edu/data/dataaffd.html> (accessed August 11, 2004).

Education

There is a very close relationship between education and the cycle of poverty. Factors such as poor nutrition, lack of parental involvement and teen pregnancy make it difficult for those in poverty to obtain a quality education. Many also drop out of school. Without a good education, there is virtually no hope of escaping poverty in today's competitive job market. In previous years, many undereducated Texans found employment as seasonal and migrant farmworkers. This avenue of employment is increasingly closed, leaving families without an income and communities with a diminished tax base. TDHCA does not administer conventional educational support, but does provide assistance to community organizations, which manage Headstart, job training, GED programs, Basic English instruction, and other programs designed to improve the educational levels of disadvantaged persons. In its provision of funding for the construction or renovation of affordable housing, TDHCA will also require or provide a scoring preference for applications that include supportive services that would not otherwise be available to the tenants.

The State's Role

TDHCA has an important role in addressing Texas poverty. TDHCA seeks to reduce the number of Texans living in poverty, thereby providing a better future for all Texans. This means (1) trying to provide long-term solutions to the problems facing people in poverty and (2) targeting resources to those with the greatest need. TDHCA provides low income persons with energy, emergency, and housing assistance to meet the basic necessities.

Public assistance and social service programs have shifted their focus over the last decade. The new emphasis centers on reducing dependency and increasing self-sufficiency. Assisted housing can no longer have a pure income maintenance orientation. In light of this new emphasis, housing and community development resources that address poverty need to emphasize self-sufficiency. The self-sufficiency approach provides incentives for assisted housing residents that are willing to undertake a set of activities intended to lessen dependency. These activities should be tailored to meet the needs and capabilities of each individual household and can be provided through the housing deliverer or through human service providers.

Experience has shown that segregating low income persons in an insulated community perpetuates the cycle of poverty and often creates slums. A second anti-poverty theme centers on mobility—insuring that residents of assisted housing have access to jobs, schooling, public safety, and role models. Rental assistance combined with counseling and support services can be used to increase mobility. Scattered site production can also be used to encourage mixed income housing. TDHCA provides tenant-based rental assistance options through two of its programs, namely, HOME and Section 8.

An asset development approach to addressing poverty emphasizes the use of public assistance to facilitate long-term investments rather than incremental increases in income. In housing, this can mean gaining equity through homeownership. Several of TDHCA programs introduce the option of homeownership to lower income populations: the HOME Program offers down payment assistance and closing cost assistance, and the Single Family Bond Program offers below-market-rate loans.

Finally, comprehensive community development can be used to address the complex and interrelated problems of distressed neighborhoods. Comprehensive community development, as opposed to program specific community development, focuses on the needs of the community rather than the narrow functional needs that can be satisfied with specific projects. It involves recognizing the many levels of need in a community and addressing these needs with a toolbox of housing resources, community development resources, economic development resources and social service resources. Working together rather than separately, these resources can improve the quality of life in a community and engender long-term changes. These “changes of condition” may deal with alcohol and substance dependency, mental and physical health, nutrition, child care and parenting, life skills, general education and work skills, and criminal behavior. “Changes of condition” may also mean providing an influx of non-poor households to serve as role models and shift the nature of the environment. For those in housing and community development, the principal change may simply be a change in perspective and recognition that collaboration between and among private sector developers, builders and lenders on the one hand, and non-development resources (such as local governments and social services providers) on the other hand

is absolutely essential. For those in human services, the change may involve a subtle shift in focus away from crisis intervention and towards preventive measures, working with the family on a case basis rather than the individual members of the family and, most importantly, providing services within the context of community development.

The CDBG program can be instrumental because of its ability to create jobs and infrastructure. By creating and retaining jobs through assistance to businesses and then providing lower income people access to these jobs, CDBG can be a very effective anti-poverty tool. This potential can be further maximized by providing jobs that offer workplace training and education, fringe benefits, opportunities for promotion and services such as child care. By the same token, improved infrastructure affords the opportunity to upgrade existing substandard housing (such as in the colonias) and build new moderate, low, and very low income housing where none could exist before.

COORDINATION OF RESOURCES

Understanding that no single entity will be able to address the enormous needs of the State of Texas, the Departments support the formation of partnerships in the provision of housing, housing related, and community development endeavors. The agencies work with many housing and community development partners, including consumer groups, community based organizations, neighborhood associations, Community Development Corporations, CHDOs, CAAs, real estate developers, social service providers, local lenders, investor-owned electric utilities, local government, nonprofits, faith-based organizations, property managers, state and local elected officials, and other state and federal agencies.

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

Coordination with Federal Agencies

Because the State receives the majority of its funding from federal sources, many programs within the Departments require coordination with federal agencies. Below is a listing of those federal agencies and an overview of the activities associated with these partnerships:

US Department of Housing and Urban Development

The Departments have established cooperative efforts with HUD's personnel in their field offices and with the Secretary's representative. This cooperation has led to the joint marketing of housing programs through conferences and workshops throughout the state, a mutual referral system, as well as technical assistance service by which each agency assists the other with workshops and other training efforts. Currently, HUD staff use several TDHCA documents as their text on available housing resources and distribute these materials to the local governments and organizations they are serving.

US Treasury Department

TDHCA administers the HTC Program, which was created by the Tax Reform act of 1986 (Section 42 of the Internal Revenue Code of 1986, as amended, is the federal law that governs the LTC program). The HTC Program produces over 12,000 units of affordable housing each year.

Additionally, TDHCA acts as an issuer of tax-exempt and taxable mortgage revenue bonds. The authority for these bonds comes again from the above cited act. Annually, single family bonds are used to provide below-market interest rate loans and multifamily bonds are used to finance the construction, acquisition, or rehabilitation of multifamily properties.

US Department of Health and Human Services

TDHCA administers several programs funded by HHS that are aimed at serving extremely low income persons: specifically, the Community Services Block Grant Program, the Community Food and Nutrition Program, Comprehensive Energy Assistance Program, and the Weatherization Assistance Program.

US Department of Energy

TDHCA administers the Department of Energy's Weatherization Assistance Program for Low Income Persons. This program helps consumers control energy costs through the installation of weatherization measures and provides energy conservation education.

USDA Rural Development

As a provider of services to rural Texas communities, TDHCA has an ongoing relationship with USDA Rural Development. Collaborations have been achieved through several TDHCA programs (HTC, HTF, HOME) in the form of multifamily developments and single family homeownership initiatives.

Coordination with State Agencies, Local Governments, and Other Parties

The state agencies are primarily funding entities whose chief function is to distribute program funds to local conduit providers that include units of local government, nonprofit and for profit organizations, community-based organizations, private sector organizations, real estate developers, and local lenders. Because the agencies do not fund individuals directly, coordination with outside entities is key to the success of its programs. Below are some examples of organizational cooperation outside of the funding of these entities.

Texas Department of Agriculture (TDA)

The Texas Capital Fund, which is funded through the CDBG program, provides federal CDBG funds for economic development in nonentitlement areas. The fund is administered by the Texas Department of Agriculture through an interagency agreement.

Texas Water Development Board (TWDB)

Eligible applicants for the CDBG Colonia Economically Distressed Areas Program Fund may submit an application that will provide assistance to colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB EDAP-funded water and sewer system improvement project. An application cannot be submitted until the construction of the TWDB EDAP-funded water or sewer system begins. Additionally, in the CDBG Colonia Construction Fund, priority is given to applications that have been funded through the TWDB Economically Distressed Areas Program.

Texas STEP Program

The STEP program makes funds available for grants on a competitive award basis (three competitions annually) to cities and counties that recognize the need for, and demonstrate the willingness to solve, water and sewer problems through Small Towns Environment Program (STEP) self-help techniques. ORCA, the Texas Natural Resource Conservation Commission, the Texas Water Development Board, the Texas Department of State Health Services, and the General Land Office have joined to form this program.

Colonia Self-Help Centers

TDHCA and ORCA coordinate services with each of the seven centers (in Cameron, El Paso, Hidalgo, Maverick, Starr, Val Verde, and Webb counties) to provide housing and technical assistance to improve the quality of life for colonia residents beyond the provision of basic infrastructure. The contracts are executed directly with the county where the center is located.

ESG

TDHCA collaborates with the THN to build the capacity of homeless coalitions across the State of Texas, enabling them to become more effective in the communities they serve.

TDHCA also provided funds through THN to support technical assistance workshops for the HUD Continuum of Care homeless application. The purpose of the workshops was to assist communities in creating a network of services to the homeless population.

Additionally, TDHCA serves on, as well as provides administrative support to, the Texas Interagency Council for the Homeless—a council comprised of six member state agencies.

Promoting Independence Advisory Board

TDHCA has been working with the Promoting Independence Advisory Board to address issues related to Olmstead. The group is working on initiatives that will serve the needs of persons with disabilities who want housing options outside of institutional settings. TDHCA has been working with the following agencies: Texas Health and Human Services Commission, Texas Department of Aging and Disability Services, Texas Council for Developmental Disabilities, Texas Department of State Health Services, Texas Education Agency, and Texas Department of Protective and Regulatory Services.

Texas Statewide Homebuyer Education Program

TDHCA continues to collaborate with several partners including Neighborhood Reinvestment Corporation, Texas State Affordable Housing Corporation, Countrywide, Bank One, Fannie Mae, and the Texas Home of Your Own Coalition to plan and implement the Texas Statewide Homebuyer Education Program.

Partnerships with Utility Providers

Partnerships with financial commitments between the Weatherization Assistance Program and Southwestern Electric Power Company, Southwestern Public Service Company, Entergy, and El Paso Electric, provide energy conservation measures to very low and extremely low income utility customers.

Texas PHA Project

TDHCA serves on the Project Advisory Committee with the Coalition of Texans with Disabilities, Texas Council for Developmental Disabilities, Advocacy Inc., and United Cerebral Palsy to oversee the three-year grant to provide training and technical assistance to PHAs. Activities of the grant are intended to result in a measurable increase in the number of integrated housing units available to persons with disabilities.

PUBLIC INPUT

Dialogue and communication with interested citizens at the community level, through program information workshops, public hearings, technical training sessions, and town hall meetings, enables TDHCA to act as a catalyst that draws community resources together. Increased dialogue establishes the groundwork for the formation of the aforementioned partnerships and community input. The State does not have the resources to meet the needs of all Texans in need, so it is only through increased participation and communication with TDHCA's consumers that services can be appropriately and efficiently directed to address need.

Citizen Participation

The State of Texas values consumer input and relies upon it to direct resources to those most in need. The Texas Community Development Program and the TDHCA programs follow the citizen participation and public hearing requirements as outlined in the Texas Government Code. Hearing locations are accessible to all who choose to attend, and are held at times that are accessible to both working and non-working persons. When a public hearing or public comment period is scheduled, multiple methods are used to notify a variety of interested parties. All pertinent information is published in the Texas Register, the agency web sites, the TDHCA and ORCA newsletters, and in several association newsletters. Press releases are often issued. Databases, that include citizen and nonprofit organizations, local governments, state legislators, PHAs, and local public libraries, have been developed to help in the notification process. Participation and comments are encouraged and can be submitted either at a public hearing or in writing via letters, faxes, email, and in some cases directly at the web site.

To provide the public with an opportunity to comment on TDHCA's policies, rules, planning documents, and programs, TDHCA has a consolidated public hearing process. Each year there will be one hearing per Uniform State Service Region that will cover all Department programs. Staff is available at each hearing to answer questions and lend technical assistance to attendees.

The public notice that was published in the Texas Register for the CPAPR public comment period is provided in Appendix D: CPAPR Public Comment Process.

Program Participation

TDHCA constantly seeks ways of increasing statewide participation in its programs. It is important to note that TDHCA is primarily a pass-through funding agency and funds developments through a formal competitive Request for Proposals (RFP)/Notice of Funding Availability (NOFA) process. Therefore, so that funds reach those in need at the local level, it is incumbent upon TDHCA to increase the public's awareness of what funds are available and how they may be accessed. Below are the approaches taken by TDHCA to achieve this end.

- Throughout the year, TDHCA staff participate in informational workshops and conferences across the state where information is shared with organizations that are unfamiliar with affordable housing programs. Organizations interested in becoming affordable housing providers are actively encouraged to contact TDHCA for further technical assistance in accessing TDHCA programs.
- The TDHCA *Program Guide* was developed to provide a comprehensive, statewide housing resource guide for both individuals and organizations across the state. The *Program Guide* provides a list of housing and housing-related programs operated by TDHCA, HUD, and other federal and state agencies.
- The Internet is also an invaluable tool for TDHCA. Through its provision of timely information to consumers, it has become one of TDHCA's most successful marketing tools.
- A database, including PHAs, community development housing organizations (CHDOs), community development corporations (CDCs), area agencies on aging (AAAs), homebuyer education providers, local governments, and other community-based organizations, streamlines departmental efforts to inform interested parties of available funding, public hearings, and other activities.

Regional Advisory Committees, comprised of the regional councils of governments and other affordable housing organizations in each region, serve as valuable resources in gathering input from people working at the local level. These groups gather information on the region's affordable housing needs and available resources, prioritize the region's needs, and report this information to TDHCA.

PUBLIC HOUSING STRATEGY

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.

Over the past few years TDHCA has developed a strong relationship with the Texas Housing Association (THA), which represents the PHAs of Texas. The two organizations have worked to promote programs that will repair substandard housing and develop additional affordable housing units. The U.S. Department of Housing and Urban Development also has an increased interest in seeing state housing agencies work closer with PHAs to plan and implement initiatives to improve public housing.

In 1999, TDHCA, as required by 24 CFR §903.15, started a certification process to ensure that the annual plans submitted by PHAs in an area without a *Consolidated Plan* are consistent with the State's *Consolidated Plan*.

In an effort to keep public housing residents aware of State programs that might affect them, TDHCA sends notice of public comment periods and hearings regarding the State of Texas Low Income Housing Plan and Annual Report and the State of Texas *Consolidated Plan* to all Texas PHAs. PHA staff are targeted by the Texas Statewide Homebuyer Education Program (TSHEP) for training to provide self-sufficiency tools for tenants.

TDHCA serves on the Project Advisory Committee with the Coalition of Texans with Disabilities, Texas Council for Developmental Disabilities, Advocacy Inc., and United Cerebral Palsy to oversee the three-year grant to provide training and technical assistance to PHAs. Activities of the grant are intended to result in a measurable increase in the number of integrated housing units available to persons with disabilities.

OVERCOMING GAPS IN INSTITUTIONAL STRUCTURE

Identified gaps in service for TDHCA include recent changes in organizational structure and communication of the need for affordable housing and TDHCA's accomplishments. Some of the key obstacles include the lack of financial resources, public perception issues, limited staff resources, limited data capability, and mandated activities. Strengths or opportunities for improvement include stronger external relationships, increased communication efforts, economic development ties, and technological opportunities.

Organizational Structure

In 2003 TDHCA, underwent an organizational restructuring intended to:

- become more efficient, effective, and accountable;
- improve horizontal communication;
- facilitate positive changes for staff, agency, clients, and stakeholders;
- create better organizational checks and balances.

It is believed that the adjustment to the organization structure has aligned programs, processes, and staff; enhanced communications; eliminated duplicative efforts; reduced TDHCA span of control; and strengthened the relationship of TDHCA with important key state clients and external organizations. TDHCA's efforts in the reorganization addressed issues of internal communications, team effectiveness, and responsiveness to required changes. While it is recognized that reorganization is not a panacea, it is believed that this effort will assist TDHCA in addressing many concerns of employees. TDHCA is currently reviewing the effectiveness of the reorganization and following up with additional refinements.

Communication Regarding the Need for Affordable Housing

While statistics and anecdotal evidence support the enormous need for affordable housing, TDHCA has determined that much work remains to be done in articulating that need.

Communication of TDHCA Accomplishments

Nationally, TDHCA is recognized for its ability to efficiently and effectively administer its funding.

Administrative Obstacles

Lack of Financial Resources

The largest obstacle TDCHA faces is the limited amount of financial resources available for affordable housing—this has been especially true given the sluggish economy over the last two years. Even with all of its resources, TDHCA can serve only one percent of those in need. While layering, leveraging, and partnering helps to stretch available funds, there is no amount of innovation that will overcome this lack of funding.

Public Perception

For years TDHCA has struggled to overcome a negative public perception. In general, the public and the Legislature have not had confidence in TDHCA's desire to be responsive to the needs of the state's lower income citizens. While TDHCA has improved relationships with external entities over the last two years, TDHCA must continue to be responsive to the Legislature and the public at large.

Staff Resources

With increased funding for both the HTC Program and the Multifamily Bond Program, increased size of portfolio and compliance monitoring requirements by the federal government, and added legislative requirements from both the state and federal levels, TDHCA must maximize the use of all staff. As resources have decreased, TDHCA has not had the ability to fund salaries up to its full full-time employee cap.

Data

Since the creation of TDHCA in 1991, Department programs have maintained data in separate databases. Since that time, data compilation has been a main obstacle to effective agency operations. TDHCA's 15-plus programs' varying reporting requirements, report formats, and data storage methods have made performance reporting and analysis difficult. TDHCA is currently consolidating its various databases, but the project is not scheduled to be completed for several years.

Mandated Activities

Over the course of the last six years, TDHCA has been legislatively required to create and implement no less than 10 new programs/initiatives—the majority of which have been unfunded. Consequently, program funds have been diverted from existing activities to the creation of new programs, which are labor intensive to start up—taking up to a year to develop and implement. Many of these activities have high average costs per household, resulting in fewer households being served.

Strengths and Opportunities

Improved External Relationships

Successful implementation of Sunset provisions (periodic legislative oversight of government operations) resulting in an eight-year continuance has helped build stronger working relationships with legislators, advocacy groups, housing and community service providers, and the public at large. The addition of program specific working/focus groups and expanded public input opportunities have also helped build stronger external relationships.

Increased Communication

As affordable housing becomes a more visible necessity to local governments, TDHCA can be an information resource to help local communities identify and address their specific needs.

Economic Development Ties

As housing becomes more identified with its economic development impact/benefits, affordable housing may become a higher priority for many communities.

Technological

Development has begun on a "central database," which will provide a single means of access, reporting, and data consolidation. The end result is to be one source for all information and data reporting needs. It is believed that the new data warehouse will provide increased usability, data sharing, and most importantly data integrity.

COMPLIANCE AND MONITORING

CDBG

The monitoring function of ORCA has three components: contract compliance oversight, audit, and programmatic on-site review.

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

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

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

In addition to the formal monitoring function described above, the staff of the Compliance Division communicates with the staff of the Community Development Division as needed to evaluate issues throughout the contract implementation phase of TCDP contracts in order to identify and possibly resolve contract issues prior to the monitoring phase of the project.

HOME and ESG

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

- identifying and tracking program and project results;
- identifying technical assistance needs of subrecipients;
- ensuring timely expenditure of funds;
- documenting compliance with program rules;
- preventing fraud and abuse;
- identifying innovative tools and techniques that support affordable housing goals;
- ensuring quality workmanship in funded projects; and
- long term compliance.

Identifying and Tracking Program and Project Results

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

Other resources utilized by TDHCA to track project results include an asset management division and loan servicing division. If either of these areas identifies problems, steps are taken to resolve the issue, including project workouts and oversight of reserve accounts. Real Estate Analysis, the division for underwriting economic feasibility pre-award, is also responsible for identification of high risk contracts, and is responsible for review of housing sponsored annual financial statements and other asset management functions during the affordability period.

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

Identifying Technical Assistance Needs Subrecipients

Identification of technical assistance needs for HOME and ESG subrecipients is performed through analysis of administrator management practices, analysis of sources used by TDHCA to track technical assistance such as information captured in the Central Database, review of documentation submitted,

desk reviews based on the requirements identified in the Compliance Supplement and State Affordable Housing Program requirements, project completion progress, results of on-site audits and monitoring visits, and desk reviews conducted by Department staff.

Ensuring Timely Expenditure of Funds

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

Documenting Compliance with Program Rules

Compliance with program rules is documented through contract administration and other formal monitoring processes. Staff document compliance issues as part of their ongoing contract management reviews and notify administrators of any noncompliance and required corrective action. On-site reviews, including physical onsite project site inspections of a representative sample of project sites, on-site reviews of client files, shelters, and the delivery of services are conducted with summarized reports identifying necessary corrective actions.

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

TDHCA maintains a database to document an administrator's compliance history. This database as well as requested input from all divisions within TDHCA is utilized during the application process. The compliance history is considered by TDHCA's Board prior to finalizing awards.

Preventing Fraud and Abuse

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

Identifying Innovative Tools and Techniques that Support Affordable Housing Goals

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

Ensuring Quality in Funded Projects

Ensuring the quality of work performed is a Departmental priority. Staff ensures the quality of workmanship in HOME-funded projects through the inspection process. TDHCA requires that qualified inspectors conduct regular inspections to substantiate the quality of the work performed.

TDHCA has engaged qualified 504 specialists to inspect multifamily properties for compliance with construction requirements. TDHCA works with the TWCCRD for instances where TDHCA has reason to believe a property may be in violation of Fair Housing laws. TDHCA also refers individual complaints for discriminatory treatment. TWC is responsible for the inspection, investigation, and the enforcement of Fair Housing Act and other applicable laws.

Other processes used to ensure quality workmanship include plan reviews, architectural sign off on specifications, and third party specialists for inspections.

Long Term Compliance

The PMC is responsible for long term monitoring of income eligibility and tenure of affordability for applicable HOME projects. In other cases where contracts require long-term oversight (such as land use restrictive covenants), reporting and enforcement procedures have been implemented.

The PMC performs on-site monitoring visits in accordance with the requirements of the HOME Program and Department policies and procedures, as described in the Financing/Loan Agreements, Deed Restrictions, and Regulatory and Land Use Restriction Agreement. HOME properties are visited every year. If a property participates in more than one housing program, the most restrictive monitoring procedure is followed.

Risk Management

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

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

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

Sanctions

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

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

HOPWA

All 25 of the state's HIV Service Delivery Areas (HSDAs) receive HOPWA funding through a contract with the Administrative Agency serving the HSDA. Each Administrative Agency serves as the project sponsor and will either directly administer the HOPWA funds or contract with another provider for delivery of these services. Administrative agencies are selected based on a competitive RFP process.

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

of action. DSHS reserves 3 percent of total award for administrative and indirect cost combined. Administrative agencies are allowed to use up to seven percent of their allocation for personnel or other administrative costs.

A team of 14 Field Operations consultants and managers are assigned monitor the contract activities of the Administrative Agencies and their contractors. This monitoring involves periodic site visits, technical assistance visits, and the submission of monthly billing reports and semi-annual detailed data reports.

LEAD-BASED PAINT HAZARDS

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

The 1992 Housing and Community Development Act included Title X, a statute that represents a major change to existing lead based paint regulations. However, HUD's final regulations for Title X (24 CFR Part 105) were not published until September 15, 1999 and became effective September 15, 2000. Title X calls for a three pronged approach to target conditions that pose a hazard to households: 1) Notification of occupants about the existence of hazards so they can take proper precautions, 2) Identifications of lead-based paint hazards before a child can be poisoned and, 3) control of these lead-based paint hazards in order to limit exposure to residents. Title X mandated that HUD issue "The Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (1995) to outline risk assessments, interim controls, and abatement of lead-based paint hazards in housing. Section 1018 required EPA and HUD to promulgate rules for disclosure of any known lead-based paint or hazards in target housing offered for sale or lease. These rules came into effect on March 6, 1996 in 40 CFR Part 745/24 CFR Part 35.7

Pursuant to Section 1012 and 1013, HUD promulgated new regulations, "Requirements for Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance", on September 15, 1999. The new regulation puts all of HUD's lead-based paint regulations in one part of the Code of Federal Regulations. The new requirements took effect on September 15, 2000.⁸

In accordance with CDBG (CDBG) state regulations and the Lead-Based Paint Poisoning Prevention Act, CDBG has adopted a policy to eliminate as far as practicable the hazards of lead poisoning due to the presence of lead-based paint in any existing housing assisted under the TCDP. In addition, this policy prohibits the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance.

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

Requirements for federal assistance up to and including \$5,000 per unit are: distribution of the pamphlet "Protect Your Family from Lead in Your Home" is required prior to renovation activities; notification within 15 days of lead hazard evaluation, reduction, and clearance must be provided; receipts for notification must be maintained in the administrator file; paint testing must be conducted to identify lead based paint on painted surfaces that will be disturbed or replaced or administrators may assume that lead based paint exist; administrators must repair all painted surfaces that will be disturbed during rehabilitation; if

7 Texas Department of Health.

8 Ibid.

lead based paint is assumed or detected, safe work practices must be followed; and clearance is required only for the work area.

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

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

SECTION THREE - ACCOMPLISHMENTS

The following section describes the PY 2004 performance of the Departments in meeting the goals, objectives and proposed accomplishments as set forth in the *Consolidated Plan* and One Year Action Plan. The goals and objectives in these documents mirror those the Departments are driven by, via their strategic planning processes.

For ORCA and TDHCA, these strategic plan goals are reported quarterly, as performance measures, to the Texas Legislative Budget Board (LBB) as part of the State's performance-based budget management process. For these two agencies, these goals are comprehensive; therefore it is imperative that the goals in the *Consolidated Plan* are consistent with those set out in the Strategic Plan for the Period 2001-2005. Therefore, the following section takes into account the performance of programs based upon measures developed with the LBB and Governor's Office of Budget and Planning. The goals and accomplishments are outlined in Texas Senate Bill 1 (General Appropriations Act). They are also based upon riders that were attached to these Appropriations as approved by the Texas Legislature.

As part of the HUD-required Consolidated Planning Process the Departments have analyzed the actions taken in PY 2004. The Departments affirm that they have not in any way hindered implementation of the *Consolidated Plan* by action or willful inaction. Furthermore, the Departments provide requested certifications of consistency for HUD programs to ensure that their activities are consistent with the goals of the *Consolidated Plan*. This process of certification has been carried out in a fair and impartial manner.

While the Consolidated Planning Process focuses on the Departments' HUD-funded programs, this section of the report also includes performance of TDHCA's overall affordable housing strategy. The HUD-funded programs are required to report performance based on the PY February 1st to January 31st. Other TDHCA programs report on a fiscal year basis from August 31st to September 1st.

In the *Consolidated Plan*, the Departments give an overview of the public policies and institutional structure that affect the provision of affordable housing. However, no specific goals relating to these issues are set forth in the *Consolidated Plan*. Additionally, the following accomplishments do not address initiatives relating to public housing residents because, as is stated in the *Consolidated Plan*, the TDHCA does not have any direct or indirect jurisdiction over the management of PHAs in the State.

TDHCA GOALS AND OBJECTIVES

Below are specific activities identified by TDHCA to address the affordable housing goals for underserved households, such as lower income populations and persons with disabilities.

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

Specific Objective:

Make loans, grants, and incentives available to fund eligible housing activities and preserve/create housing units for very low, low, and moderate-income households.

1.1 Provide state housing loans and grants through the Housing Trust Fund for extremely low, very low, and low income households and individuals.

Projected number of extremely low, very low, and low income households and individuals benefiting from Housing Trust Fund loans and grants.

Specific 2004 Goal: 1,300

Specific 2004 Output: 325 (TX FY)

1.2 Provide federal housing loans and grants through the HOME Program for extremely low, very low, and low income households individuals, focusing on the construction of single family and multifamily housing units in rural areas of the state.

Projected number of extremely low, very low, and low income households and individuals benefiting from HOME Investment Program loans and grants.

Specific 2004 Goal: 2,106

Specific 2004 Output: 2,073 (HUD PY)

1.3 Provide federal rental assistance through Section 8 certificates and vouchers for extremely low and very low income households and individuals.

Number of extremely low and very low income households and individuals that receive Section 8 certificates and vouchers.

Specific 2004 Goal: 2,069

Specific 2004 Output: 2,035 (TX FY)

1.4 Provide federal tax incentives to develop rental housing for extremely low, very low and low income households and individuals.

Number of rental units projected to be set aside for extremely low, very low, and low income households and individuals as a result of Federal Tax Credits provided through TDHCA.

Specific 2004 Goal: 6,100

Specific 2004 Output: 18,399 (TX FY)

1.5 Provide below-market interest rate mortgage loans to extremely low, very low, low and moderate-income first time home buyers through TDHCA's Mortgage Revenue Bond Program.

(A) Number of extremely low, very low, and low income households and individuals that received loans through the MRB program.

Specific 2004 Goal: 914

Specific 2004 Output: 1,422 (TX FY)

(B) Number of moderate-income households and individuals that received loans through the MRB program.

Specific 2004 Goal: 381

Specific 2004 Output: 273 (TX FY)

1.6 Provide federal mortgage loans through TDHCA's Mortgage Revenue Bond Program for the acquisition, rehabilitation, construction, and preservation of multifamily rental units for very low, low, and moderate-income families.

Number of multifamily rental units acquired, rehabilitated, constructed, or preserved through the MRB Program.

Specific 2004 Goal: 1,000

Specific 2004 Output: 3,808 (TX FY)

Goal 2: TDHCA will target its housing finance programs resources for assistance to extremely low income households.

2.1 The housing finance division shall adopt an annual goal to apply \$30,000,000 of the division's total housing funds toward housing assistance for individuals and families earning less than the following:

- 1 person household: \$13,000
- 2 person household: \$16,000
- 3 person household: \$17,000
- 4 person household: \$19,000
- 5 person household: \$21,000

For each additional person add \$1,500. The rider also mandates that no less than 20 percent of the division's funds be spent to serve very low income individuals and families.

Amount of housing finance division funds applied towards housing assistance for individuals and families earning less the above outlined incomes.

Specific 2004 Goal: \$30,000,000

Specific 2004 Output: \$53,549,979 (TX FY) which served 3,564 households

Goal 3: TDHCA will target its housing finance resources for assistance to very low income households.

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

Percent of housing finance division funds applied towards housing assistance for individuals and families earning between 31 percent and 60 percent of median family income.

Specific 2004 Goal: 20%

Specific 2004 Output: 72% (TX FY) which served 24,317 households

Goal 4: TDHCA will provide contract for deed conversions for families who reside in a colonia and earn 60 percent or less of the applicable AMFI.

4.1 TDHCA shall spend not less than \$4,000,000 for the 2002-2004 biennium for the sole purpose of contract for deed conversions for families that reside in a colonia and earn 60 percent or less of the applicable median family income.

Amount of funds spent for the 2002-2004 biennium for the sole purpose of contact for deed conversions for families that reside in a colonia and earn 60 percent or less of the applicable median family income.

Specific 2004 Goal: \$1,300,000.
Specific 2004 Output: \$1,300,000 (TX FY)

Goal 5: Assist extremely low and very low income households or individuals with costs associated with energy related improvements, expenses, or emergencies.

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

(A) Number of households assisted through the Comprehensive Energy Assistance Program.

Specific 2004 Goal: 44,681
Specific 2004 Output: 70,887 (TX FY)

(B) Number of dwelling units weatherized by TDHCA.

Specific 2004 Goal: 2,891
Specific 2004 Output: 5,452 (TX FY)

Goal 6: TDHCA will ensure that affordable housing programs are in compliance with federal and state program mandates.

6.1 The Compliance Division will review housing property documents to ensure long-term affordability standards.

(A) Number of onsite financial reviews conducted.

Specific 2004 Goal: 546
Specific 2004 Output: 888 (TX FY)

6.2 The Compliance Division will review the financial documents of sub-recipients of federal and state grants/loans for financial accountability and fiscal responsibility.

(A) Number of onsite financial reviews conducted.

Specific 2004 Goal: 445
Specific 2004 Output: 231 (TX FY)

(B) Number of single audit reviews conducted.

Specific 2004 Goal: 180
Specific 2004 Output: 218 (TX FY)

Other TDHCA Special Needs Goals and Objectives

Goal 1: Commit funding resources to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs.

1.1 Dedicate no less than 10 percent of the HOME project allocation for applicants that target persons with special needs.

Percent of the HOME project allocation awarded to applicants that target persons with special needs.

Specific 2004 Goal: ≥10%

Specific 2004 Output: 46% (TX FY) which will assist 943 households

1.2 Dedicate no less than 10 percent of the Housing Trust Fund project allocation for applicants that target persons with special needs.

Percent of the Housing Trust Fund project allocation awarded to applicants that target persons with special needs.

Specific 2004 Goal: ≥10%

Specific 2004 Output: 31% (TX FY) which will assist 100 households

1.3 Dedicate no less than five percent of the Multifamily Bond Program units for persons with special needs.

Percent of the Multifamily Bond Program units dedicated to persons with special needs.

Specific 2004 Goal: ≥5%

Specific 2004 Output: 16% (TX FY) which will assist 600 households

Specific Homeless and Poverty-Related Programs Goals and Objectives

Goal 1: Improve the living conditions for the poor and homeless.

1.1 Administer homeless and poverty-related funds through a network of CAAs and other local organizations so that poverty-related services are available to very low income persons throughout the State.

(A) Number of persons assisted through homeless and poverty-related funds.

Specific 2004 Goal: 400,000

Specific 2004 Output: 422,278 (TX FY)

Note: ESG 2004 Output: 109,772 (HUD PY)

(B) Number of persons assisted that achieve incomes above poverty level.

Specific 2004 Goal: 650

Specific 2004 Output: 2,068 (TX FY)

(C) Number of shelters assisted.

Specific 2004 Goal: 50

Specific 2004 Output: 77 (HUD PY)

Goal 2: Assist extremely low and very low income households or individuals with costs associated with energy related improvements, expenses, or emergencies that may lead to homelessness.

Please note that the following accomplishments are also in the Affordable Housing Goals Number 5.

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

(A) Number of households assisted through the Comprehensive Energy Assistance Program.

Specific 2004 Goal: 44,681

Specific 2004 Output: 70,887 (TX FY)

(B) Number of dwelling units weatherized by TDHCA.

Specific 2004 Goal: 2,891

Specific 2004 Output: 5,452 (TX FY)

Additional TDHCA Policies

TDHCA recognizes that there is still much to be done to address the needs of those populations that are most vulnerable and in need of TDHCA's services – particularly those persons with special needs as previously described in the "Other Special Needs Goals and Objectives" section. While HUD's requested goals and objectives format is based on annual quantifiable results, TDHCA feels it would be of benefit to discuss continued policy initiatives that relate to special needs populations. It is thought that overarching agency policies will lead to the creation of additional programs specific goals, objectives, and outcomes. Below are general TDHCA policies that relate to special needs populations.

Policy One: Compile information and accurately assess the housing needs of and the housing resources available to persons with special needs

(A) Assist counties and local governments to assess local needs for persons with special needs.

In 2003, TDHCA completed its analysis of the Community Needs Survey, which, among other housing needs related questions, requested local governments to indicate the housing needs of various special needs populations. This information is used in conjunction with Census data in the formulation of Department policies and scoring for its housing programs. TDHCA also distributes information related to persons with disabilities to the public through the State of Texas Low Income Housing Plan and Annual Report.

(B) Work with State and local providers to compile a statewide database of available affordable and accessible housing.

TDHCA has compiled its inventory list and the associated requirements for accessibility.

(C) Set up a referral service to provide this information at no cost to the consumer.

TDHCA made available on its web site its property inventory. The easy-to-use database is searchable by city and county and includes basic property information, the number of adapted units, rent amounts, and property contact information. It is anticipated that in 2004, TDHCA will have a system that will allow property owners to voluntarily update information related to the availability of accessible units on a real-time basis. This information will also be available on TDHCA's web site.

(D) Promote awareness of the database to providers and potential clients throughout the State through public hearings, the TDHCA web site as well as other provider's web sites, TDHCA newsletter, and local informational workshops.

Information about the new database was announced at public hearings, through TDHCA's newsletter and web sites, and was discussed at legislative oversight hearings.

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

(A) Promote the coordination of housing resources available among State and federal agencies and consumer groups that serve the needs of special needs populations.

(B) Continue working with HHSC, MHMR, TDOA, other HHS agencies, advocates, and other interested parties in the development of programs that will address the needs of persons with special needs (e.g. Olmstead and Supported Housing Services to Individuals with Mental Illness (SB 358))

(C) Increase the awareness of potential funding sources for organizations to access, to serve special needs populations, through the use of TDHCA planning documents, web site, and newsletter.

Persons with Disabilities.

- TDHCA Disability Advisory Committee: TDHCA established a Disability Advisory Committee (DAC) in 2002 to advise TDHCA's Board on issues related to persons with disabilities. The members of the DAC represent organizations with experience providing services to persons with disabilities.
- Promoting Independence Advisory Board (PIAB): TDHCA staff serves on the Health and Human Service Commission's PIAB, along with representatives from other State agencies and consumer groups. The Board coordinates services to promote the integration into the community of persons residing in institutions.
- Project Access: TDHCA actively promotes the coordination of disabled consumers with housing providers through Project Access vouchers. Consumers and their advocates work directly with local service and housing providers to address their needs as they integrate into the community.
- PHA Project: Department staff serves on the oversight committee of this grant funded in part by the Texas Council on Developmental Disabilities. Activities include the provision of training and technical assistance to PHAs to increase the number of integrated housing units available to persons with disabilities.

Elderly. TDHCA is a member of the Texas Department on Aging's (TDoA's) Agency Policy Advisory Committee. This Committee is comprised of various state agencies that serve the elderly, as well as industry experts that provide services to the elderly.

Homeless. TDHCA is the lead agency in the TICH. TICH is charged with surveying and evaluating services for the homeless in Texas; assisting in the coordination and provision of services for homeless person throughout the state; increasing the flow of information among service providers and appropriate authorities; developing guidelines to monitor services for the homeless; providing technical assistance to the housing finance divisions of TDHCA in assessing housing needs for persons with special needs; establishing a central resource and information center for the state's homeless, and developing a strategic plan to address the needs of the homeless in cooperation with TDHCA and the Health and Human Services Commission. Through the THN, TDHCA also supports other activities that address homelessness, including providing technical assistance to develop and strengthen homeless coalitions throughout Texas; distributing a statewide bi-monthly newsletter on homelessness; maintaining an information resource center; conducting Continuum of Care Technical Assistance and Training workshops; and sponsoring an annual statewide conference on homeless issues.

Colonias. In 2001, the 77th Texas Legislative amended the Texas Government Code, Chapter 2306, Subchapter Z, which required TDHCA's Board of Directors to appoint members to the Colonia Resident Advisory Committee (C-RAC), which is to include two representatives from each county. The C-RAC members meet 30 days prior to making an award to a Colonia Self-Help Center. The C-RAC has been instrumental in voicing the concerns of the targeted populations and has helped both TDHCA and the Colonia Self-Help Centers develop useful tools and programs to address the needs of colonia residents.

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

(A) Increase awareness of the availability of conventional housing programs for persons with special needs.

(B) Support the development of housing options and programs, which enable persons with special needs to reside in non-institutional settings.

In 2002, TDHCA, with the assistance of the TDHCA Disability Advisory Committee, developed an integrated housing policy. In 2003, TDHCA adopted the policy as a rule for all Department housing programs. See Persons with Disabilities section in Policy Two above.

CDBG GOALS AND OBJECTIVES

Goal 1: To better Texas Communities by supporting community and economic development.

1.1 Proposed Accomplishments

Maintain a competitive application process to distribute HUD federal funds that gives priority to basic human need projects (water, sewer, and housing), fund economic development projects that create or retain jobs, and provides ongoing technical assistance, monitoring and contract management to ensure that needs of persons to be served are met.

(A) Specific Accomplishment

Number of new community and economic development contracts awarded annually

Specific 2004 Goal: 300

Specific 2004 Output: 308

(B) Specific Accomplishment

Number of projected beneficiaries from community and economic development projects – new contracts awarded annually.

Specific 2004 Goal: 350,000

Specific 2004 Output: 507,330 (298,943 low/mod)

(C) Specific Accomplishment

Number of jobs created/retained through economic development contracts awarded.

Specific 2004 Goal: 1,300

Specific 2004 Output: 1,287

(D) Specific Accomplishment

Number of on-site technical assistance visits conducted annually.

Specific 2004 Goal: 450

Specific 2004 Output: 590

(E) Specific Accomplishment

Number of programmatic monitoring visits conducted annually.

Specific 2004 Goal: 275

Specific 2004 Output: 280

Goal 2: To provide technical assistance to colonias through field offices.

2.1 Specific Accomplishment

Number of on-site technical assistance visits conducted annually from the field offices.

Specific 2004 Goal: 400

Specific 2004 Output: 643

2.2 Specific Accomplishment

Number of colonia residents receiving assistance.

Specific 2004 Goal: 1,700

Specific 2004 Output:

- 3,663 in construction
- 28,889 in planning
- 3,858 EDAP Fund
- 123,395 Self Help Fund

2.3 Specific Accomplishment

Number of entities and/or individuals receiving informational resources.

Specific 2004 Goal: 1,200

Specific 2004 Output: 1,200

CDBG Special Needs Goals and Objectives

Goal 1: Commit funding resources to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs.

1.1 Estimate that no less than 50 percent of the CDBG Housing Rehabilitation Fund project allocation will be used to rehabilitate housing units occupied by persons with special needs.

Percent of the CDBG Housing Rehabilitation Fund project allocation estimated for rehabilitation of housing units occupied by persons with special needs.

Specific 2004 Goal: ≥50%

Specific 2004 Output: > 50% (40/52 = 0.7692)

HOPWA GOALS AND OBJECTIVES

The HOPWA program continued to provide housing assistance to low income eligible persons with Human Immunodeficiency Virus (HIV) and their families. The program provided two HUD-approved activities: rental assistance and emergency assistance. The rental assistance program enables low-income individuals to pay their rent and utilities until there is no longer a need or until they secure other housing. The emergency assistance program enables low-income individuals at risk of becoming homeless to remain in their current residences.

HOPWA Special Needs Goals and Objectives

Goal 1: Commit funding resources to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs.

1.1 Proposed Accomplishments. Provided short-term rent, mortgage, utility payments, or tenant based rental assistance to persons with AIDS.

Specific Accomplishment. Number of persons with AIDS assisted with short-term rent, mortgage, utility payments, or tenant based rental assistance.

Specific 2004 Goal: 2,500

Specific 2004 Output: 2,890

Performance Chart 1 – Actual Performance. Types of Housing Units Dedicated to Persons with HIV/AIDS that were Supported during the Operating Year

Type of Unit:	Number of units with HOPWA funds	Amount of HOPWA funds	Number of units with Grantee and other funds	Amount of Grantee and other funds	Deduction for units reported in more than one column	TOTAL by type of unit
1. Rental Assistance	905	\$1,578,892	0	0	0	905
2. Short-term/emergency housing payments	615	\$771,270	0	0	0	615
3-a. Units in facilities supported with operating costs	0	0	0	0	0	0
3-b. Units in facilities that were developed with capital costs and opened and served clients	0	0	0	0	0	0
3-c. Units in facilities being developed with capital costs but not yet opened	0	0	0	0	0	0
Subtotal	1,520	\$2,713,899	0	0	0	1,520
Deduction for units reported in more than one category	0	0	0	0	0	0
TOTAL	1,520	\$2,713,899	0	0	0	1,520

Performance Chart 2 – Comparison to Planned Actions, as approved in the Action Plan/*Consolidated Plan* for this Operating Year (Estimated Numbers of Units)

Type of Unit:	Estimated Number of Units by type in the approved <i>Consolidated Plan</i> /Action Plan for this operating year*	Comment, on comparison with actual accomplishments (or attach)
1. Rental Assistance	Year 2003 <u>actual</u> number of units with HOPWA funds: 823	Year 2004 <u>actual</u> number of units with HOPWA funds: 905
2. Short-term or emergency housing payments	Year 2003 <u>actual</u> number of units with HOPWA funds : 842	Year 2004 <u>actual</u> number of units with HOPWA funds: 615
3-a. Units in facilities supported with operating costs	0	0
3-b. Units in facilities that were developed with capital costs and opened and served clients	0	0
3-c. Units in facilities being developed with capital costs but not yet opened	0	0
Subtotal	1,665	1,520
Deduction for units reported in more than one category	0	0
Total	1,665	1,520

SECTION FOUR - QUALITATIVE ANALYSIS OF CDBG ACCOMPLISHMENTS

As part of the *Annual Performance Report*, ORCA is charged with making a qualitative analysis of the accomplishments of the CDBG program. Overall ORCA has accomplished or taken action to accomplish the majority of the goals and objectives set out in the *2001-2003 Consolidated Plan*. This portion of the plan includes:

- an assessment of the relationship of the use of funds to the State's objectives;
- an explanation of the nature of and reasons for any changes in program objective;
- an explanation of how the State would change its program as a result of its experience;
- a summary of citizen participation efforts; and
- a summary of activities and results from technical assistance funding.

The following sections address the statutory requirements of Section 104(e)

I. Assessment of the Relationship of the Use of Funds to the State's Objectives

The purpose of the Texas Community Development Program (TCDP) continues to be the development of viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income.

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

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

The State's use of funds during this reporting period clearly supports the State's program objectives. The State has illustrated in the previous sections of this narrative that a large percentage of the funds obligated during this period will be used to address basic human needs such as water, sewer and housing. Housing conditions are being addressed mainly through the Housing Infrastructure and Housing Rehabilitation fund categories. Job creation and retention continue to be addressed under the Texas Capital Fund. Through the Disaster Relief/Urgent Need Fund, the State will continue to provide assistance to address the needs resulting from the disaster situations that impact Texas during each program year.

II. Explanation of the Nature of and Reasons for Any Changes in Program Objectives

The Office of Rural Community Affairs (ORCA) does not intend to make any changes to these program objectives. However, the ORCA Executive Committee proposed the elimination of the Housing Infrastructure Fund and the Housing Rehabilitation Fund in the 2005 CDBG Action Plan.

Ten (10) public hearings for the proposed 2005 CDBG Action Plan were held during April and May of 2004 and thirteen (13) public hearings for the 2005 Consolidated Plan (including the 2005 CDBG Action Plan) were held in September and October of 2004. Except for a few comments against the elimination of the Housing Infrastructure Fund and the Housing Rehabilitation Fund, the public supported the elimination of the two housing fund categories and the creation of a new Community Development Supplemental Fund that would allow for more local input and flexibility towards the use of the funds. If available, the funds that were previously allocated to the Housing Infrastructure Fund and the Housing Rehabilitation Fund will now be allocated to the new Community Development Supplemental Fund.

The allocation for the Community Development Supplemental Fund will be allocated to the twenty-four State Planning Regions using the formula that HUD uses to allocate CDBG funds to states. The 2005 CDBG Action Plan does give a Regional Review Committee (Regional Review Committee members are appointed by the Governor within each of the 24 State Planning Regions and the Committee participates in the selection of regional priorities and the scoring of applications under the Community Development Fund and the Community Development Supplemental Fund) the authority to create a set-aside for housing activities from the funds allocated to the region from the Community Development Fund. The public is given the opportunity to express support for a housing set-aside. This will give a Regional Review Committee and the citizens in each region the flexibility to decide if housing activities are a priority in the region.

III. Indication How the State Would Change its Program as a Result of Its Experience

As a result of the experiences encountered in administering the Texas Community Development Program, ORCA would either implement or recommend several changes to further improve the program. The following changes were either implemented or recommended:

- As previously mentioned, the Housing Infrastructure Fund and the Housing Rehabilitation Fund have been eliminated for the 2005 program year and replaced by a new fund category, the Community

Development Supplemental Fund. The ORCA Executive Committee has consistently heard that regions in the state support more local input towards the selection of grantees and more flexibility concerning the use of CDBG funds. The Community Development Supplemental Fund allocation will be distributed to each of the 24 State Planning Regions through the same formula that HUD uses to allocate CDBG funds to states. Under the Community Development Fund, the Office of Rural Community Affairs and Regional Review Committees, with members appointed by the Governor, each have 350 points of the maximum 700 points available that can be assigned to an application. After ORCA and a Regional Review Committee have assigned their scores to the Community Development Fund applications in the State Planning Region, the scores are combined to determine the ranking of the applications within the region. Since the Community Development Fund is based on a biennial competition, the funding recommendations from each region reflect the amounts available to the region through the regional allocations for the region for each year of the two-year funding period. After the funding recommendations for the Community Development Fund allocations have been determined, the scores assigned by the Regional Review Committee (maximum of 350 points) and the scores awarded by ORCA for Past Performance (maximum of 10 points) are used to determine the funding recommendations for the Community Development Supplemental Fund allocations for the region. For the Community Development Supplemental Fund allocations, the Regional Review Committees have 350 of the available 360 maximum points. Therefore, the Regional Review Committees largely determine which Community Development Fund applicants will receive funding through the Community Development Supplemental Fund allocations. The Regional Review Committees are given more local control over the applicants receiving funds from the Community Development Supplemental Fund allocations.

- In the past, the TCDP has received many comments concerning the Colonia Fund set-aside that is only available to address colonia conditions located within 150 miles of the Texas-Mexico border. Citizens from areas of the state located farther than 150 miles of the Texas-Mexico border have stated that unincorporated areas in their counties also have conditions that would meet the definition of a colonia. These citizens stated that funds should be available from the TCDP through a set-aside for colonias in non-border areas of the state. This topic has also been considered by some members of the Texas Legislature. Having heard these comments and the interest from members of the Texas Legislature, the ORCA Executive Committee proposed a Non-Border Colonia Fund in the 2005 CDBG Action Plan. ORCA received positive acceptance for the new fund at the twenty-three public hearings held in 2004 that included information on the 2005 CDBG Action Plan. The 2005 Non-Border Colonia will use the same selection criteria used for the Colonia Construction Fund. Areas eligible for assistance must be located farther than 150 miles from the Texas-Mexico border or areas located within 150 miles of the Texas-Mexico that are not eligible for the TCDP Colonia Fund. The TCDP will use the biennial funding design for the Non-Border Colonia Fund. The maximum grant award has been set at \$250,000 and the total allocation is \$500,000 for the 2005 program year and \$500,000 for the 2006 program year.
- The ORCA Executive Committee has started a standing committee called the Regional Allocation Task Force. The eighteen (18) member committee includes representatives from the ORCA Executive Committee, State Planning Region Executive Directors, State Review Committee members, and Regional Review Committee members. The Task Force members reviewed the regional allocation formula used to allocate the Community Development Fund allocation to the 24 State Planning Regions and alternative allocation formulas. The Task Force recommended the discontinuation of the Housing Infrastructure Fund and the Housing Rehabilitation Fund, the creation of a new fund that would allocate funds to the 24 State Planning Regions using the allocation formula used by HUD to allocate CDBG funds to states, and a new fund to assist colonias in areas of the state that were not eligible for the TCDP Colonia Fund. The ORCA Executive Committee approved the recommendations and the Community Development Supplemental Fund and the Non-Border Colonia Fund were created starting with the 2005 program year. The Regional Allocation Task will meet at least once annually to consider any changes to the regional allocation formula and to discuss other issues that could result in recommendations to the ORCA Executive Committee.
- The State has responded to an issue identified during HUD's monitoring visit during August of 2003. HUD recommended that the State provide information to applicants that would further describe how scores are assigned to selection criteria that allowed for some subjective scoring by TCDP Staff and Regional Review Committee members. The TCDP has already responded to HUD's recommendation to

provide detailed descriptions for certain selection criteria so that applicants can understand how scores will be determined. The TCDP has provided detailed descriptions for selection criteria that will be used to assign scores for some fund categories where the 2004 program year competitions have not yet been held. Similar detailed selection criteria descriptions have been published for comments and included in the Texas Administrative Code for the 2005 program year TCDP fund categories.

- The ORCA Executive Committee has approved two new programs that could stimulate economic development and job creation in rural communities. The two new programs, the Microenterprise Fund and the Small Business Fund, will utilize State CDBG program income for loans to microenterprises (a commercial enterprise that has five (5) or fewer employees) and small businesses (for-profit businesses with less than one hundred (100) employees). These new programs were not made available during the 2004 program year. ORCA has hired new staff with loan program experience and the goal is to make these programs available during the 2005 program year.
- The ORCA Executive Committee has approved a Section 108 Loan Guarantee Pilot Program. The Pilot Program was originally scheduled for the 2004 program year. ORCA has hired new staff with loan program experience and the goal is to make the program available during the 2005 program year. The TCDP will consider one application for loan guarantee assistance up to \$500,000. For this pilot program, the TCDP is restricting eligibility to economic development activities eligible under CDBG Program. A successful experience with this pilot program could encourage a future expansion of the use of Section 108 financing in the future.
- Texas has gone through a long period of constant natural disasters that has limited the use of Disaster Relief/Urgent Need funds to only projects for disaster relief. The ORCA Executive Committee has approved using, based on availability, recaptured CDBG funds from prior years for urgent need projects. If available, the amount of recaptured funds that may be used will not exceed \$1,000,000. Urgent Need assistance is contingent upon the availability of funds for activities that will restore water or sewer infrastructure whose sudden failure has resulted in either death, illness, injury, or pose an imminent threat to life or health within the affected applicant's jurisdiction. Threshold requirements that must be met before a city or county can apply for these funds are described in the 2005 CDBG Action Plan.

Performance Measurement System Status

The State of Texas already reports on performance measurement output measures and one outcome measure to the State's Legislative Budget Board (LBB). The 2005 State Fiscal Year targets for the following output measures and outcome measure are set by the LBB:

Output Measures:

- Number of New Contracts Awarded Annually Target: 316
- Number of Beneficiaries From New Contracts Target: 375,000
- Number of Onsite Technical Assistance Visits Target: 563
- Number of Monitoring Visits Target: 300

Outcome Measure:

- Percent of Persons in Small Communities Funded Annually Benefitting From Public Facility, Economic Development, Housing, and Planning Projects Target: 33%

New performance measurement outcome reporting for 2003 program year TCDP applicants and grantees was initiated by the ORCA Executive Committee. Applicants for the 2003 Community Development Fund, Colonia Construction Fund, and Housing Rehabilitation Fund were asked to provide the following information in the TCDP application:

"In addition to the needs addressed in the application, are there any additional benefits to the city/county government or to the residents of the city/county or target area that may result from the CDBG investment? Please consider the following benefit areas when providing the response. Address only the benefit areas where an additional benefit may actually exist."

- **Business** (Consider any possible creation or retention of jobs; improved public facilities or infrastructure that could allow a business to expand or locate in the area; improvements that might attract new business to the area; etc.)
- **Revenue** (Consider potential increased revenue from user fees, property taxes, or sales taxes etc.)
- **Investments** (Consider how the CDBG funds may encourage investment by businesses, service providers, or home builders, etc.)
- **Cost Savings** (Consider operations and maintenance savings; savings from fines or enforcements orders; insurance savings for the applicant and/or residents of the applicant jurisdiction; etc.)
- **Regulatory** (Consider any benefit where the proposed improvements will allow the applicant city/county or residents of the area to meet or exceed regulatory requirements related to the proposed improvements.)
- **Health/Safety** (Consider any improvements related to healthcare; improvements related to public safety; improvements related to water quality and supply; improvements addressing sanitary sewer conditions; improvements to transportation and accessibility; etc.)
- **Residential** (Consider any possible impacts to residential neighborhoods related to: improved water and sewer service; improved drainage or road conditions; improved condition of the existing housing; improvements to recreational possibilities; etc.)

Starting with the 2003 program year, the TCDP contracts for the Community Development Fund, Colonia Construction Fund, and Housing Rehabilitation Fund grantees include a special condition stating one year after the project is completed, each grantee must assess the additional benefits resulting from the CDBG investment and report those additional benefits to the TCDP.

In addition, Texas' TCDP staff participated in the Council of State Community Development Agencies (COSFDA) performance indicators and performance outcome measures taskforce. This taskforce presented performance measurement reporting recommendations that were presented to the COSFDA Board and COSFDA members. COSFDA has met with HUD staff, Office of Management and Budget staff, and other stakeholders to agree upon the final design for the performance measurement reporting system. ORCA will adopt the performance measurement reporting criteria that HUD adopts as long as it is supported by state CDBG program practitioners; will actually provide valuable information on the effective use of CDBG dollars in non-entitlement communities; and will provide each state with information that can shape decisions on the future use of CDBG funds. Texas is prepared to adopt performance measurement reporting system required by HUD when HUD issues the guidance for the new reporting requirements.

<p>Adoption of the Consolidated Plan for the CDBG, HOME, HOPWA and ESG Application, Reporting and Citizen Participation Requirements</p>

The State of Texas strongly supports the on-going efforts by HUD to revisit the Consolidated Plan design and hopes that HUD will listen to state recommendations and recommendations from the pilot program participants for changes that streamline the process and that eliminate unrealistic requirements on states. We will work with HUD and the Council of State Community Development Agencies (COSFDA) to develop a plan that is useful for state programs.

In past annual submissions of this report, the State of Texas has consistently provided observations that the Consolidated Plan requirements were more appropriately applied to entitlement cities and urban counties

It is hoped that future meetings and discussions on the Consolidated Plan result in the design of a new plan that recognizes the differences between the Entitlement and Small Cities CDBG Programs.

Improve the State Program's Funds Expenditure Ratio

In order to improve the State program's funds expenditure ratio, the TCDP combined the awarding of 1994 and 1995 Program Year (PY) funds to applicants for the *Community Development Fund*, the *Planning/Capacity Building Fund*, and the *Colonia Fund* through biennial funding competitions.

The biennial funding design was utilized by the TCDP for the *Community Development Fund* and the *Planning/Capacity Building Fund* for 1997 and 1998 Program Year funds.

The State also used the biennial funding design for distributing 1999, 2000, 2001, 2002, and 2003 Program Year funds under the Community Development Fund, Planning and Capacity Building Funding Fund, and the Housing Rehabilitation Fund.

The State will use the biennial funding design for distributing 2005 and 2006 Program Year funds under the Community Development Fund, Planning and Capacity Building Funding Fund, Community Development Supplemental Fund, Colonia Construction Fund and the Non-Border Colonia Fund.

The biennial funding design and other methods implemented by ORCA originally resulted in improvement to the State's funds expenditure ratio. Through the continued use of the biennial funding design, requirements for matching funds, and by strongly encouraging grantees to begin projects more quickly, improvements should be seen in the State's funds expenditure ratio.

ORCA continues to use other methods to improve the funds expenditure ratio such as applicant threshold requirements for previously funded grantees that require timely obligation and expenditure of CDBG contract funds as a threshold for the submission of a new application and application scoring criteria that rewards applicants for timely expenditure of funds for previously received CDBG grants.

ORCA has implemented two new policies to accelerate the contracting process. The first policy requires applicants recommended for funding to submit an executed contract (submit signed copies) to ORCA within 60 days from the date of the letter transmitting the award contract to the applicant or else, the award will be withdrawn by ORCA; and two. The second policy allows ORCA to withdraw an award to an applicant, if within 90 days after the date of the award letter if the applicant cannot substantiate or maintain the claims and statements made in the application.

The ORCA Executive Committee has requested recommendations from staff for the use of accumulated deobligated funds and recaptured funds to reduce the current balance of these funds. After reviewing the recommendations, the ORCA Executive Committee approved using \$4,300,000 of the accumulated funds as an additional allocation for the 2005 Community Development Supplemental Fund. Awarding these funds during 2005 should help improve the funds expenditure ratio.

Colonia Information Sharing

TDHCA-OCI continues to provide technical assistance and resources to assist organizations, local governments, and non-profit organizations that assist them with grant funding projects and planning activities in colonia areas. TDHCA-OCI attends, on a quarterly basis, a state agency advisory roundtable to discuss border affairs, which is organized through the Governor's Office and the Secretary of State's Office in cooperation with other state and federal agencies.

Colonia Economically Distressed Areas Program Fund

The Colonia Economically Distressed Area Program Fund (Colonia EDAP Fund) was established through state statute and a rider to the Department's 1998/1999 biennium, 2000/2001 biennium, 2002/2003 biennium and 2004/2005 biennium budget appropriations. Cities and counties that are eligible for the ORCA Colonia Fund and the Texas Water Development Board Economically Distressed Areas Program are eligible to receive funding for assistance to colonia residents who cannot afford the cost of service lines, yard lines, and plumbing improvements associated with being connected to an EDAP-funded water or

sewer system. Since 1998, the set-aside for the Colonia EDAP Fund has been \$2,000,000 for each program year. The rider in ORCA's 2004/2005 biennium budget appropriation was changed to allow ORCA to commit Colonia EDAP funds that are not committed after 12 months to other eligible Colonia Fund projects.

Form Partnerships with other State and Federal Agencies

ORCA will continue to support the sharing of program application and funding information and coordination of funding efforts between state and federal agencies. Previous meetings with representatives of the Texas Water Development Board (TWDB) and the U.S. Department of Agriculture Rural Development (RD) programs have underscored the need for more sharing of program application and funding information and coordination of funding efforts between state and federal agencies. Efforts have been made to share information with TWDB and RD on a regular basis and to meet when necessary.

ORCA will continue, with other State agencies such as the Texas Water Development Board and the Texas Natural Resource Conservation Commission (TNRCC), the Texas Department of Health (TDH), and the General Land Office (GLO) to support the concept of local self-help to solve water and wastewater needs through the Texas Small Towns Environment Program (STEP).

The TCDP recognizes the unique opportunity that Texas STEP brings to communities. Texas STEP provides guidance, assistance, and support to community leaders and residents willing to solve their problems through self-help. The advantages to this approach are significant savings in project costs (average savings of 30% have been realized on past STEP projects and the TCDP requires a 40% savings from retail cost on TCDP-funded STEP projects) and significant time savings.

In addition, ORCA and the Texas Water Development Board (TWDB) are collaborating through an executed Memorandum of Understanding (MOU) to coordinate funding for colonia areas through the Department's Colonia Fund and the TWDB Economically Distressed Areas Program. Through provisions in the MOU, the TCDP gives top priority to Colonia Construction Fund projects that will provide colonia residents who cannot afford the cost of service lines, service connections, and plumbing improvements the assistance to receive service access to the water or sewer systems financed by the TWDB Economically Distressed Areas Program.

ORCA has entered into a Memorandum of Understanding (MOU) with TDHCA for the day-to-day administrative operations of the colonia self-help centers and to partially fund TDHCA-OCI staff. ORCA is responsible for monitoring of the colonia self-help centers contracts in coordination with TDHCA-OCI. TDHCA-OCI staff is responsible for providing oversight and technical assistance, as well as assessing the needs of colonia areas. The TDHCA-OCI administers and has contract oversight of the colonia self-help centers and other federal, state and local programs.

OCI management staff located in TDHCA's Austin office continues to provide oversight of the TDHCA border field offices staff and the colonia self-help centers. TDHCA-OCI will provide information and progress reports to ORCA as needed in accordance to the MOU. In addition to the colonia self-help center

ORCA and the U.S. Army Corps of Engineers have collaborated and will continue to collaborate on a program to increase awareness of water issues and technologies for small water systems in Texas. The program provided information on small water system technologies and education for small water system needs. The program also included leadership training for small water system awareness, a youth training component and a water related scholarship program.

Administration of the Texas Capital Fund by the Texas Department of Agriculture

Through an interagency agreement with ORCA, the Texas Department of Agriculture (TDA) is responsible for administration of the Texas Capital Fund. ORCA will continue to be responsible for oversight of the services provided by the TDA under the interagency agreement, while the TDA will be responsible for marketing, underwriting, administration, and monitoring of the Texas Capital Fund. Continued

communication and coordination between ORCA and TDA staff has allowed for implementation of the Texas Capital Fund in a more consistent manner with the overall Texas Community Development Program.

Track and Monitor the Texas Capital Fund Revolving Loan Fund

ORCA maintains tracking and monitoring of the state and local Revolving Loan Fund (RLF) programs. CDBG staff has conducted site visits to communities with local RLFs to provide technical assistance and assess the need for additional on-site monitoring visits. Communities with local RLFs are required to provide status reports on an annual basis. CDBG staff has made significant improvements to the reporting format for local RLFs, which provides for better tracking of local RLF activities. Through a coordinated effort, TDA continues to provide RLF information on Texas Capital Fund projects to ORCA. Assignment of a CDBG Program Analyst the last several years has improved oversight of both local and state RLF accounts. During the past year, ORCA has contacted all communities with inactive RLF accounts. Communities that have not initiated loans by the prescribed ORCA deadline will be required to return funds for use by the State.

Update on Young versus Martinez Projects

The State CDBG Program continues to work with HUD to address the Young v. Martinez litigation. As requested by HUD, the State has agreed to provide a third Young case set-aside in the State's 2003 Action Plan utilizing deobligated and recaptured 2001 funds and 1998 funds. The activities that Young v. Martinez applicants may address are the Court-ordered activities under the Final Order and Decree in the Young v. Martinez litigation. Staff from HUD visited each city with Court-ordered activities and issued a Priority List for funding the activities. To date, all of the fifteen (15) possible applicants identified on HUD's Young v. Martinez Priority List have received grant awards. The total amount of 2001 and 1998 funds obligated by the TCDP for these 15 projects is \$4,640,847.23. To date, the total amount of funds requested through drawdowns by these 15 grantees is \$2,526,684.83.

As requested by HUD, the State previously agreed to provide a second Young case set-aside in 2001 totaling 2.3 million to provide funding for those jurisdictions that were required to correct neighborhood disparities identified in the Memorandums of Understanding (MOU's). In an effort to address the Young v. Martinez case, two TDHCA field staff personally visited the jurisdictions named in the case. Staff met with local officials to discuss the required and recommended actions needed to address neighborhood disparities, provide technical assistance, and encourage jurisdictions to apply for funding under the State's 2001 Young v. Martinez Fund. The total amount of 2001 funds obligated by the TCDP for these 10 projects is \$2,428,619.70. To date, the total amount of funds requested through drawdowns by these 10 grantees is \$2,076,870.19 and there is an unutilized balance of \$351,749.51.

During the 1995 program year the State set-aside \$6.3 million to assist jurisdictions to address required activities related to the Young case. Thirty-seven (37) of the forty-one (41) Young v. Martinez Fund applications received by the State were funded. The total amount obligated for these Young V. Martinez projects is \$6,568,200. At the time of submission of this report, the funded activities for the original 37 grantees have been completed and all contracts have been closed. To date, the total amount of funds utilized by these 37 grantees is \$6,396,782.31 and the unutilized balance, some of which and been re-obligated to existing Young V. Martinez projects, is \$171,417.69.

The total amount originally obligated for these sixty-two (62) Young V. Martinez projects is \$13,602,057.76. To date, the total amount of funds requested through draw downs by these 62 grantees is \$11,000,337.33 and there is an unutilized balance of \$375,906.85. A summary of the current status of the Young V. Martinez grantees is provided on the following pages.

Texas CDBG Program Young V. Martinez Grantees Status of Projects

Funded from 1994, 1995, 1996, and 1997 Program Year Funds.

Grantee	Contract Amount	Status	Drawn Amount	Unutilized Balance	Actual Total Benefit	Actual Low/Mod Benefit	Closed Date	Actual Accomplishments
Atlanta	\$133,062	C	\$131,927	\$1,135	51	51	1/27/99	Installed 1,112 tons of 1.5" asphaltic pavement, 4,714' of 18" concrete curb and gutter, 3,896' of concrete sidewalk, 6 barrier-free sidewalk ramps, 5 barrier-free curb ramps, and 400' of cedar fence.
Avinger	\$85,700	C	\$85,200	\$500	70	70	6/9/97	Installed 156' of 24' culverts, reconstructed 500' of street, installed 700' of sewer line, 1 manhole and demolished one two-story structure.
Big Sandy	\$272,000	C	\$261,272	\$10,728	20	20	9/23/98	Installed metal beam guard fence, 4 wingwalls, 144 cy of concrete, 135 tons of asphaltic pavement, prime coat, road subgrade, and 2 box culverts.
Clarksville	\$365,151	C	\$365,151		179	179	1/14/99	Installed 3,700' of streets with compacted base and lime stabilization, 1,476' of valley gutter, 1,030' of curb and gutter, 295' of RCP storm sewer, and 4 inlet boxes.
Cleveland	\$286,708	C	\$286,708		143	143	11/19/98	Improved streets and driveways, demolished and cleared 21 vacant dilapidated structures and lots, and rehabilitated 10 owner-occupied homes.
Cooper	\$190,206	C	\$190,206		210	210	6/7/99	Installed 4,505' of asphalt overlay, 4,200' of asphalt surface, compacted base, sub-base repair, lime stabilization base, curb & gutter, drainage culverts, & 2 handicapped ramps.
Corrigan	\$30,000	C	\$30,000		80	80	7/15/99	Cleaned & regraded ditches, recompact street sub-grade, installed flexible street base, limestone base, & asphalt surface, a water crossing, drainage pipe, & 2 headwalls.
Crockett	\$300,000	C	\$287,133	\$12,867	605	605	11/19/98	Installed 2,447' of streets (including base, subgrade, and asphaltic surface), 204' of curb and gutter, 6,878' of asphalt surface overly and one drainage structure.
Dayton	\$235,500	C	\$235,500		273	273	11/19/98	Installed 2,098' of sewer line, 40 service reconnections, 8 manholes. Demolished and cleared 17 properties. Installed street overlay on nine streets.
DeKalb	\$149,415	C	\$149,415		98	98	9/28/98	Installed 1,790' of asphaltic paving, 522' of curb and gutter, and 108' of drainage culverts.
Diboll	\$87,000	C	\$83,272	\$3,728	307	307	10/10/97	Installed 1,604' if concrete repair and 1,316 tons of asphalt street overlay.
Garrison	\$189,303	C	\$189,303		174	171	4/30/98	Installed 3,795' of reshaped, rescarified, and recompact streets, lime stabilization and limestone base.
Gladewater	\$233,000	C	\$227,835	\$5,165	219	219	8/11/98	Installed base, subgrade, and asphaltic surface on streets.
Grapeland	\$30,000	C	\$30,000		130	130	6/15/99	Installed 600s.y. of asphalt street overlay.
Hemphill	\$257,000	C	\$257,000		78	72	10/6/98	Installed 7,400' of reshaped, rescarified, and recompact streets, 15,435' of prime coat, 113,905 cy of asphaltic surface, and 112' of RCP culvert.
Henderson	\$300,000	C	\$300,000		185	185	11/19/98	Installed 2,133 sy of concrete paving, 2,018' of fencing, and a barrier-free ramp.
Huntington	\$300,000	C	\$289,779	\$10,221	151	151	4/19/00	Installed 6,260' of 15" sewer line, 1,295' of 6" sewer line, 360' of 4" sewer line, 25 manholes, 3 lift station pumps/motors, and 7 service taps. Also made repairs to the wastewater treatment plant.
Jasper	\$60,000	C	\$60,000		60	60	10/8/98	Installed 11,370' of overlay on streets and other drainage improvements.
Jefferson	\$282,000	C	\$281,792	\$209	127	127	2/23/00	Installed 1,074' of asphalt overlay, 2,023' of concrete pipe, 11 inlets, and demolished/cleared 3 homes.
Kirbyville	\$50,000	C	\$50,000		105	105	6/15/98	Installed 400' of reshaped, rescarified, and recompact streets, 915' of lime stabilized subgrade, prime coat, 2 roadway turnouts, and cement stabilization.
Linden	\$58,000	C	\$55,402	\$2,598	73	73	1/27/99	Installed 474 tons of asphalt overlay, 352 sy of concrete driveway construction, concrete grate, and other roadway preparation.
Malakoff	\$13,953	C	\$13,953		96	96	8/20/99	Installed street base, asphalt surface, curb-cuts, concrete drains, ditches, demolished 1 homes, and performed clearance activities.
Maud	\$40,000	C	\$40,000		30	30	3/6/98	Reconstructed 1,590' of streets.
Mineola	\$124,000	C	\$124,000		165	156	6/21/99	Reconstruction of streets in the Meredith, Phillips and Goodson Circle PHA areas.
Mount Pleasant	\$267,115	C	\$267,115		422	408	10/20/99	Installed 4,715' of sewer line, 21 manholes, 57 service connections; asphalt street surface & curb/gutter, drainage channel, curb inlets, & storm sewer.

Grantee	Contract Amount	Status	Drawn Amount	Unutilized Balance	Actual Total Benefit	Actual Low/Mod Benefit	Closed Date	Actual Accomplishments
Naples	\$54,300	C	\$54,300		53	53	1/28/99	Installed street paving and drainage improvements.
New Boston	\$243,000	C	\$239,293	\$3,707	382	378	1/25/99	Installed 610' of water line, one fire hydrant, asphalt surface paving, curb and gutter, drainage improvements, sidewalks, and concrete parking.
Newton	\$54,000	C	\$50,499	\$3,501	51	49	4/26/99	Installed street paving, street widening, and drainage improvements.
Overton	\$300,000	AC	\$300,000		63	60	1/31/01	Reconstructed streets and driveways, installed french drain, and lowered 10 water services.
Paris	\$272,000	C	\$272,000		363	363	8/18/00	Installed 1931' of street asphalt surface, curb & gutter, clearing, grubbing & grading; storm sewer, box culvert; & new laundry facility.
Pineland	\$74,200	C	\$68,418	\$5,782	182	182	2/11/98	Installed 1,160' of 6' sanitary sewer line, 4 manholes, and 720' of asphalt overlay.
Pittsburg	\$329,700	C	\$299,579	\$30,121	28	28	2/23/00	Installed street & drainage improvements including excavation, limestone base, street surface, in-place pavement reconstruction, curb and gutter, reinforced concrete pavement, valley gutters, detention pond, drainage channel, seeding and erosion control, & drainage structures.
San Augustine	\$65,487	C	\$60,852	\$4,635	164	164	10/28/99	Installed 6,700 s.y. of asphalt surface overlay at Sunset Hills Apartments.
Tenaha	\$141,900	C	\$132,360	\$9,540	72	72	6/24/98	Installed 6,475' of asphalt streets and 2,170' sy of asphalt parking.
Timpson	\$246,000	C	\$245,757	\$243	161	148	9/23/98	Installed lime stabilization, subgrade, 9 roadway turnouts, 28 driveway turnouts, 230' of culverts, stabilization fabric, compacted limestone, and cement stabilization.
Trinidad	\$148,500	AC	\$148,500		113	113	1/18/02	Reconstructed streets including ROW preparation, excavation, compact base & lime stabilization, HMAC pavement, and RCP. Repaved five parking lots and installed 24" RCP.
Wills Point	\$300,000	C	\$233,262	\$66,738	239	229	4/1/99	Installed street & drainage improvements including 40 tons of lime, 410' of curb & gutter, prime coat, asphalt & concrete surface, valley gutter, fencing, complete excavation, channel bottom and side slope stabilization, and seeding.
Totals	\$6,568,200		\$6,396,782	\$171,418	5,922	5,858		

Funded from 2001 Funds

Grantee	Contract Amount	Status	Drawn Amount	Unutilized Balance	Actual Total Benefit	Actual Low/Mod Benefit	Closed Date	Actual Accomplishments
Clarksville	\$399,542	AC	\$325,405	\$74,137	228	228	9/9/03	Street reconstruction and drainage improvements in the College Heights PHA area. Installed the following: 11,780' of lime stabilization, 10,160' of crushed stone base, 2,304' of prime coat, 3,700' of HMAC surface pavement, 2,280' of curb & gutter, 185' of drainage inlets and relocated water lines.
Cooper	\$191,310	AC	\$133,030	\$58,279	18	18	6/30/04	Street reconstruction and drainage improvements in the Marshall Street PHA area.
Crockett	\$624,177.70	AC	\$624,178		251	251	12/28/04	Street reconstruction (374 tons of HMAC, 911 tons of HMAC overlay, 520 s.y. of base repair, 2,142' of concrete curb & gutter, crushed stone base, lime stabilization, base and joint repairs, and tack coat), drainage improvements (410' of storm sewer), water improvements (relocated 1,430' of 6" line and 2 connections), and sewer improvements (relocated 2,287' of line, 8 manholes & 46 reconnections) in the Site A and 2 nd Street PHA areas.
Gilmer	\$283,700	AC	\$283,041	\$659	159	159	10/16/03	In the Sorrells Park PHA area installed: 14,454 s.f. of excavation, 10,215 s.f. of concrete pavement, 4,239 s.f. of 8" hot mix asphalt patch, 5,903 s.y. of tack coat, recompact street sub-base, installed reinforced concrete dumpster pad, reconstructed 84' of concrete curb and gutter, installed 95 s.y. of reinforced concrete walkway (including handicapped ramps and landings), installed 6" water main under Sorrell and Circle streets, and installed 5 manholes.
Henderson	\$293,194	AC	\$271,339	\$21,855	133	133	5/26/04	Street reconstruction and drainage improvements in the Flanigan Heights PHA area.
Livingston	\$180,000	AC	\$180,000		210	210	8/26/04	Street reconstruction (1,630 c.y. of excavation, 110 tons of lime slurry, 7,334 s.y. of lime treated subgrade, & 1,953 tons of HMAC base) and curb/gutter installation (1,100' of concrete curb & gutter & 150 s.y. of concrete driveway tie-ins) in the Circle/Banks Livingston PHA neighborhood.
Naples	\$39,040	AC	\$39,040		17	17	3/3/03	Installed drainage improvements in the Cornett Road Naples PHA area including 812' of ditch excavation, 12' of 12" RCP culvert, 24' of 18" RCP culvert, 382' of 24" concrete drainage, and 201 tons of HMAC.
Paris	\$200,000	PT	\$13,500	\$186,500				Acquisition of site & demolition of existing structures for a community center in the Booker T. Washington PHA area.
Pittsburg	\$118,964	AC	\$108,644	\$10,320	28	28	6/30/04	Street reconstruction and water and sewer improvements in the Hawkins Place PHA area.
Woodville	\$98,692	AC	\$98,692		60	60	6/27/03	In the Terrace Apartment Site AA PHA area installed street and curb/gutter improvements on Robin Street including 475 c.y. of excavation, 1,455 s.y. of flexible base & limestone, 900' of concrete curb and gutter, 1,200 s.y. of hot mix pavement, 38 s.y. of concrete driveway, grass seeding for erosion control, and relocated an existing chain link fence.
Totals	\$2,428,619.70		\$2,076,870	\$351,750	1,104	1,104		

Funded from 1998 and 2001 Program Year Funds Recaptured through Deobligations and Amounts Unspent from Closed Contracts

Grantee	Contract Amount	Status	Drawn Amount	Unutilized Balance	Actual Total Benefit	Actual Low/Mod Benefit	Closed Date	Actual Accomplishments
Alba	\$103,000.00	IP	\$100,317		23	23		The city shall improve the Public Housing Authority neighborhood through the reconstruction of Pope, Center and DeWitt Streets and the installation of drainage improvements in the same area. Project includes 3,000 s.y. of scarifying, shaping and recompacting existing pavement; 3,000 s.y. of flexible street base; 300 tons of asphalt surface pavement; and 1,200 linear feet of ditch grading, drainage, and right-of-way preparation.
DeKalb	\$203,825.00	IP	\$189,959		69	69		The city shall improve the Public Housing Authority neighborhood through the reconstruction of Beck Street and the installation of drainage improvements between Beck and North Streets. Project includes 1,400 s.y. of flexible street base, 1,273 s.y. of asphalt surface pavement, associated drainage improvements, 16,800 s.y. of concrete lined drainage ditch, shaping and grading of the existing drainage channel, culverts and rip-rap.
Deport	\$444,214.00	IP	\$195,963		65	65		The city shall improve the Public Housing Authority neighborhood through the reconstruction of North Pecan, South Third, South Second, Fourth and North College Streets and the installation of drainage improvements in the same area. Project includes 7,635 s.y. of lime stabilization base, 90 tons of lime, 7,459 s.y. of base rock, 6,486 s.y. of asphalt surface pavement, 1,660 l.f. of curb and gutter, ditch grading, drainage culverts, a new storm inlet and associated relocation of existing utilities.
Detroit	\$280,018.00	IP	\$216,301		60	60		The city shall improve the Public Housing Authority area through the reconstruction of Bennett, North Main, and West Shepard Streets and the installation of sewer and drainage improvements in the same area. Project includes 4,440 s.y. of scarifying, reshaping, and compacting of existing streets; 5,922 s.y. of base rock; 5,428 s.y. of asphalt surface pavement; 600' of 6" sewer line; 10 sewer service transfers; 5 manholes; driveway and roadway drainage culverts; and ditch grading.
Edgewood	\$300,000.00	IP	\$221,358		62	62		The city shall improve the Public Housing Authority neighborhood through the reconstruction of Elm and Austin Streets and the installation of drainage improvements in the same area. Project includes 1,612 s.y. of cement stabilized base, 38 tons of cement, 1,470 s.y. of asphalt surface pavement, concrete valley dips, reinforced concrete drainage pipe, 410 s.y. of concrete lined ditch, 4 inlets-outlets, ditch enlarging and ditch grading.
Garrison	\$244,300.00	AC	\$244,300		103	103	1/28/05	Improvements in the Public Housing Authority neighborhood through the reconstruction of Henning Road (1,910' of scarifying, reshaping and compacting of the existing roadway; 4,735 s.y. of lime stabilized base and flexible base; 4,310 s.y. of asphalt surface pavement) and the installation of drainage improvements (40' pf 18" reinforced concrete culvert pipe) in the same area.
Henderson	\$991,568.00	IP	\$380,669		62	62		The city shall improve the West Main and Flanagan Heights Public Housing Authority neighborhoods through the reconstruction of West Elk, Texas, Elizabeth, and Redbud Streets, the installation of drainage improvements in same areas and park improvements. Project includes 11,550 s.y. of subgrade preparation and concrete pavement, 6,700' of curb and gutter, drainage pipe, a parking lot at Yates Park and a basketball court.
Hughes Springs	\$150,000.00	IP	\$3,629		74	74		The City shall improve the Public Housing Authority neighborhood through the reconstruction of South Pine, Cheatham, Hayes and Foster Streets and the extension of Foster Street. Drainage improvements will also be installed in the same area. Project includes soil cement patching, hot mix asphalt patching, hot mix asphalt paving, crushed stone base, prime coat, drainage culverts and pipe, drainage wingwalls and headwall.
Jefferson	\$67,000.00	AC	\$67,531	\$469	93	93	10/4/04	The city shall improve the Cypress Village and Central Heights Public Housing Authority neighborhoods through the reconstruction of Sharp, Lafayette, Canal and Soda Streets. Project includes street leveling and 10,210 square yards of asphalt street overlay.

Grantee	Contract Amount	Status	Drawn Amount	Unutilized Balance	Actual Total Benefit	Actual Low/Mod Benefit	Closed Date	Actual Accomplishments
Kirbyville	\$642,890.00	IP	\$574,424		278	239		The city shall improve the Public Housing Authority neighborhood through the reconstruction of MLK Drive and West Levert Street. Project includes 4,700' of existing street scarification, reshaping and compaction; 13,750 s.y. of stabilized, stabilization fabric, flexible base and prime coat; 12,900 s.y. of asphalt surface pavement; roadway and driveway turnouts; and culverts.
Linden	\$38,720.00	IP	\$38,401	\$319	68	68		The city shall improve the Public Housing Authority neighborhood through the reconstruction of Taylor, Foster and Project Streets. Project includes 830 gallons of tack coat and 415 tons of asphalt surface pavement.
Mount Vernon	\$311,978.00	IP	\$191,986		17	17		The city shall improve the Public Housing Authority neighborhood through the installation of street paving improvements (excavation, 5,500 s.y. of scarifying, subgrade stabilization, and asphalt street surface, 88 tons of cement, 7,500 s.f. of concrete for driveways); water system improvements (1,500' of 6" line, 30 service connections and 3 hydrants); and sewer system improvements (1,500' of 6" line, 30 connections and 4 manholes).
Overton	\$100,000.00	IP	\$70,626		19	19		The city shall improve the Public Housing Authority neighborhood through the reconstruction of North Street and the installation of drainage improvements in the same area. Project includes the scarification, mixing, reshaping and compaction of the existing roadway, asphalt surface pavement, curb and gutter, valley gutter, drainage pipe and 2 concrete drainage headwalls.
Talco	\$43,334.23	NR			17	17		The city shall improve the Public Housing Authority neighborhood through the installation of drainage improvements on Wilson Street including ditch cleaning, driveway repairs, new culverts and a storm drain.
Wills Point	\$720,000.00	NR	\$32,220		94	94		The city shall improve the Public Housing Authority neighborhood through the demolition of the old Cartwright School building and the construction of a new 100' X 75' community building, a parking area and the installation of outdoor playground equipment.
Totals	\$4,640,847.23		\$2,527,685	\$788	1,104	1,065		

IV. Summary of Any Comments Concerning the Program that Have Been Received from Citizens

The following illustrates the efforts undertaken by ORCA with regards to citizen participation:

Public Hearing Notices

Ten preliminary public hearings for the 2005 One-Year Action Plan were held across the State between April 13 and May 20, 2004. Notices were sent to approximately 1,500 eligible cities and counties and other interested organizations and individuals. These ten hearings were held in April and May to allow for public comment that would be considered towards the content of the proposed 2005 One-Year Action Plan presented to the public during the September and October public hearings.

Thirteen public hearings for the 2005 Consolidated Plan and 2005 One-Year Action Plans were held across the State between September 27 and October 8, 2004. Notices were sent to approximately 1,500 eligible cities and counties and other interested organizations and individuals. The public comment period on the Action Plan was September 27, 2003, to October 31, 2004. Summaries of the Action Plan information were included with the notice of public hearings.

Application Workshop Schedule

The TCDP scheduled and held five (5) application workshops between July 27, 2004 and August 6, 2004, for the 2005/2006 Community Development Fund, Community Development Supplemental Fund, and Planning/Capacity Building Fund. An application workshop for the 2004 Housing Infrastructure fund was held on November 15, 2004. An application workshop for the 2004 Colonia Construction Fund and Colonia Planning Fund was held on June 25, 2004.

V. Evaluation of the Extent on which the Program Benefited Low and Moderate Income Persons.

See "Section One - Program Reports" for a description of the CDBG Program's activities.

VI. Summary of Activities and Results from Technical Assistance Funding

Technical Assistance Performed Through the Community Development Program

The Texas Community Development Program has conducted numerous on-site technical assistance visits funded with the one percent technical assistance (1% TA) set-aside approved by HUD. Technical assistance visits were conducted throughout the year when the TCDP staff recognized that assistance was needed at the local level or when assistance was requested by the grantees. In many cases, the small cities and counties cannot afford the travel expenses associated with sending their staff to Austin to obtain technical assistance, making it necessary for TCDP staff to travel to the localities to provide the training.

TCDP Regional Coordinators visited approximately 140 localities that were preliminary recommended for funding with 2004 funds to verify information provided in the applications and view the project sites. Regional Coordinators also distributed Project Implementation Manuals to these localities and provided technical assistance regarding the initial TCDP project implementation procedures. This visitation process was very valuable for both the verification of information and to view the existing problems described in the applications to determine the extent of the need for TCDP Funds. The 1% technical assistance funds were utilized to finance these extensive travel schedules throughout the state. This personal assistance has expanded the capacity of local governments to administer their grants effectively and has increased compliance with federal and programmatic requirements. These technical assistance visits gave confidence to the Contractor localities which received funding to begin the organization of records, preliminary financial requirements, environmental assessment, procurement of professional services, and other non-construction activities without delay, thus, preparing them to continue and complete construction activities in a timely manner.

Other technical assistance visits were conducted with 1% TA funds on special cases dealing with investigations and compliance issues. In some cases, housing rehabilitation and acquisition/relocation issues required extensive technical assistance and guidance from TCDP staff. These activities often

require special guidance and one-on-one technical assistance with local staff to help contractor localities comply with all federal and programmatic requirements.

The TCDP is using 1% technical assistance funds for an interagency contract with the Texas Department of Agriculture for technical assistance on the Texas Capital Fund program. Funds are used for on-site technical assistance

The TCDP is utilizing the 1% technical assistance funds to introduce and facilitate the Texas Small Towns Environment Program (Texas STEP), an innovative solution to water and wastewater needs throughout the State of Texas. Staff has visited localities that are interested in utilizing the Texas STEP method of self-help and has provided technical assistance on the development of a financial framework, managing a self-help project and building capacity within a community through self-help. The program focuses on looking within a community for resources such as equipment, labor and professional services. The initial response from citizens to the STEP approach, led to the establishment of the TCDP STEP Fund for the 1997 Program Year. The number of site visits have increased tremendously to coincide with the dedicated funding source for STEP projects. In order to effectively respond to community' requests for STEP assistance, the TCDP is using the 1% technical assistance funds to support some ORCA Staff activities related to the Texas STEP program.

The TCDP is utilizing the 1% technical assistance funds to support staff activities related to the Department's disaster relief efforts. Because of the current drought conditions in Texas and the multiple disasters that have impacted the state in the last few years, state efforts for response to disasters and the mitigation of the consequences of disasters have required that the Department dedicate significant staff time for disaster recovery efforts. The staff dedicated to these efforts coordinate the TCDP Disaster Relief/Urgent Need Fund; administer the use of Disaster Recovery Initiative funds; serves on multiple State Committees concerned with drought monitoring and disaster response efforts; and make a significant number of site visits to communities impacted by disaster situations.

The 1% technical assistance funds are used to support the operations of TDHCA-OCI staff and the colonia technical assistance field offices.

The 1% technical assistance funds are used to support the operations of the technical assistance field offices in Lubbock, Nacogdoches, and Alice.

Technical Assistance Offered Through Field Offices

During the reporting period, ORCA used a portion of one percent technical assistance funds to operate three technical assistance offices and to partially fund TDHCA-OCI border field offices. The technical assistance offices located in Lubbock, Nacogdoches and Alice focus on providing technical assistance in community and economic development, housing, and capacity building of nonprofit organizations. The technical assistance offices also provide information regarding all of ORCA's programs, including those related to health issues.

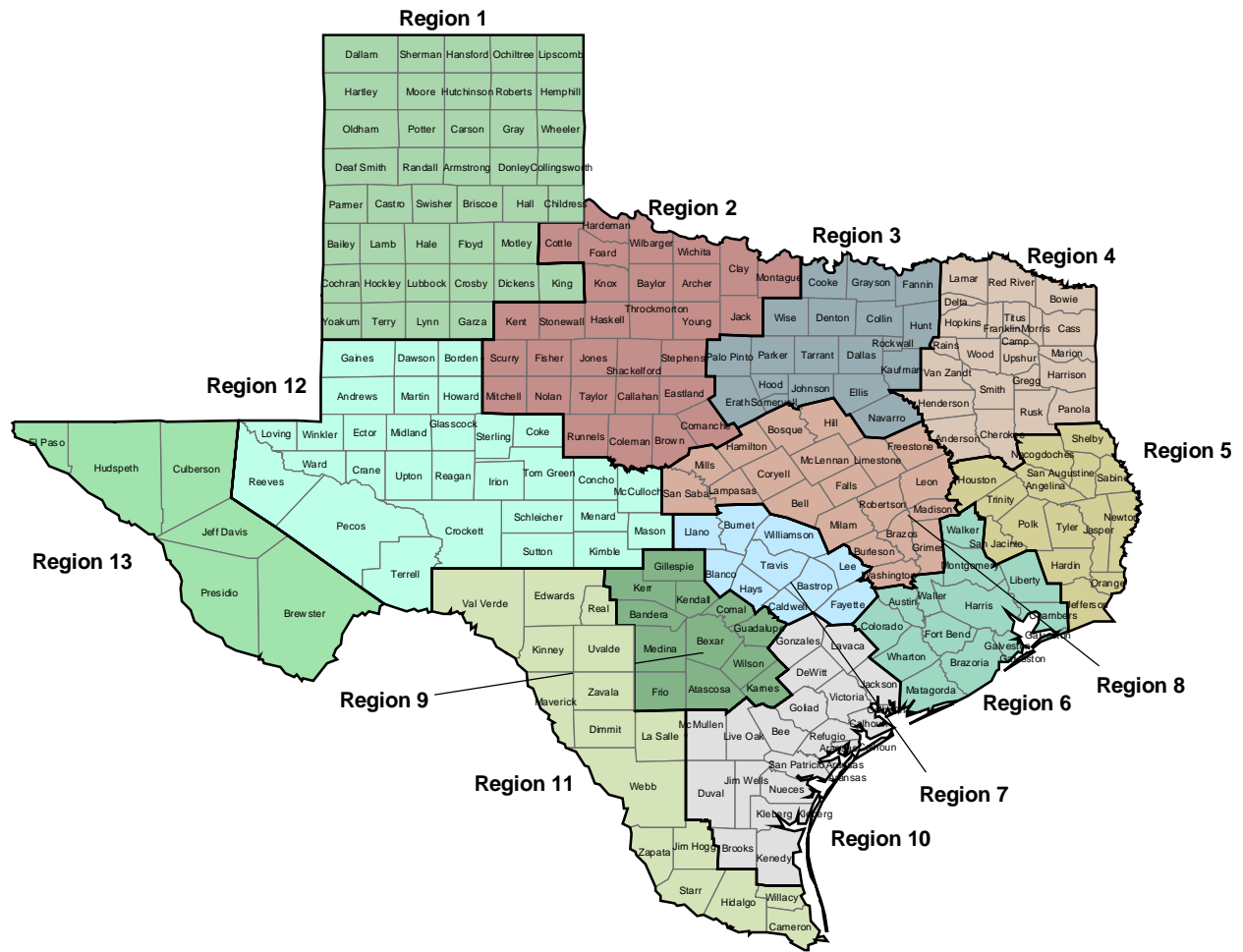
- The border field offices located in El Paso, Laredo, and Edinburg concentrate primarily in providing technical assistance in areas affecting the Texas/Mexico border and colonias. These offices conducted 643 technical assistance visits during the reporting period. The role of the border field offices has been expanded to include management of the colonia self-help center contracts and other programs.
- The West Texas Technical Assistance Center, established in June 1996, is located in Lubbock and serves 32 counties located in the South Plains and Permian Basin regions. The office also serves the Panhandle Region upon request and the service is expanding to cover additional areas of the state. Staff activities during the reporting period included:
 - conducting approximately 150 technical assistance visits and responding to daily phone calls for technical assistance;
 - holding several workshops during the reporting period. The workshop topics covered ORCA programs, homebuyer assistance, fair housing activities, rural health programs, and economic development programs;

- working closely with state and federal agencies located in west Texas such as HUD and USDA Rural Development; and
- providing technical assistance activities to both the South Plains Association of Governments and the Permian Basin Regional Planning Commission.
- The East Texas Technical Assistance Center has offices in Nacogdoches and Lufkin. The service area for this field office covers primarily the eastern and southeastern parts of the state. Staff activities during the reporting period included:
 - attending numerous meetings held by local service organizations;
 - providing technical assistance activities to both the Ark-Tex Council of Governments and the East Texas Council of Governments;
 - conducting approximately 130 technical assistance visits and responding to daily phone calls for technical assistance during the reporting period.
- ORCA officially opened the South Texas Technical Assistance Center in Alice during October of 2004 when staff was hired to operate the field office. The service area for this field office covers primarily the area of the state south of San Antonio. Staff activities during the reporting period included:
 - conducting approximately 50 technical assistance visits and responding to daily phone calls for technical assistance;
 - attending several meetings held by local service organizations;
 - providing technical assistance activities to both the Coastal Bend Council of Governments and the Lower Rio Grande Valley Development Council.

APPENDIX A: ABBREVIATIONS

ADDI	American Dream Downpayment Initiative
AMFI	Area Median Family Income
CAA	Community Action Agencies
CDBG	Development Block Grant
CHDO	Community Housing Development Organization
CPAPR	2005 Consolidated Plan Annual Performance Report – Reporting on Program Year 2004
DAC	TDHCA Disability Advisory Committee
Departments	The four programs covered in the CPAPR
DSHS	Department of State Health Services
ESG	Emergency Shelter Grants
FY	State Fiscal Year - September through August
HMIS	Homeless Management Information System
HOME	HOME Investment Partnerships
HOPWA	Housing Opportunities for Persons with AIDS
HSDAs	HIV Service Delivery Areas
HTC	Housing Tax Credit
HUD	U.S. Department of Housing and Urban Development
IDIS	Integrated Disbursement and Information System
Olmstead	Olmstead v. L.C. and E.C. Supreme Court Decision
ORCA	Office of Rural Community Affairs
OYAP	2004 State of Texas Consolidated Plan One Year Action Plan
PHA	Public Housing Authorities
PMC	TDHCA Portfolio Management and Compliance Division
PY	HUD Program Year - February through January
RAC	Regional Advisory Committee
RAF	Regional Allocation Formula
TCDP	Texas Community Development Program
TDHCA	Texas Department of Housing and Community Affairs
THN	Texas Homeless Network
TICH	Texas Interagency Council for the Homeless
TWCCRD	Texas Workforce Commission Civil Rights Division

APPENDIX B: STATE SERVICE REGIONS



APPENDIX C: HOME NON-COMPLIANCE REPORT

Sanctions for HOME properties: TDHCA has an Asset Management Committee comprised of members from its Real Estate Analysis, Portfolio Management and Compliance, Multifamily Production, Legal, and Financial Services divisions. The committee meets bi-weekly to discuss troubled assets. PMC contacts all HOME property owners with outstanding noncompliance to provide them with an opportunity to correct issues. If they fail to respond, the property will be forwarded to the Asset Management Committee. Possible sanctions include default, foreclosure, and receivership. However, the Department strives to work cooperatively with owners to restore compliance. Before imposing sanction, alternative solutions are considered such as restructuring debt, intensive depth technical assistance, and/or requiring changes in management companies.

In addition to the sanctions listed above, the TDHCA has a noncompliance scoring system. Owners found to be in material noncompliance are not eligible for additional funding from TDHCA.

File	Property Name	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Corrected Date
530677	Heatherwilde Park Retirement Apartments	No			
00101/530717	Eagle Lake Gardens	No			
00125/530727	Raintree Apartments	No			
531100	La Villita	Yes	Failure to maintain documentation	Yes	3/1/2004
531101	Seven Points Apartments	No			
532304	Longview Commons	No			
535003/95102	Llano Square Apts.	Yes	Failure to meet special needs set aside	Yes	6/17/2004
536263	Brownwood Apartments	Yes	rents over the limit	Yes	5/27/2005
536265	Sunrise Village II	No			
536266/96157	Brentwood Oaks	Yes	Owner failed to maintain documentation, Rents over the limit, Household eligibility, HQS inspections	2 units remain outstanding. Majority of issues identified have been corrected.	5/2005 Department will continue to work with owner until outstanding items are corrected.
96182/536279	Crestview Apartments Partnership	No			
538003	Nueces Bend at Two Rivers Place	No			
538006	Tierra Socorro Ltd.	Yes	Ineligible households, Failure to maintain documentation	Yes	12/2004
538622	Brownwood Apartments II	No			
539111	Bavarian Manor Apartments	No			
534389/539115	Bentcreek Apts.	No			
530707	Casa De Manana	No			
532322	Claremont Place Apts.	No			
530607	Crowley Senior L.P.	Yes	Failure to meet special needs set aside	Yes	2/23/2005
530657	Danville Estates	No			
538610	Denton Special Needs Housing	No			
531105	Garden Terrace Apartments	No			
537602	Hillside Senior Community	No			

File	Property Name	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Corrected Date
533345	Juan Linn Apts.	Yes	Failure to provide an Affirmative marketing plan and Failure to maintain documentation	No. Owner did not respond	Department staff will follow up for response. If necessary, property will be forwarded to asset management committee for review
533186	Lincoln Courts	Yes	Failure to maintain documentation.	No. Owner failed to respond, TDHCA sent a follow up letter. Asset Management committee is also working on this property.	
532305	Meadows Apts./ Port Velasco	Yes	Failure to maintain documentation, Property condition, Failure to provide an Affirmative marketing plan,	No	Property has been referred to the asset management committee
532300	Brazos Bend Villas	No			
537073/92144	Panola Seniors Comm	No			
535031	Parkview Place	Yes	Failure to maintain documentation.	Yes	7/11/2004
539099/859001	Grandview Retire. Village	No			
532329	Tomas H. Molina Homes	Yes	Ineligible household, Failure to maintain documentation	Response due 7/5/2005. Owner has not responded	Department staff will follow up for response. If necessary, property will be forwarded to asset management committee for review
532331	Jose "Joe" Gonzalez Homes: CACST Jim Hogg County Rental Units	Yes	Failure to maintain documentation, Failure to properly calculate utility allowance	Response due 8/6/2005	
532306	Francisco G. "Paco" Zarate Homes: CAC-Starr County	No			
532307	Arturo A. Figueroa Jr. HOMES	Yes	Failure to maintain documentation. Failure to adjust rent for Over income household	Response due 8/17/2005	
536291	Carriage Square Apts.	Yes	HQS inspection, Affirmative marketing plan, property condition, Owner failed to submit reports, Utility allowance, rents, Failure to maintain documentation,	No	Property has been referred to asset management committee.
534284	Cedar Ridge Apts.	No			
534142	Chandler Place	No			
538088	Hayden Ridge Apts.	No			
539114	St. Michael Estates	No			
532277	Tyler Community homes	Yes	Ineligible household, Failure to maintain documentation, property condition	No	Property has been referred to asset management committee.
533027	Mountain View Apartments	No			
533027	North Athens Homes	Yes	Failure to maintain documentation, failure to calculate Utility allowance, Failure to affirmatively market	Response under review	
532325	Nueva Vida Rentals	Yes	Failure to maintain documentation	Yes	11/12/2004
532334	San Jacinto Elderly	No			
532334	San Jacinto Senior Housing	No			
534339	Southwest Village Apartments	Yes	Failure to meet special needs set aside	Yes	3/15/2005

File	Property Name	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Corrected Date
53686	Temple College Housing Scholarship Program	No			
536292	Sutton Square Duplexes	Yes	Failure to maintain documentation	Yes	5/6/2005
533029	Tembell Home	No			
532319	Thomas Street Apts.	Yes	Failure to maintain documentation and property condition concerns	No	Through coordination with the asset management committee, property has transferred ownership. TDHCA staff has worked one on one with new management company to bring the property into compliance
537072	Turtle Creek Townhomes	No			
537603	West Ave Apts.	Yes	Failure to maintain documentation	Yes	12/10/2004
530627	Brentwood Apartments	Yes	Household income above limit.	No	Owner failed to respond. Department will follow up. If necessary, property will be referred to asset management committee.
531099	La Mirage Apartments	No			
538263	Santa Lucia Housing	Yes	Owner failed to maintain documentation, Failure to provide HQS inspections, Failure to meet special needs set aside	Yes	2/18/2005
532308	Plainview Duplex	No			

APPENDIX D: CPAPR PUBLIC COMMENT PROCESS

In an effort to fully include the citizens of Texas in the Consolidated Planning process, the Department holds a 15-day public comment period for the CPAPR. This public comment period began April 8, 2005 and concluded at 5:00 p.m. on April 25, 2005. The text of the public notice published in the Texas Register on April 8, 2005 is below provided. A copy of this notice was also provided to the Departments for posting on their websites.

ANNOUNCEMENT OF THE OPENING OF THE PUBLIC COMMENT PERIOD FOR THE 2005 STATE OF TEXAS CONSOLIDATED PLAN ANNUAL PERFORMANCE REPORT - REPORTING ON PROGRAM YEAR 2004 - DRAFT FOR PUBLIC COMMENT

The Texas Department of Housing and Community Affairs (the "Department") announces the opening of a seventeen-day public comment period for the State of Texas 2005 Consolidated Plan Annual Performance Report - Reporting on Program Year 2004 - Draft for Public Comment (the "Plan") as required by the U.S. Department of Housing and Urban Development (HUD). The Plan is required as part of the overall requirements governing the State's Consolidated Planning process. The Plan is submitted in compliance with 24 CFR 91.520 Consolidated Plan Submissions for Community Planning and Development Programs. The seventeen-day public comment period begins April 8, 2005 and continues until 5:00 p.m., April 25, 2005.

The Plan gives the Department an opportunity to evaluate its accomplishments during the past program year for the HOME Investment Partnerships program and the Emergency Shelter Grants (ESG) program. It also gives the Office of Rural Community Affairs and the Department of Health an opportunity to evaluate their accomplishments during the past program year for the Community Development Block Grant (CDBG) program and the Housing Opportunities for Persons with AIDS (HOPWA) program, respectively. The following information is provided for each of the four programs covered in the Plan: a summary of program resources and programmatic accomplishments; a series of narrative statements on program performance over the past year; a qualitative analysis of program actions and experiences; and a discussion of program successes in meeting each of the goals and objectives set forth in the 2001-2004 State of Texas Consolidated Plan.

Beginning April 8, 2005, the Plan will be available on the Department's website at www.tdhca.state.tx.us. A hard copy can be requested by contacting the Division of Policy and Public Affairs at: P.O. Box 13941, Austin, TX 78711-3941, or (512) 475-3976.

Written comment is encouraged and should be sent to the Texas Department of Housing and Community Affairs, Division of Policy and Public Affairs, P.O. Box 13941, Austin, TX 78711-3941. For more information or to order copies of the Plan please contact the Division of Policy and Public Affairs at (512) 475-3976 or email at acarpenter@tdhca.state.tx.us.

No comment on the CPAPR was received during the public comment period.