

2007 State of Texas Consolidated Plan Annual Performance Report Reporting on Program Year 2006



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Prepared by

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**2007 State of Texas Consolidated Plan
Annual Performance Report
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TABLE OF CONTENTS

INTRODUCTION	1
Legislation	2
PROGRAM PERFORMANCE	3
Community Development: CDBG	4
Homeless: ESGP	29
Housing: HOME	40
Non-Homeless Special Needs: HOPWA	63
OTHER ACTIONS	85
Meeting Underserved Needs and Developing Affordable Housing	85
Public Housing Resident Initiatives	89
Lead-Based Paint Hazards	91
Poverty-Level Households	93
Compliance	95
Institutional Structure	100
GOALS AND OBJECTIVES	101
Community Development: CDBG	101
Homeless and Housing: ESGP and HOME	103
CITIZEN PARTICIPATION: PUBLIC COMMENT	112

Table of Contents

INTRODUCTION

The Texas Department of Housing and Community Affairs (TDHCA), which administers the HOME Investment Partnerships and Emergency Shelter Grants programs; the Office of Rural Community Affairs (ORCA), which administers the Community Development Block Grant Program; and the Department of State Health Services (DSHS), which administers the Housing Opportunities for Persons with AIDS Program, have completed the *2007 State of Texas Consolidated Plan Annual Performance Report: Reporting on Program Year 2006 (APR)*.

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

The APR is an integral part of HUD's Consolidated Planning process, which requires TDHCA, ORCA, and DSHS (the Departments) to evaluate their accomplishments over the past program year. The information contained in the APR helps the Departments evaluate how well they met stated goals and objectives when developing future plans. In March 2007, the Departments completed the One-Year Action Plan (OYAP) for 2007, which specifically covered Program Year (PY) 2007 activities. PY 2007 will run from February 1, 2007, through January 21, 2008.

The APR is organized into the following sections:

- Introduction. This section includes an overview of the document and the outlining federal legislation.
- Program Performance. This section includes PY 2006 performance data for the CDBG, ESGP, HOME, and HOPWA programs, as outlined in 24 CFR 91.520(a). Program-specific sections of legislation, including 24 CFR 91.520(c) for CDBG, 24 CFR 91.520(d) for HOME, and 24 CFR 91.520(e) for HOPWA, are included in this section.
- Other Actions. This section reports in the "other actions indicated in the strategic plan and the action plan," as directed by 24 CFR 91.520(a). These actions include Meeting Underserved Needs and Developing Affordable Housing, Public Housing Resident Initiatives, Lead-Based Paint Hazards, Poverty-Level Households, Compliance, and Institutional Structure.
- Goals and Objectives. This section reports on the goals and objectives for each program area.
- Citizen Participation: This section describes the citizen participation for the document.

LEGISLATION

Sec. 91.520 Performance reports.

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

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

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

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

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

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

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

PROGRAM PERFORMANCE

This section reports on the PY 2006 performance in the Community Development, Homeless, Housing, and Non-Homeless Special Needs categories. Each section reports on the following subjects, as required by 24 CFR 91.520(a):

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

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

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

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

In accordance with the guidelines from HUD, the Departments intend to comply with the new CPD Outcome Performance Measurement System. The performance measures targets, including the objectives and outcomes addressed are described in the *2007 State of Texas Consolidated Plan One-Year Action Plan*. The Departments’ performance regarding the new targets for PY 2007 will be reported in the *2008 State of Texas Consolidated Plan Annual Performance Report Reporting on Program Year 2007*.

Program Performance

Community Development

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

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

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

DESCRIPTION OF RESOURCES

This section describes CDBG funding that was available for PY 2006.

PY 2006 Funding

The following table lists the amount of funds available for PY 2006 through the HUD allocation, distributed according to the CDBG 2006 Action Plan.

2006 Total State Allocation:	\$73,297,579
Total Amount Available:	\$73,297,579

PY 2006 CDBG State Allocation

Fund	2006 Percent	Amount Available
Community Development Fund	56.75%	\$41,596,376
Community Development Supplemental Fund	4.35%	\$3,188,445
Texas Capital Fund	14.51%	\$10,635,479
Colonia Fund		
Colonia Construction Fund	7.12%	\$5,219,690
Colonia EDAP Fund	2.73%	\$2,000,000
Colonia Planning Fund	0.15%	\$110,068
Colonia Self-Help Centers Fund	2.50%	\$1,832,440
Non-Border Colonia Fund *	0%	\$0
Planning And Capacity Building Fund	0.90%	\$656,746
Disaster Relief Fund	4.10%	\$3,001,953
Urgent Need Fund	0.61%	\$444,183
STEP Fund	3.16%	\$2,313,272
Administration – 2%	2.00%	\$1,465,952
Administration Funds – \$100,000	0.14%	\$100,000
Technical Assistance – 1%	1.00%	\$732,975
Total	100.00%	\$73,297,579

* Fully funded all 2005/2006 Non-Border Colonia Fund applicants in PY 2005

PY 2006 Activities

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

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

Activities are funded under the following program categories:

Community Development Fund and Community Development Supplemental Fund

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

Texas Capital Fund

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

Colonia Fund

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

Non – Border Colonia Fund

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

Program Performance

Community Development

Planning/Capacity Building Fund

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

Disaster Relief/Urgent Need Fund

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

Texas Small Towns Environment Program (STEP) Fund

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

Small Business Loan Fund

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

Micro-Enterprise Loan Fund

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

INVESTMENT OF RESOURCES

This section describes CDBG funding commitments that were made during the reporting period, using PY 2006 funds as well as program income and deobligated funds from prior program years.

PY 2006 Funding Commitments

For PY 2006, the CDBG program committed \$73,641,333 through 272 grants.

Total Amount of Funds Committed during PY 2006

Fund	No. of Contracts	2006 Allocation	Prior Year - Allocation	Prior Year – De-obligated	Program Income	2006 Total Obligation
Community Development	147	\$41,142,916				\$41,142,9166
Community Development Supplemental Fund	21	3,188,445				3,188,445
Texas Capital Fund	28	7,533,679	3,751,721			11,285,400
Colonia Construction Fund	12	5,219,690	30,310			5,250,000
Colonia EDAP Fund	7	1,500,000	2,000,000			3,500,000
Colonia Planning Fund	1	65,068				65,068
Colonia Self-Help Centers	1		389,784			389,784
Non-Border Colonia Fund		0				0
Planning / Capacity Building	17	654,200				654,200
Disaster Relief/Urgent Need	3	557,900				557,900
STEP Fund	24	2,313,272	719,851	1,833,832	1,724,149	6,591,104
Micro-enterprise Loan Fund	9	0			816,516	816,516
Small Business Loan Fund	2	0			200,000	200,000
Total	272	\$62,175,170	\$6,891,666	\$1,833,832	\$2,740,665	\$73,641,333

Matching Requirements

CDBG requires matching funds to be contributed by grant recipients toward certain CDBG funded projects. Applicants' willingness to provide matching funds, in relation to the size of the community, is taken into account when scoring applications for funding. Match requirements vary by funding category and are not required for the STEP Fund, Colonia Planning Fund, or Colonia Self-Help Centers Fund. For PY 2006, the \$73,641,333 in CDBG funds was matched by 43%, or \$31,488,639 in local commitments.

Matching Funds Committed by Grantees, Contracts Awarded in PY 2006

Fund	No. of Contracts	2006 Total Obligation	Match
Community Development Fund	147	\$41,142,9166	\$8,404,056
Community Development Supplemental Fund	21	3,188,445	\$1,417,554
Texas Capital Fund	28	11,285,400	\$17,833,800
Colonia Construction Fund	12	5,250,000	\$349,638
Colonia EDAP Fund	7	3,500,000	\$304,448
Colonia Planning Fund	1	65,068	\$0
Colonia Self-Help Centers	1	389,784	\$0

Program Performance

Community Development

Non-Border Colonia		0	0
Planning and Capacity Building Fund	17	654,200	\$89,234
Disaster Relief/Urgent Need Fund	3	557,900	\$1,832,100
STEP Fund	24	6,591,104	\$15,000
Micro-enterprise Loan Fund	9	816,516	\$943,409
Small Business Loan Fund	2	200,000	\$299,400
Total	272	\$73,641,333	\$31,488,639

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

Summary of CDBG Housing Assistance

During PY 2006, CDBG closed contracts which provided housing assistance to 14 communities through the Community Development Fund, Housing Rehabilitation Fund, Colonia Construction Fund, Disaster Relief Fund, Housing Demonstration Fund, and Housing Infrastructure Fund. The specific activities described in the application narrative and accomplished by each contract included rehabilitation, acquisition, clearance, new construction, and provision of other facilities; provision of yardlines for first-time water or sewer services, although classified as a "housing rehabilitation" program activity, is not included in this discussion. These contracts included a maximum cost of \$25,000 for each rehabilitated housing unit or \$55,000 for each reconstructed unit, according to TxCDBG program requirements. Displacement for these contracts is limited to voluntary participants and displacement costs are not eligible for reimbursement or included in project narratives. All households, businesses, or other entities impacted by a CDBG-assisted housing project, along with their needs and preferences, were identified by the locality during the homeowner application process; and only those homeowners choosing to participate were displaced in any way.

For existing contracts closed during the reporting period, CDBG assistance was used by 10 grantees to rehabilitate or reconstruct 110 housing units. The 10 grantees expended \$2,702,894 in CDBG funds, originally funded in program years 1997-2004, for housing rehabilitation and reconstruction assistance to 360 low- to moderate-income persons. In addition, CDBG assistance provided \$17,089,075 in infrastructure funding for new affordable housing developments through the Housing Infrastructure Fund and the Housing Demonstration Fund. Four grantees used these funds to provide 248 new housing units, benefiting 491 persons of which 285 were of low- to moderate-income. The following table provides information on the households assisted through CDBG contracts closed in PY 2006:

Housing Assistance by Household, Contracts Closed in PY 2006

	Housing Rehab/Reconstruction (CD, HR, CFC, and DR Funds)	New Housing (HIF and HDF Funds)
Owner Occupied Units	108	75
Renter Occupied Units	0	172
Moderate Income Households	10	111
Low Income Households	53	4
Very Low Income Households	44	5
Non-LMI Households	0	105
Income Not Reported	0	22*
Total Housing Units Assisted	108	247
Total Individuals Assisted	360	491

* Colorado City reported 100% of the HDF units sold in 1998 and 1999 as LMI, but did not provide more detailed income information at closeout; the city of Boerne reported that 14 of the 172 multi-family rental units in its HIF project were vacant at closeout.

Summary of CDBG Economic Development Activity

For existing contracts that were closed during the reporting period, CDBG provided economic development assistance to twenty three communities through the Texas Capital Fund using \$12,620,700 in CDBG funds and \$36,525,923 in matching funds. With these contracts, the communities created 1,810 new jobs and retained 459 existing jobs, with 1,207 of the new jobs and 316 of the retained jobs filled by low- or moderate-income workers. Contracts funded under CDBG economic development are required to create or retain one job for every \$25,000 expended. The 23 contracts closed during PY 2006 averaged \$5,562 expended for each job created or retained.

DISTRIBUTION OF INVESTMENTS

This section reports on how PY 2006 funds were distributed and the location of CDBG awards.

Allocation Formula

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

Program Performance

Community Development

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

Award Locations

PY 2006 CDBG awards were made in the following areas of the state:

Region / County	Awards	Amount	Total Beneficiaries	Low/Mod Beneficiaries
Alamo Area COG				
Atascosa	3	\$750,000	1,028	683
Bandera	2	\$600,000	832	566
Karnes	2	\$400,000	447	298
Medina	2	\$435,701	1,127	790
Wilson	2	\$427,402	391	302
Total	11	\$2,613,103	3,825	2,639
Ark-Tex COG				
Bowie	5	\$1,196,099	4,335	2,868
Cass	1	\$250,000	396	244
Delta	1	\$250,000	151	116
Franklin	1	\$100,000	10	6
Hopkins	2	\$315,267	598	455
Lamar	1	\$350,000	69	61
Morris	2	\$500,000	996	714
Red River	3	\$280,426	139	108
Total	16	\$3,241,792	6,694	4,572
Brazos Valley COG				
Burleson	3	\$350,422	3,524	2,197
Grimes	1	\$250,000	227	180
Leon	1	\$250,000	280	179
Madison	2	\$1,247,000	60	32
Robertson	1	\$250,000	54	33
Total	8	\$2,347,422	4,145	2,621
Capital Area COG				
Bastrop	2	\$472,521	246	160
Blanco	2	\$500,000	1,771	1,166
Burnet	1	\$250,000	212	207
Caldwell	4	\$1,300,000	1,225	860
Hays	1	\$749,900	30	16
Lee	1	\$250,000	1,364	1,061
Travis	2	\$200,000	15	9
Total	13	\$3,722,421	4,863	3,479
Coastal Bend COG				

Program Performance

Community Development

Aransas	1	\$141,600	0	0
Bee	1	\$500,000	258	258
Brooks	2	\$565,068	3,032	1,765
Duval	1	\$300,000	3,241	1,753
Kleberg	3	\$1,100,000	887	778
Live Oak	1	\$300,000	2,504	1,371
Nueces	1	\$500,000	105	96
Refugio	4	\$1,264,669	2,681	1,727
San Patricio	4	\$1,566,500	643	629
Total	18	\$6,237,837	13,351	8,377
Central Texas COG				
Bell	2	\$500,000	78	66
Hamilton	1	\$100,000	10	8
Lampasas	1	\$250,000	112	92
Milam	2	\$500,000	862	601
Total	6	\$1,350,000	1,062	767
Concho Valley COG				
Coke	2	\$349,998	1,178	774
Mason	1	\$225,000	92	92
Mcculloch	3	\$415,939	263	203
Reagan	1	\$49,421	169	128
Total	7	\$1,040,358	1,702	1,197
Deep East Texas COG				
Houston	1	\$250,000	2,569	1,877
Newton	1	\$250,000	351	294
Sabine	2	\$430,900	1,504	1,054
Shelby	5	\$1,123,855	2,385	1,623
Trinity	2	\$427,863	3,996	2,644
Tyler	3	\$600,000	952	773
Total	14	\$3,082,618	11,757	8,265
East Texas COG				
Camp	2	\$479,750	896	706
Cherokee	3	\$528,000	2,761	1,657
Franklin	1	\$154,509	85	73
Gregg	2	\$500,000	1,526	1,177
Harrison	1	\$350,000	334	294
Henderson	1	\$250,000	1,277	827
Marion	1	\$96,158	145	105
Panola	1	\$750,000	183	105
Rains	2	\$588,176	443	322
Smith	1	\$250,000	99	80
Upshur	5	\$1,424,700	7,338	3,879
Van Zandt	7	\$1,251,950	5,751	3,544
Total	27	\$6,623,243	20,838	12,769
Golden Crescent RPC				

Program Performance

Community Development

Gonzales	4	\$1,214,181	847	725
Jackson	2	\$500,000	630	480
Lavaca	2	\$809,149	83	49
Total	8	\$2,523,330	1,560	1,254

Houston Galveston AC

Austin	1	\$350,000	2,064	1,551
Brazoria	2	\$700,000	353	265
Chambers	1	\$208,812	251	181
Galveston	1	\$350,000	887	625
Liberty	1	\$350,000	305	245
Matagorda	1	\$350,000	211	195
Waller	1	\$350,000	4,691	3,129
Wharton	1	\$750,000	50	26
Total	9	\$3,408,812	8,812	6,217

Heart of Texas COG

Bosque	3	\$320,600	3,803	2,414
Falls	2	\$82,515	766	649
Freestone	2	\$505,200	206	174
Hill	3	\$650,000	430	385
Mclennan	1	\$113,051	1,242	876
Total	11	\$1,671,366	6,447	4,498

Lower Rio Grande Valley DC

Cameron	7	\$2,477,685	5,880	3,926
Hidalgo	1	\$500,000	532	532
Willacy	2	\$457,611	2,722	1,611
Total	10	\$3,435,296	9,134	6,069

Middle Rio Grande Valley DC

La Salle	1	\$45,000	0	0
Maverick	1	\$130,862	47,297	30,060
Real	1	\$123,709	44	44
Uvalde	1	\$309,225	132	114
Val Verde	2	\$1,189,784	5,275	3,617
Zavala	3	\$1,500,000	475	463
Total	9	\$3,298,580	53,223	34,298

North Central Texas COG

Collin	2	\$500,000	303	203
Denton	1	\$247,790	219	217
Ellis	1	\$250,000	583	391
Hood	1	\$250,000	228	172
Hunt	3	\$640,400	4,164	2,811
Johnson	5	\$883,365	3,379	2,236
Kaufman	2	\$297,200	2,208	1,244
Navarro	2	\$286,900	1,929	1,274
Palo Pinto	3	\$750,000	2,728	1,874
Rockwall	1	\$250,000	2,603	1,583

Program Performance

Community Development

Wise	4	\$1,000,000	2,564	1,679
Total	25	\$5,355,655	20,908	13,684
NorTex RPC				
Clay	2	\$225,000	3,413	2,234
Cottle	1	\$32,750	1,127	690
Foard	1	\$175,000	905	702
Hardeman	1	\$175,000	695	428
Montague	1	\$175,000	112	68
Wichita	1	\$150,000	0	0
Wilbarger	1	\$90,716	245	169
Young	2	\$550,000	457	289
Total	10	\$1,573,466	6,954	4,580
Permian Basin RPC				
Ector	1	\$500,000	467	404
Gaines	1	\$350,000	259	204
Martin	1	\$350,000	2,576	1,566
Pecos	1	\$30,310	165	165
Reeves	1	\$350,000	2,975	1,853
Upton	1	\$225,000	99	99
Ward	2	\$650,000	188	240
Winkler	1	\$99,739	930	560
Total	9	\$2,555,049	7,659	5,091
Panhandle RPC				
Carson	1	\$130,803	1,061	650
Collingsworth	1	\$250,000	2,577	1,802
Dallam	1	\$676,100	46	24
Donley	1	\$306,858	224	136
Gray	1	\$250,000	738	465
Hall	1	\$47,200	2,479	1,391
Hansford	1	\$250,000	161	112
Parmer	2	\$1,000,000	1,925	1,303
Wheeler	2	\$525,078	4,008	2,874
Total	11	\$3,436,039	13,219	8,757
Rio Grande COG				
Culberson	3	\$582,692	7,845	4,293
El Paso	1	\$266,596	2,389	1,140
Hudspeth	2	\$532,892	570	419
Jeff Davis	2	\$766,596	99	99
Presidio	1	\$266,600	1,807	1,091
Total	9	\$2,415,376	12,710	7,042
South East Texas RPC				
Jefferson	3	\$750,000	792	627
Orange	2	\$314,949	2,496	1,741
Total	5	\$1,064,949	3,288	2,368

Program Performance

Community Development

South Plains AG

Cochran	1	\$350,000	2,193	1,205
Dickens	3	\$608,400	442	278
Floyd	2	\$249,500	5	3
Hale	2	\$400,000	1,827	1,351
Hockley	1	\$250,000	381	275
Lamb	4	\$523,725	1,441	947
Lynn	1	\$249,939	995	804
Motley	2	\$400,000	691	490
Yoakum	1	\$150,000	0	0
Total	17	\$3,181,564	7,975	5,353

South Texas DC

Starr	3	\$1,693,109	13,754	9,249
Total	3	\$1,693,109	13,754	9,249

Texoma COG

Fannin	6	\$750,000	1,867	1,367
Grayson	1	\$125,000	114	97
Total	7	\$875,000	1,981	1,464

West Central Texas COG

Eastland	1	\$250,000	1,193	720
Jones	2	\$413,865	1,436	1,004
Knox	1	\$250,000	1,404	982
Mitchell	2	\$296,800	4,407	2,359
Runnels	2	\$206,484	829	527
Shackelford	1	\$20,600	233	132
Stonewall	2	\$485,104	1,132	728
Total	11	\$1,922,853	10,634	6,452

* Excludes beneficiaries from Main Street, Downtown Revitalization and Colonia Planning

FAMILIES AND PERSONS ASSISTED

This section describes the households assisted with CDBG funds.

Anticipated Persons Served with PY 2006 Funding

For contracts that were awarded with PY 2006 funds, there are 225,020 total anticipated beneficiaries, of which 66 percent were low- and moderate-income persons.

PY 2006 Funds Awarded and Estimated Beneficiaries

Fund	Total Beneficiaries	Low- Mod Beneficiaries
Community Development Fund	113,543	76,640
Community Development Supplemental Fund	49,421	30,415
Colonia Construction Fund	1,970	1,880
Colonia EDAP Fund	1,854	1,599
Colonia Planning Fund	2,683	1,415
Colonia Self-Help Centers	5,560	5,560
Texas Capital Fund	688	372
Planning and Capacity Building Fund	31,702	18,848
Disaster Relief Fund	4,799	2,135
Urgent Need Fund	1,677	1,126
STEP Fund	11,034	7,466
Small Business Loan Fund	15	9
Micro-enterprise Loan Fund	74	53
Total	225,020	147,518

Actual Persons Served in PY 2006

For contracts closed during PY 2006, 540,140 persons actually received service through CDBG contracts, of which 55 percent were low- and moderate-income persons.

Actual Beneficiaries, Contracts Closed in PY 2006

Fund	Total Beneficiaries	Low- Mod Beneficiaries
Community Development Fund	188,578	127,926
Community Development Supplemental Fund	3,110	2,214
Colonia Construction Fund	4,065	3,802
Colonia EDAP Fund	1,956	1,956
Colonia Planning Fund	15,485	5,842
Colonia Self-Help Centers	4,215	4,215
Housing Demonstration Fund	740	380
Housing Infrastructure Fund	2,183	1,115
Housing Rehabilitation Fund	118	118
Texas Capital Fund	5,020	2,681
Planning and Capacity Building Fund	59,308	34,129
Disaster Relief Fund	250,031	108,700

Program Performance

Community Development

STEP Fund	4,559	3,636
Urgent Need Fund	604	448
Young v Martinez Fund	168	168
Total	540,140	297,330

Racial and Ethnic Status of Persons Assisted

The racial and ethnic status of persons receiving assistance for contracts closed in PY 2006 is reported below.

Racial and Ethnic Status of Beneficiaries, Contracts Closed in PY 2006

Ethnicity	Persons Assisted	Percent*
White	251,289	54.49%
Black / African American	33,741	7.32%
Asian	806	0.17%
American Indian/Alaska Native	1,685	0.37%
Native Hawaiian/Other Pacific Islander	419	0.09%
Black/African American and White	185	0.04%
Asian and White	48	0.01%
Asian and Native Hawaiian/Other Pacific Islander	21	<0.1%
American Indian and White	200	0.04%
American Indian/Alaska Native and Black/African American	32	0.01%
Other Multi-Race	8,601	1.87%
Hispanic and White	150,402	32.62%
Hispanic and Black /African American	206	0.04%
Hispanic and Asian	24	0.01%
Hispanic and American Indian/Alaska Native	138	0.03%
Hispanic and Native Hawaiian/Other Pacific Islander	8	<0.1%
Hispanic and Other Race or Multiracial	13,338	2.89%
Total	461,143	

Income Status of Persons Assisted

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

The table below reflects contracts closed during PY 2006 that meet the low/moderate income national objective and excludes contracts that used the urgent need or slum/blight national objective.

**Income Status of Actual Beneficiaries,
Contracts Closed in PY2006 under the LMI National Objective**

Fund	Total Beneficiaries	Low/Mod Beneficiaries	% Low/Mod
Community Development Fund	175,799	119,269	67.8%
Community Development Supplemental Fund	3,110	2,214	71.2%
Colonia Construction Fund	3,000	2,616	87.2%
Colonia EDAP Fund	1,956	1,956	100.0%
Colonia Planning Fund	6,992	2,602	37.2%
Colonia Self-Help Centers	1,592	1,592	100.0%
Housing Demonstration Fund	29	29	100.0%
Housing Infrastructure Fund	462	256	55.4%
Housing Rehabilitation Fund	51	51	100.0%
Texas Capital Fund	4,444	2,746	61.8%
Planning and Capacity Building Fund	58,386	33,454	57.3%
STEP Fund	4,086	3,141	76.9%
Young v Martinez Fund	168	168	100.0%
Total	260,075	170,094	65.4%

* Reported beneficiaries include only contracts meeting low/moderate income national objective. (Excludes Disaster Relief Fund, of which a portion of the contracts meet the LMI National Objective.

Excludes Main Street and Downtown Revitalization portion of Texas Capital Fund.)

FAIR HOUSING ACTIVITIES

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

Contractor Certifications

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

Civil Rights and Fair Housing Technical Assistance

The Texas Community Development Program has assigned a staff member to be responsible for the fair housing and civil rights requirements of the program. Staff addresses questions from the grantees and general public regarding civil rights and makes any appropriate referrals on an on-going basis. ORCA implemented a fair housing training for all staff including an overview of all related civil rights and fair housing laws, regulations and executive orders; discussion of fair housing

Program Performance

Community Development

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

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

Monitoring of Civil Rights Requirements

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

- All bid documents and contracts must contain equal employment opportunity provisions including an equal opportunity plan.
- The Contractor locality must comply with Section 3 requirements and adopt an equal opportunity plan.
- All Contractor localities are required to publish a notice of non-discrimination in a general circulation newspaper in the affected community and complete a Section 504 self-evaluation review.
- Contractor localities with 15 or more employees must have appointed a Section 504 coordinator, adopted grievance procedures, and notified all CDBG project participants that they must not discriminate on the basis of an individual's disability.
- The Texas Community Development 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.

Quarterly Report Requirements

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

Staff Outreach, Training, Conferences, and Workshops

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

Program Performance

Community Development

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

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

ACCOMPLISHMENTS IN HIGH PRIORITY AREAS

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

Non-Housing Community Development Priority Needs Summary Table

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

Specific Accomplishments

The following goals address the high priority needs identified above. Activities undertaken during the PY 2006 period that accomplish these goals are described.

INFRASTRUCTURE IMPROVEMENTS

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

CDBG received nearly 700 applications for assistance under the 2005/2006 Community Development Fund and Community Development Supplemental Fund competition and funded 147

projects under the CD Fund and 21 projects under the CDS Fund. Together these two funds receive just over 60% of the total annual CDBG allocation.

- The vast majority of applications for 2005/2006 CD/CDS funds requested assistance with basic human needs (water, sewer, and housing).
- Over 72% of funds awarded by CDBG address basic human needs.
- Over 87% of awarded construction funds address basic needs.
- Some 25 contracts totaling \$9,103,328 that included funds for first time public water or public sewer facilities, benefiting 3,042 of whom 2,940 were low- to moderate income persons.

The STEP Fund is designed to make a large impact by leveraging local resources and self-help volunteer labor to install needed water and sewer facilities at a cost that is affordable for the assisted communities. During this reporting period, 24 grants were awarded obligating \$6,591,104 for projects to benefit 11,034 persons of which 7,466 are low- and moderate-income persons.

- Nearly 69% of STEP funds awarded in 2006 address basic human needs, and 96% of construction funds address such needs.
- Eight of the 24 STEP projects using \$2,194,184 in CDBG funds provide first time public water or public sewer facilities benefiting 353 all of whom are low- to moderate income persons.

Contracts Awarded in PY 2006 by Activity – Selected Funds

Activity	CD/CDS	% of CD/CDS Total	STEP	% of STEP Total
Water Facilities *	\$17,884,426	40.3%	\$3,473,988	52.7%
Sewer Facilities *	\$13,353,839	30.1%	\$932,786	14.2%
Housing Rehabilitation *	\$798,666	1.8%	\$124,872	1.9%
Drainage	\$941,354	2.1%		
Streets	\$1,804,903	4.1%		
Acquisition	\$73,100	0.2%	\$170,860	2.6%
Community Center	\$1,113,346	2.5%		
Other Facilities	\$934,056	2.1%		
Removing Architectural Barriers	\$110,000	0.2%		
Administration	\$2,749,859	6.2%	\$709,663	10.8%
Engineering	\$4,567,812	10.3%	\$1,178,935	17.9%
Total Funds	\$44,331,361		\$6,591,104	
Basic Needs Dollars	\$32,036,931	72.3%	\$4,531,646	68.8%

Program Performance

Community Development

ECONOMIC DEVELOPMENT

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

Texas CDBG administered two relatively new programs during PY 2006 to promote economic development. Both programs provide grant funds to communities, which in turn make loans to small businesses: the Micro-enterprise Loan Fund is targeted toward businesses with five or fewer employees, while the Small Business Loan Fund benefits businesses with 100 or fewer employees. The loan recipients commit to creating or retaining jobs in rural communities and to making 51% or more of those jobs to be filled by low- or moderate-income persons. A total of 11 awards were made in PY 2006, 9 for the Micro-enterprise Loan Fund and two for the Small Business Loan Fund, for a total of \$1,016,516. The 11 contracts are expected to create 86 new jobs, at a cost of \$11,820 per job.

In PY 2006, CDBG funded 28 grants under the Texas Capital Fund. The \$11,285,400 in CDBG assistance is expected to create 505 new jobs and retain 183 jobs in rural communities, with at least 51% of those jobs to be filled by low- and moderate-income workers. The estimated cost per job created or retained through these contracts is \$15,718.

PLANNING

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

Texas CDBG awarded 17 grants totaling \$654,200 for planning and capacity building projects. These projects are expected to benefit 31,702 persons including 18,848 low- and moderate-income persons. The 2006 planning projects primarily address public works and housing planning elements and leverage an estimated \$89,234 in other funding.

OTHER PRIORITY ACCOMPLISHMENTS

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

The Colonia Construction Fund is the second largest program administered by Texas CDBG and the largest targeting colonias. In 2006 CDBG funded 12 projects totaling \$5,250,000. Nearly 89% of CFC funds awarded in PY 2006 address basic human needs, and 99% of construction funds address such needs. All 12 of the 12 CFC projects fund first time public water or public sewer facilities, which will benefit 1,854, all of whom are low- to moderate income persons.

One Colonia Planning Fund grant was awarded that has the potential to benefit 2,683 persons of which an estimated 1,415 are low and moderate income persons. The \$65,068 obligated will be used to assess county-wide comprehensive needs in colonia areas and for an in-depth study/plan covering individual colonia communities.

A rider to ORCA's state appropriation retains 2.5% of the total CDBG appropriation for the operation of colonia self-help centers in seven border counties, in addition to the 10% federally mandated colonia set-aside. The activities of the self-help centers are overseen by the TDHCA Office of Colonia Initiatives. Separately, three border field offices, operated by TDHCA-OCI staff and supported in part by CDBG funds, are located in El Paso, Edinburg and Laredo to provide technical assistance to area residents and other interested parties. The TDHCA-OCI staff continues to provide technical assistance and disseminate information regarding available programs administered by TDHCA that could assist in addressing colonia issues and other local priority needs. During the reporting period, \$389,784 of CDBG 2006 program year funds were awarded to support the colonia self-help center located in Val Verde County.

Colonia Fund Activities, Contracts Awarded in PY 2006

Activity	CEDAP	CFC	CFP	Colonias	% of Colonia Total
Water Facilities *	\$2,129,698	\$1,434,001		\$3,563,698	40.4%
Sewer Facilities *		\$527,200		\$527,200	6.0%
Housing Rehabilitation *	\$1,055,172	\$2,696,113		\$3,751,285	42.6%
Acquisition		\$10,000		\$10,000	0.1%
Planning			\$65,068	\$65,068	0.7%
Administration	\$216,000	\$336,625		\$552,625	6.3%
Engineering	\$99,130	\$246,062		\$345,192	3.9%
Total Funds	\$3,500,000	\$5,250,000	\$65,068	\$8,815,068	
Basic Needs Dollars	3,184,870	4,657,313		7,842,183	89.0%

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

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

During this reporting period, 3 grants were awarded for Disaster Relief/Urgent Need Fund projects. The \$557,900 obligated for the 3 contracts will provide urgently needed assistance or alleviate the impacts of natural disasters for 6,476 Texans. An estimated 3,261 of the total beneficiaries for these projects are persons with low and moderate income.

Persons with Disabilities

ORCA accomplished the following to address the needs of persons with disabilities during PY 2006:

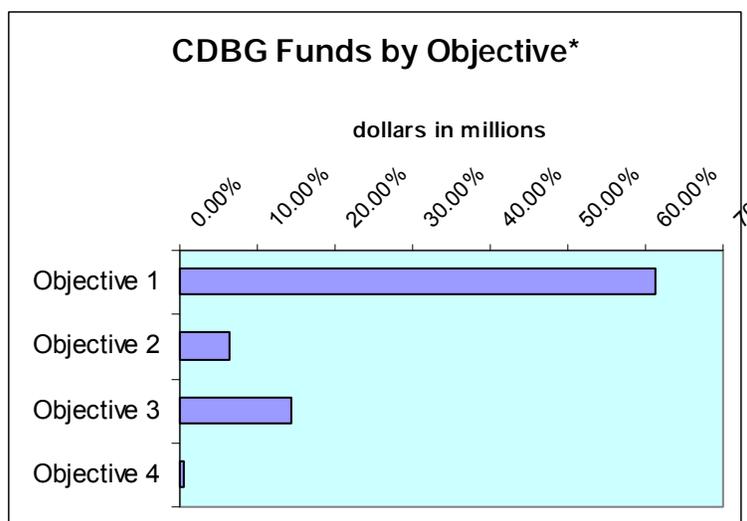
Localities wishing to address the needs of persons with disabilities may include removal of architectural barriers as an eligible activity in an application for CDBG assistance. In PY 2006, one contract was completed expending \$110,000 to remove barriers in a public building, benefiting 1,714 persons of which 875 were of low- to moderate-income.

Texas CDBG and all grantee are required to comply with federal and state non-discrimination regulations and monitored for Section 504 compliance.

RELATIONSHIP BETWEEN USE OF FUNDS AND PROGRAM OBJECTIVES

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

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



* Activities may meet more than one objective.

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

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

CHANGES IN PROGRAM OBJECTIVES

The Office of Rural Community Affairs (ORCA) does not intend to make any changes to the program objectives described above. The changes in funding categories implemented in PY 2006 which relate to the program objectives are discussed in the next section.

Six public hearings for the proposed 2007 CDBG Action Plan were held between February and March of 2006, and 13 public hearings for the 2007 Consolidated Plan (including the 2007 CDBG Action Plan) were held in September and October 2006. No comments were received relative to changing program objectives or related funding.

PROGRAM CHANGES BASED ON EXPERIENCES

Because PY 2006 is the second year of the two-year biennial selection process for the vast majority of fund categories, including the Community Development Fund/Community Development Supplemental Fund and the Colonia Construction Fund, not many significant changes occurred in the overall program objectives or methods of carrying out these objectives. However, several refinements were made to the annual funds and some program requirements were modified. The following covers the significant changes in the PY 2006 Action Plan from the PY 2005 Action Plan:

- Deobligated Funds and Program Income – added additional allocations within existing fund categories.
- Re-distribution of Funds Recaptured from Withdrawn Awards – recaptured funds may be used for other fund categories.
- Program Income Calculations – added sections to cover the new Micro-enterprise Loan Fund and Small Business Loan Fund.
- Single Jurisdiction Applications - An application from an eligible city or county for a project that would primarily benefit another city or county that was not meeting the TCDP application threshold requirements is considered ineligible.
- Multi-Jurisdiction Applications - all entities participating in the multi-jurisdiction application are accountable for application threshold compliance.
- Texas Capital Fund:
 - a. Increased the total amount of Downtown Revitalization Program projects from \$600,000 to \$1,200,000.
 - b. Leveraging – made the required leveraged ratio for Main Street Program equal to the Downtown Revitalization Program.
- STEP:
 - a. Project Impact scoring factor – Increased the range of points and further explained the method of determining the score.

Program Performance

Community Development

- b. Added a new scoring factor, “STEP Characteristics, Merits of the Project, and Local Effort” and explains the method of determining the score.
- c. Deleted a scoring factor “Dollar Value of Volunteer Work to Total Work.”
- d. Applications are received two times per year.
- Non-Border Colonia Fund Biennial Competition – since de-obligated funds and program income were used to fund all remaining applications received under the 2005/2006 biennial Non-Border Colonia Fund competition the amount originally estimated for the 2006 Non-Border Colonia Fund was allocated to the Urgent Need Fund.
- Texas CDBG also supplemented the funding structure that supports Objective 4: *provide assistance of an emergency nature* by establishing a reserve for disaster relief in PY 2006 of \$6.5 million in program income and deobligated funds from prior years to be available immediately for emergency assistance needs.
- The ORCA Executive Board continued in PY 2006 to meet outside the state office for one half of its regularly scheduled meetings. Rural communities throughout the state host the Executive Board’s rural meetings, offering an opportunity for citizens to gain access to the board members and for the members to obtain greater local input.

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

- The ORCA Executive Committee has retained the standing committee named the Regional Allocation Task Force Subcommittee, which includes representatives from the ORCA Executive Committee, State Planning Region Executive Directors, State Review Committee members, and Regional Review Committee members. This committee meets periodically to consider any changes to the regional allocation formula and to discuss other issues that could result in recommendations to the ORCA Executive Committee.
- Texas CDBG revised the application for the 2007/2008 Community Development/Community Development Supplemental Fund grant competition. The application was restructured to eliminate unnecessary duplication of information, to streamline and shorten the application, and to incorporate the Performance Measures recently adopted by HUD. Development of an online application is underway.
- The program continues to provide comprehensive training to the Regional Review Committees that score the CD/CDS applications.
- Texas CDBG staff continue to establish positive working relationships with program stakeholders:
 - CDBG staff is part of an interagency workgroup with a focus on infrastructure improvement grants across Texas. The group is working toward greater cooperation among the funding agencies on complex projects requiring funding or approval from two or more sources.
 - CDBG staff hosted a series of meetings during PY 2006 with administrative consultants and engineers. The meetings provided an opportunity for the

professional services providers involved with CDBG contracts to offer feedback on the program. Staff is working to incorporate some of the suggestions regarding the application process and contract management into the program.

- CDBG staff also provided training for administrative consultants and engineers as well as program staff in documenting National Objectives using beneficiaries and Census data.

MINORITY OUTREACH

All localities applying for funding under the Texas Community Development Program were required to submit a CDBG Minority Employment Form as part of their application for the purpose of determining the level of local effort in the employment of minorities. 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 hiring qualified minority staff.

- The percentage of minority employees for the Office of Rural Community Affairs is 43 percent.
- According to the City of Austin labor force data provided by the Texas Workforce Commission (as of December 2006), the minority labor force percentage is 43 percent.
- The female labor force percentage for the City of Austin is 45 percent and for the Office of Rural Community Affairs percentage of female employees is 54 percent.

Summary of Minority Business Enterprise Activities

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

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

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

Program Performance

Community Development

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

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

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

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

Minority Business Enterprise Participation February 1, 2006 to January 31, 2007

Total Amount of Funds Subcontracted by CDBG Contractors 2/1/06 - 1/31/07	Amount of Funds Subcontracted to MBE's by CDBG Contractors 2/1/06 - 1/31/07	Percent of Funds Subcontracted to MBE's by CDBG Contractors 2/1/06 - 1/31/07
\$ 121,589,349	\$ 17,749,688	14.6%

- Total Contracts: 1,098
- Total MBE Contracts: 132

HOMELESS:

EMERGENCY SHELTER GRANTS PROGRAM

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

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

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

The objectives of the ESGP program are to:

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

DESCRIPTION OF RESOURCES

This section describes ESGP funding that was available for PY 2006.

PY 2006 Funding

The following ESGP resources were made available in PY 2006.

PY 2006 State ESGP Allocation	
Total 2006 State ESGP Allocation	\$5,076,683
5% State Administration (\$)	
Shared Administration	\$11,249
Reserved State Administration	\$242,585
Statewide Project	\$50,000
Regional Obligation	\$4,806,473
Total Funds Obligated	\$5,110,307

PY 2006 Activities

The following activities are performed with ESGP PY 2006 funding:

- Renovation, major rehabilitation, or conversion of buildings for use as emergency shelters for the homeless.

Program Performance

Homeless

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

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

INVESTMENT OF RESOURCES

This section describes ESGP funding commitments that were made with PY 2006 funds.

PY 2006 Funding Commitments

ESGP funds received for PY 2006 were awarded in May 2006. The State ESGP contracts using PY 2006 funds began on September 1, 2006, and will end August 31, 2007, corresponding with the Texas State Fiscal Year (FY). For PY 2006, ESGP committed \$5,156,387 through 76 grants.

ESGP PY 2006 Funding Commitments

	State FY 2007
Contract Dates	9/1/06-8/31/07
Number of Grant Recipients, Statewide	76
State ESGP Allocation	\$5,076,683
State Administration	\$242,585
Funds Committed	\$4,867,722
*Carry-In Funds Committed	\$80,204
Total Allocated	\$5,190,511

**Carry-In represents the unexpended fund balance from the prior year's allocation that occurs generally in March. The FY 2005 funds still need to be reallocated to FY 2006 subrecipients.*

PY 2006 ESGP Funding Commitments by Activity
(FY'05 2/1/06-8/31/06 and FY'06 9/1/06-1/31/07)

	Funding Amount	Percentage
Rehabilitation	\$55,713	1.16%
Maintenance, Operations	\$2,418,394	50.40%
Essential Services	\$1,174,238	24.47%
Prevention	\$808,295	16.85%
Operations Administration	\$328,824	6.85%
Administration shared w/local govts	\$12,752	0.27%
Total Funds Committed	\$4,798,216*	100%

*Includes partial funds from FY'05 and FY'06

Matching Requirements

Section 576.51 of the ESGP regulations states that each grantee must match the funding provided by HUD. These matching funds must be provided after the date of the grant award to the grantee. TDHCA passes this match requirement along to each State recipient. Match must be provided in an amount equal to or greater than the grant award. ESGP applicants identify the source and amount of match they intend to provide if they are chosen for funding. They report monthly on the amount of match provided. ESGP monitors review the match documentation during each monitoring visit. TDHCA conducts a desk review at the closeout of each contract to ensure that each ESGP recipient has provided an adequate amount of match during the contract period. The table below reflects match contributions for PY 2006 funds.

Match Contributions for PY 2006 funds
(SFY'05 2/1/06-8/31/06 and SFY'06 9/1/06-1/31/07)

Source	Dollar Value
Donations (cash)	\$2,279,579
Lease Or Rent	\$1,123,260
Salaries	\$1,553,778
Volunteers (@ \$5/Hour)	\$344,085
Other (Various Sources of Grant Funds, In-Kind Donations, etc.)	\$1,239,959
Total	\$6,540,661

Continuum of Care Activities

Historically, Texas has not received all of the Continuum of Care (CoC) funds HUD targeted for the State due to a lack of viable applications. To address this, TDHCA provided Community Services Block Grant discretionary funds to the Texas Homeless Network (THN) to provide statewide technical assistance and training to organizations and communities interested in forming homeless coalitions and in applying for CoC funds. THN coordinated the application for the balance of state CoC funds in 2006 and in May 2006, THN submitted a Continuum of Care application to HUD requesting \$16.9 million on behalf of 21 organizations. HUD awarded \$348,716 in CoC funds to THN.

As part of the ESGP Application requirements, organizations applying for ESGP funds must describe their involvement in homeless coalitions coordinating the provision of services to the homeless and at-risk populations in their area. The 2005 applications once again demonstrated that local care

Program Performance

Homeless

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

HMIS Requirements

In the FY 2006 TDHCA ESGP application, applicants were required to sign an applicant certification that included a provision that stated that the applicant organization will meet HUD’s standards for participation in a local Homeless Management Information System (HMIS) and the collection and reporting of client-level information. On August 17, 2004, TDHCA issued ESGP Policy Issuance #2004-11.2 notifying ESGP subrecipients that all organizations receiving HUD McKinney-Vento Act program funds, which includes ESGP funds, that are located in a Continuum of Care jurisdiction are expected to participate in an HMIS. The issuance stated that ESGP subrecipients who are located in a Continuum of Care jurisdiction shall coordinate and report client-level data to the administrator for the Continuum of Care coalition in their area. Furthermore, TDHCA stated that failure to coordinate with appropriate contacts to facilitate the HMIS implementation may result in withholding of ESGP contract funds.

DISTRIBUTION OF INVESTMENTS

This section reports on how PY 2006 funds were distributed and the location of ESGP awards.

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

Fund Distribution Methodology

TDHCA obligates ESGP funds through a statewide competitive application process. TDHCA funded 76 projects with FY 2006 (9/1/06-8/31/07) ESGP funds. TDHCA reserved ESGP funds for each of the 13 TDHCA uniform state service regions using a formula based on the percentage of poverty population in each region (as reported in the most recent US Census). TDHCA awarded funds to units of general local government and to private nonprofit organizations that have local government

approval to operate a project that assists homeless individuals. TDHCA established funding guidelines at a minimum of \$30,000 and a maximum of \$100,000, with collaborative projects awarded up to \$300,000. TDHCA reserved a portion of the State's ESGP allocation to fund one project that addresses the statewide development of Continuum of Care applications. In awarding ESGP funds, TDHCA makes available up to 30 percent of the total ESGP allocation for homeless prevention activities, 30 percent for the provision of essential services, 10 percent for operations administration, 5 percent for state administration which is shared with subrecipients that are cities or counties, and the remainder of the funds for rehabilitation, maintenance or operations.

PY 2006 Regional Funding Distribution

TDHCA Service Region		Percent of Poverty Population*	Number of Counties	Fund Distribution per Region
1	High Plains	3.95%	41	212,047
2	Northwest Texas	2.49%	30	148,844
3	Metroplex	18.88%	19	863,001
4	Upper East Texas	4.88%	23	232,915
5	Southeast Texas	3.87%	15	184,709
6	Gulf Coast	21.04%	13	1,004,207
7	Capital	4.65%	10	283,498
8	Central Texas	4.79%	20	228,619
9	Alamo	8.57%	12	409,033
10	Coastal Bend	4.24%	19	232,369
11	South Texas Border	14.61%	16	598,220
12	West Texas	2.73%	30	156,050
13	Upper Rio Grande	5.30%	6	252,961
Total		100%	254	4,806,473*

Source: 2000 US Census

*Amount does not include FY'05 carry-in nor \$11,249 of state administration funds shared with local governments.

Award Locations

PY 2006 ESGP awards were made in the following areas of the state. The amounts reported reflect actual allocation of FY 2006 ESGP funds, contract cycle 9/1/06-8/31/07.

In PY 2006, the Department awarded the Texas Homeless Network (THN) an ESGP contract in the amount of \$50,000 to serve as a depository of information on homeless issues, needs, and data, and to provide technical assistance and training to homeless providers on a statewide basis. 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.

In PY 2006, THN provided training and technical assistance to 1,004 individuals through regional workshops and individualized technical assistance and training on homeless issues, including the formation of and establishment of coalitions. The trainings, workshops, and technical assistance targeted local governments and nonprofit organizations serving homeless persons. THN assisted in the formation of seven new local homeless coalitions which were established with the commitment to year-round planning and the coordination of homeless services in their communities.

Program Performance

Homeless

PY 2006 ESGP Awards by Region

Region	Organization	County	Award Amount	Target Group
0	Texas Homeless Network	Travis	\$50,000.00	Homeless Service Providers
1	Panhandle Crisis Center, Inc.	Ochiltree	\$65,475.00	Domestic Violence Victims
1	Driskill Halfway House, Inc.	Swisher	\$65,000.00	All Homeless
1	Hale County Crisis Center, Inc.	Hale	\$51,572.00	Domestic Violence Victims
1	Caprock Community Action Association, Inc.	Crosby	\$30,000.00	All Homeless
2	Abilene Hope Haven, Inc.	Taylor	\$80,000.00	All Homeless
2	Pecan Valley Regional Domestic Violence Shelter	Brown	\$38,844.00	Domestic Violence Victims
2	Salvation Army of Abilene	Taylor	\$30,000.00	All Homeless
3	Safe Haven of Tarrant County	Tarrant	\$80,000.00	Domestic Violence Victims
3	Mission Granbury, Inc.	Hood	\$55,922.00	Domestic Violence Victims
3	Collin Intervention to Youth, Inc.	Collin	\$65,000.00	Youth
3	Johnson County Family Crisis Center	Johnson	\$65,000.00	Domestic Violence Victims
3	Salvation Army of Dallas	Dallas	\$60,779.00	At-Risk Homeless
3	Salvation Army of Fort Worth	Tarrant	\$62,052.00	All Homeless
3	Family Place, The	Dallas	\$53,250.00	Domestic Violence Victims
3	YMCA of Metropolitan Dallas	Dallas	\$66,855.00	Youth
3	Promise House, Inc.	Dallas	\$65,000.00	Youth
3	Denton, City of	Denton	\$137,393.00	Domestic Violence Victims
3	Dallas Jewish Coalition, Inc.	Dallas	\$45,500.00	Youth
3	Family Gateway, Inc.	Dallas	\$56,250.00	All Homeless
3	Salvation Army of Sherman	Grayson	\$50,000.00	All Homeless
4	Sabine Valley Center	Gregg	\$52,800.00	Mentally Ill
4	East Texas Crisis Center, Inc.	Smith	\$64,263.00	Domestic Violence Victims
4	Randy Sams Outreach Shelter, Inc.	Bowie	\$65,000.00	All Homeless
4	Kilgore Community Crisis Center, Inc.	Gregg	\$50,852.00	Domestic Violence Victims
5	Women's Shelter of East Texas, Inc.	Nacogdoches	\$56,679.00	Domestic Violence Victims
5	Port Cities Rescue Mission Ministries	Jefferson	\$67,265.00	All Homeless
5	Family Services of Southeast Texas, Inc.	Jefferson	\$60,765.00	Domestic Violence Victims
6	Salvation Army of Galveston	Galveston	\$66,744.00	All Homeless

PY 2006 ESGP Awards by Region

Region	Organization	County	Award Amount	Target Group
6	Bridge Over Troubled Waters, Inc., The	Harris	\$65,000.00	Domestic Violence Victims
6	Covenant House Texas	Harris	\$65,000.00	Youth
6	SEARCH	Harris	\$131,442.00	All Homeless
6	Westside Homeless Partnership	Harris	\$130,000.00	At-Risk Homeless
6	Children's Center, Inc., The	Galveston	\$113,750.00	All Homeless
6	Houston Area Women's Center	Harris	\$65,000.00	Domestic Violence Victims
6	Montgomery County Emergency Assistance, Inc.	Montgomery	\$74,263.00	At-Risk Homeless
6	Montgomery County Women's Center	Montgomery	\$128,963.00	Domestic Violence Victims
6	Fort Bend County Women's Center	Fort Bend	\$56,200.00	Domestic Violence Victims
6	Focusing Families	Waller	\$37,992.00	Domestic Violence Victims
6	Harmony House, Inc.	Harris	\$69,853.00	Mentally Ill
7	Travis County Domestic Violence and Sexual Assault Survival Center	Travis	\$46,352.00	Domestic Violence Victims
7	Williamson-Burnet County Opportunities	Williamson	\$45,375.00	All Homeless
7	Highland Lakes Family Crisis Center	Burnet	\$45,000.00	Domestic Violence Victims
7	Advocacy Outreach	Bastrop	\$85,210.00	At-Risk Homeless
7	Hays County Womens Center	Hays	\$61,561.00	Domestic Violence Victims
8	Twin City Mission	Brazos	\$80,000.00	Domestic Violence Victims
8	Faith Mission and Help Center, Inc.	Washington	\$64,997.00	At-Risk Homeless
8	Compassion Ministries of Waco, Inc.	McLennan	\$40,000.00	All Homeless
8	Families In Crisis, Inc.	Bell	\$43,622.00	Domestic Violence Victims
9	Comal County Family Violence Shelter, Inc.	Comal	\$52,000.00	Domestic Violence Victims
9	Hope Action Care	Bexar	\$65,000.00	AIDS Victims
9	Catholic Charities, Archdiocese of San Antonio, Inc.	Bexar	\$56,725.00	At-Risk Homeless
9	Community Council of South Central Texas, Inc.	Guadalupe	\$65,000.00	At-Risk Homeless
9	Connections Individual and Family Services, Inc.	Comal	\$65,000.00	Domestic Violence Victims
9	San Antonio Metropolitan Ministry, Inc.	Bexar	\$65,000.00	All Homeless
9	Seton Home	Bexar	\$40,308.00	Youth
10	Salvation Army of Victoria	Victoria	\$45,000.00	All Homeless
10	Mid-Coast Family Services, Inc.	Victoria	\$50,262.00	Domestic Violence Victims

PY 2006 ESGP Awards by Region

Region	Organization	County	Award Amount	Target Group
10	Corpus Christi Metro Ministries, Inc.	Nueces	\$65,000.00	All Homeless
10	Corpus Christi Hope House, Inc.	Nueces	\$42,107.00	Domestic Violence Victims
10	Womens Shelter of South Texas	Nueces	\$30,000.00	Domestic Violence Victims
11	Family Crisis Center, Inc.	Cameron	\$160,000.00	Domestic Violence Victims
11	Salvation Army of McAllen	Hidalgo	\$64,971.00	All Homeless
11	Wintergarden Women's Shelter, Inc.	Dimmit	\$65,000.00	Domestic Violence Victims
11	Providence Ministry Corporation	Cameron	\$47,320.00	All Homeless
11	Advocacy Resource Center for Housing	Hidalgo	\$53,395.00	Domestic Violence Victims
11	Amistad Family Violence and Rape Crisis Center	Val Verde	\$63,700.00	Domestic Violence Victims
11	Brownsville, City of	Cameron	\$143,834.00	All Homeless
12	Midland Fair Havens, Inc.	Midland	\$65,600.00	All Homeless
12	Safe Place of the Permian Basin	Midland	\$60,450.00	Domestic Violence Victims
12	Institute of Cognitive Development, Inc.	Tom Green	\$30,000.00	Domestic Violence Victims
13	Project Vida	El Paso	\$40,000.00	At-Risk Homeless
13	Opportunity Center for the Homeless	El Paso	\$65,000.00	Mentally Ill
13	Sin Fronteras Organizing Project	El Paso	\$65,000.00	All Homeless
13	Child Crisis Center of El Paso	El Paso	\$36,864.00	Youth
13	Center Against Family Violence	El Paso	\$46,097.00	Domestic Violence Victim

FAMILIES AND PERSONS ASSISTED

This section describes the households assisted with ESGP funds.

Anticipated Households Served with PY 2006 Funding

The ESGP Program does not project the number of households to be served. Please see the next section for information on the actual number of persons served in PY 2006.

Actual Households Served in PY 2006

This section reports on the actual households served in PY 2006 (February 1, 2007, though January 31, 2007) through current contracts. These contracts were originally awarded in 2005 and 2006, and assisted households during the PY 2006 reporting period. There were 122,784 total beneficiaries reported in PY 2006 through these contracts.

Persons Assisted in PY 2006

ESGP Activity	Total Estimated Beneficiaries	Total Funding
Homelessness Prevention	6,569	\$776,162
Essential Services	122,784	\$1,121,390
Total	122,784	\$1,897,552

**The 122,784 persons assisted with essential services is an estimate and includes all persons assisted by ESGP subrecipients. The 6,569 persons assisted with homelessness prevention assistance are part of the persons assisted with essential services.*

The approximately 123,000 beneficiaries were assisted using \$1,897,552 in PY 2006 funding. The remainder of the funds, \$2,720,545, were expended on rehabilitation, maintenance and operation, and administration activities.

Racial and Ethnic Status of Persons Assisted

The racial and ethnic status of the 122,784 total individuals receiving assistance in PY 2006 is reported below.

Racial and Ethnic Status of Persons Assisted in PY 2006

Ethnicity	Persons Assisted	Percent
White	82,103	66.87%
Black /African American	33,345	27.16%
Asian	898	0.73%
American Indian/Alaska Native	554	0.45%
Native Hawaiian/Other Pacific Islander	49	0.04%
American Indian and White	283	0.23%
Asian and White	173	0.14%
Black/African American and White	799	0.65%
American Indian/Alaska Native And Black/African American	62	0.05%
Other Multi-Race	4,002	3.26%
Native Hawaiian/Pacific Islander and Asian	0	0%
Balance of Individuals	516	0.42%
Total	* 122,784	* 100.0%

* estimate

Of 122,784 total persons, 72,508 or 59% percent, is of Hispanic or Latino origin. The breakdown of this population is below.

Hispanic Origin of Persons Assisted in PY 2006

Ethnicity	Persons Assisted	Percent
Hispanic and White	57,070	78.71%
Hispanic and Black /African American	12,511	17.25%
Hispanic and Asian	341	0.47%
Hispanic and American Indian/Alaska Native	217	0.30%
Hispanic and Native Hawaiian/Other Pacific Islander	21	0.03%
Hispanic and Other Race or Multiracial	2,348	3.24%
Total	* 72,508	* 100%

* estimate

Income Status of Persons Assisted

Of the 122,784 persons assisted, over 95 percent would be extremely low income and a small percent would be very low income. The persons with incomes in the very low income range would primarily be persons receiving assistance with rent or utilities to prevent homelessness, thus they would be part of the 6,569 persons receiving homelessness prevention assistance.

Income Status of Persons Assisted in PY 2007

Income Level	Persons Assisted	Percent
Extremely Low Income (0-30% AMFI)	122,784	100%
Very Low Income (31-50% AMFI)		
Low Income (51-80% AMFI)		
Moderate Income (81-95%)		
Higher than 95%		
Total		100%

FAIR HOUSING ACTIVITIES

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

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

ACCOMPLISHMENTS IN HIGH PRIORITY AREAS

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

Homeless Populations Needs Summary Table

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

The following FY 2006 (9/1/2006-8/31/2007) award recipients are targeting several of the priority homeless populations identified above. The table reflects the primary target population; however, the

majority of the subrecipients serve other populations. The exception would be subrecipients who serve domestic violence victims or youth.

Priority Homeless Populations Served by 2006 Award Recipients

Target Population	# Subrecipients	Percentage
All Homeless	31	41%
At-Risk Homeless	4	5%
Domestic Violence Victims	30	40%
Homeless Families	0	0%
Homeless Refugees	0	0%
Mentally Ill	1	1%
Sexual Assault Victims	0	0%
Tuberculosis Victims	0	0%
Youth	9	12%
HIV/AIDS	1	1%
Total Subrecipients	76	100%

Specific Accomplishments

While the Department considers all homeless populations to be priority, the awards process does not give preference to any particular priority population and ESGP funds are awarded on a competitive basis. The services provided by ESGP subrecipients during the FY 2006 period addressed the high priority needs identified above. The information in the table reflects the primary target population of FY 2006 ESGP subrecipients. Most ESGP subrecipients also serve other populations and most of the shelters serving all homeless populations would include persons who are mentally ill, persons who are chronic substance abusers, and persons with HIV/AIDS.

Persons With Disabilities

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

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

Program Performance

Housing

HOUSING:

HOME INVESTMENT PARTNERSHIPS PROGRAM

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

DESCRIPTION OF RESOURCES

This section describes HOME funding that was available for PY 2006.

PY 2006 Activities

For PY 2006, TDHCA was allocated \$41,308,832 by HUD; \$40,636,419 for HOME and \$672,413 for ADDI.

PY 2006 HOME State Allocation and Funding Plan

	Funding Amount	Percentage
Total HOME Allocation for PY 2006	\$40,636,419	100%
Less Administration Funds (10 percent of Allocation)	\$ 4,063,642	10%
CHDO Project Funds Set Aside (15 percent of Allocation-\$6,095,463.) ^{1,2,3}		
The 2006 CHDO set-aside was utilized for Hurricane disaster assistance as per HUD waiver dated 10-4-05	\$ 0	0%
Less CHDO Operating Expenses Set Aside (5 percent of CHDO Set Aside)	\$ 304,773	1%
Less Direct Award for the Texas Home of Your Own Program (HOYO)	\$ 500,000	1.2%
Less Set Aside for Contract for Deed (CFD) Conversions	\$ 2,000,000	5%
Less Set Aside for Rental Housing Preservation Program	\$ 2,000,000	5%
Less Set Aside for Rental Housing Development Program	\$ 3,000,000	7%
Remaining Project Funds Subject to Regional Allocation Formula (RAF) (includes \$6,095,463 of CHDO funds re-directed to Entitlement funds)	\$28,768,004	70.8%
Total ADDI Allocation for PY 2006	\$ 672,413	
Total HOME Funds subject to the Regional Allocation Formula (includes ADDI funds)	\$ 29,440,417	

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

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

³The 2006 CHDO set-aside was utilized for Hurricane Disaster assistance, as per HUD Waiver dated 10-4-05.

**Total PY 2006 Funds by Activity including ADDI
(Excluding Administrative Funds and CHDO Operating)**

Activity	Funding Amount	Percentage
Homebuyer Assistance (CFD and HOYO)	\$2,500,000	6.8%
Homebuyer Assistance (Subject to RAF, and includes ADDI)	\$ 4,668,991	12.7%
Owner-Occupied Housing Assistance (Subject to RAF)	\$15,174,220	41%
Tenant-Based Rental Assistance (Subject to RAF)	\$3,501,743	9.5%
Rental Housing Development and Preservation	\$5,000,000	13.5%
Owner Occupied Housing Assistance for Hurricane Disaster relief	\$6,095,463	16.5%
Total	\$36,940,417	100%

PY 2006 Activities

HUD regulations allow the HOME program to serve a variety of activities such as owner-occupied housing assistance, homebuyer assistance, tenant-based rental assistance, and rental development assistance. The PY 2006 allocation funded the following activities.

Owner-Occupied Housing Assistance

Rehabilitation or reconstruction cost assistance, in the form of grants or loans, is provided to eligible homeowners for the repair or reconstruction of their existing homes. The homes must be the principal residence of the homeowner. At the completion of the assistance, all properties must meet the Texas Minimum Construction Standards and local building codes. If a home is reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by §2306.514, Texas Government Code. This requirement applies to any applicants utilizing federal or state money administered by TDHCA in the construction of single family homes. This activity comprised 65 percent of the HOME allocation that was made available through the regional allocation process, approximately \$15,174,220. In addition, for 2006, the Department was granted a waiver from HUD to re-direct CHDO set-aside funds to entitlement funds. \$6,095,463 was utilized to assist homeowners in the 22-county presidentially declared disaster area due to Hurricane Rita.

Homebuyer Assistance

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

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

Eligible homebuyers may receive loans up to \$10,000 per household for down payment and closing costs, in the form of a 2nd or 3rd lien, zero percent interest, 10-year deferred-forgivable loan.

Program Performance

Housing

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.

At the completion of the assistance, all properties must meet the Texas Minimum Construction Standards or the Colonia Housing Standards, if located in a colonia, and local building codes. Compliance with the basic access standards in new construction, established by §2306.514, Texas Government Code, is also required for any applicants utilizing federal or State money administered by TDHCA in the construction of single family homes. This activity was comprised of approximately 20 percent (\$4,668,991) of the total HOME allocation subject to the regional allocation formula process, this included \$672,413 in ADDI funds. Additionally, \$2,500,000 of combined set-aside HOME funds, from the Contract for Deed Set-Aside and Home of Your Own Direct Award, were also included, but were not subject to the Regional Allocation Formula process.

American Dream Downpayment Initiative Set-Aside

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

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

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

At the completion of the assistance, all properties must meet the Texas Minimum Construction Standards or the Colonia Housing Standards, if located in a colonia, and local building codes.

Compliance with the basic access standards in new construction, established by §2306.514, Texas Government Code, is also required for any applicants utilizing federal or State money administered by TDHCA in the construction of single family homes. The 2006 ADDI allocation was \$672,413, and not subject to the Regional Allocation Formula process. However, these funds were included with the Homebuyer Activity and made available through the regional allocation formula process.

Tenant-Based Rental Assistance

Rental subsidy and security and utility deposit assistance is provided to tenants, in accordance with written tenant selection policies, for a period not to exceed twenty four months, but may be renewed, subject to availability of HOME funds. TBRA allows the assisted tenant to live in and move to any dwelling unit with a right to continued assistance with the condition that assisted families participate in a self-sufficiency program. This activity comprised 15 percent of the HOME allocation that was made available through the Regional Allocation process – approximately \$3,501,743.

Rental Housing Development

Awards for eligible applicants are to be used for the development of affordable multifamily rental housing. Owners are required to make the units available to extremely low, very low, and low income families, and must meet long-term rent restrictions. This activity totaled approximately \$3,000,000. These funds were not subject to the Regional Allocation Formula.

Rental Housing Preservation

Awards for eligible applicants are to be used for the acquisition and/or rehabilitation for the preservation of existing affordable or subsidized rental housing. Owners are required to make the units available to extremely low, very low, and low income families and must meet long-term rent restrictions. This activity totaled approximately \$2,000,000. These funds were not subject to the Regional Allocation Formula.

CHDO Set-Aside

A minimum of 15 percent of the annual HOME allocation, approximately \$6,095,463, plus \$304,773 in CHDO operating expenses, was reserved for CHDOs. CHDO set-aside projects are owned, developed, or sponsored by the CHDO, and result in the development of rental units or homeownership. Development includes projects that have a construction component, either in the form of new construction or the rehabilitation of existing units. TDHCA utilized all of the 2006 CHDO Set-Aside allocation for Hurricane Disaster assistance, as per HUD Waiver dated October 4, 2005. TDHCA utilized all of the 2006 CHDO Set-Aside allocation for Hurricane Disaster assistance, as per HUD Waiver dated October 4, 2005.

Contract for Deed Conversions Set-Aside

In 2005, the 79th Legislature passed Appropriations Rider 11 to TDHCA's appropriation, which requires TDHCA to spend no less than \$4 million for the biennium on contract for deed conversions for families that reside in a colonia and earn 60 percent or less of the Applicable area median family income (AMFI). Furthermore, TDHCA should convert no less than 400 contracts for deeds into traditional notes and deeds of trust by August 31, 2007. The intent of this program is to help colonia residents become property owners by converting their contracts for deeds into traditional mortgages. Households must not earn more than 60 percent of AMFI. Properties proposed for this initiative must

Program Performance

Housing

be located in a colonia as identified by the Texas Water Development Board colonia list or meet TDHCA's definition of a Colonia, approximately \$2,000,000.

Colonia Model Subdivision Program Set-Aside

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

Persons with Disabilities Set-Aside

Subject to the availability of qualified applications, 5 percent or approximately \$2,031,821 of the annual HOME allocation was available to applicants serving persons with disabilities. For multifamily and single family activities, the Department awarded \$500,000 through this set-aside for the Home of Your Own Program, and all remaining funds were made available through all programs and set-asides.

INVESTMENT OF RESOURCES

This section describes HOME funding commitments that were made with PY 2006 funds.

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

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

PY 2006 Funding Commitments

During 2006, TDHCA utilized a total of \$54,343,328 in HOME funds in the following manner.

Total Amount of Funding Committed for PY 2006

	HOME Allocation	Project Funds Awarded	Admin/Oper Exp. Funds Awarded
2006 HUD HOME Allocation	\$40,636,419	\$53,074,221	\$4,237,292
Less Administration (10% of Allocation) ¹	-4,063,642		\$2,438,185
Less CHDO (15% of Allocation) Per HUD Waiver dated 10-4-05 CHDO funds were re-directed to Entitlement funds in order to assist Hurricane Disaster victims.	0	\$8,372,552	
Less CHDO Operating Exp.(5% of CHDO)	-304,773		\$216,000
TOTAL HUD Mandated deductions	-4,368,415		
Sub-Total Available SF and MF Non-CHDO funds	36,268,004		
Less MF Rental Hsng. Preservation Prg.	-2,000,000	\$1,332,885	
Less MF Rental Hsng. Development Program	-3,000,000	\$4,291,104	
Less Contract for Deed	-2,000,000	\$0	
Direct Award to Texas Home of Your Own Program	-500,000	\$500,000	\$30,000
TOTAL State Set Asides	-7,500,000		
Total Available SF & MF Non-CHDO funds	28,768,004		
Plus 2006 American Dream Downpayment Initiative (ADDI)	672,413		
Total Project Funds Subject to Reg. Alloc. Formula	29,440,417		
Homebuyer Assistance (Includes ADDI funds)	4,668,991	\$3,675,000	\$157,000
Owner Occupied Housing Assistance	15,174,220	\$33,488,600	\$1,339,544
Tenant Based Rental Assistance	3,501,743	\$1,414,080	\$56,563
Disaster Relief Assistance (includes SF activities) ⁴	6,095,463	\$14,050,000	\$562,000
Assistance to Persons with Disabilities ⁵		\$2,543,000	\$101,720

¹ includes 60% TDHCA and 40% Contract Administrators.

² CHDO set aside utilized for Hurricane Disaster assistance per HUDWaiver dated 10-4-05.

³ Includes previous years CHDO Set aside funds

⁴ Includes waived CHDO funds and de-obligated funds

⁵ 5% of HOME allocation is made available to persons with disabilities.

**Award of HOME Funds by Activity PY 2006
(Includes Administration and CHDO Operating funds)**

Activity	Amount	Percentage
Homebuyer Assistance (all activities)	\$3,832,000	7%
Owner Occupied Housing Assistance	\$34,828,144	64%
Tenant Based Rental Assistance	1,470,643	2.8%
CHDO Rental Development	\$8,372,552	15.4%
CHDO Operating Expenses	\$216,000	0.5%
Rental Housing Development	\$4,291,104	7.9 %
Rental Housing Preservation	\$1,332,885	2.4%%
Total	\$54,343,328	100%

Homebuyer Assistance also includes those awards made through the Contract for Deed and Persons with Disabilities categories. Owner-occupied housing assistance also includes awards made through the Persons with Disabilities and Disaster Relief categories. Tenant-based rental assistance also includes awards made through the Persons with Disabilities category.

Matching Requirements

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

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

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

DISTRIBUTION OF INVESTMENTS

This section reports on how PY 2006 funds were distributed and the location of HOME awards.

Allocation Formula

Section 2306.111, Texas Government Code mandates that TDHCA is to allocate no less than 95 percent of HOME funds to applicants that serve households located in a non-participating jurisdiction. The Department may use 5 percent of the HOME funds in participating jurisdictions, but only for multifamily developments that serve persons with disabilities¹ and adhere to TDHCA's Integrated Housing Rule.

¹ 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

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 farm workers. Eligible applicants include nonprofits, units of general local government, and PHAs with documented histories of working with special needs populations. Eligible activities include homebuyer assistance, owner-occupied housing assistance, and tenant-based rental assistance.

Regional Allocation Formula

Section 2306.111, Texas Government Code, mandates that TDHCA allocate housing funds awarded in the HOME, Housing Trust Fund, and Housing Tax Credit (HTC) programs to each Uniform State Service Region using a formula developed by TDHCA. As a result, a large portion of the HOME funds were awarded using the Regional Allocation Formula (RAF) that responds to Section 2306.111. PY 2006 funding associated with the following set-asides was not distributed through the RAF: Persons with Disabilities, Contract for Deed Conversions, American Dream Downpayment Assistance Program (ADDI) 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.

Regional Award of HOME Funds PY 2006 (Includes Administration Funds)

Region	Amount	% of Total Amount	Proposed Units to be Assisted	% of Total Units
1	\$1,926,704	3.5%	59	4%
2	\$2,542,236	5%	34	2.3%
3	\$9,024,637	17%	223	15.1%
4	\$4,430,800	8%	199	13.5%
5	\$14,009,000	26%	299	20%
6	\$2,964,000	5.4%	52	3.5%
7	\$5,938,000	11%	122	8.3%
8	\$4,144,800	7.6%	122	8.3%
9	\$858,000	1.5%	30	2%
10	\$3,420,000	6%	105	7.1%
11	\$2,599,868	4.5%	163	11%
12	\$1,669,283	3%	45	3%
13	\$286,000	.5%	5	.5%
Multiple Regions	\$530,000	1%	20	1.4%
Total	\$54,343,328	100%	1478	100%

(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.

Program Performance

Housing

Award Locations

PY 2006 HOME awards were made in the following areas of the state. These numbers include administration dollars awarded to the contractor.

PY 2006 HOME Awards and Estimated Units by Region

TDHCA Region	Administrator Name	County Served	Total Award Amount	Total Units
1	Yoakum County	Yoakum	286,000	5
1	City of Hale Center	Hale County	253,344	4
1	City of Spur	Dickens	286,000	5
1	City of Farwell	Parmer	286,000	5
1	City of Dickens	Dickens	286,000	5
1	City of Earth	Lamb	286,000	5
1	Lifetime Independence for Everyone, Inc.	Lubbock	243,360	30
2	City of Hawley	Jones	286,000	5
2	City of Henrietta	Clay	286,000	5
2	City of Bowie	Montague	286,000	5
2	City of Merkel	Taylor	286,000	5
2	Eastland County	Eastland	286,000	5
2	City of Cross Plains	Callahan	286,000	5
2	Cross Plains-Charger Properties, LP	Callihan	826,236	4
3	Rockwall Housing Development Corp.	Rockwall	114,400	2
3	City of West Tawakoni	Hunt	286,000	5
3	City of Garrett	Ellis	286,000	5
3	City of Blooming Grove	Navarro	286,000	5
3	City of Caddo Mills	Hunt	286,000	5
3	City of Celina	Collin	286,000	5
3	City of McKinney	Collin	286,000	55
3	City of Aurora	Wise	286,000	5
3	City of Bardwell	Ellis	228,800	4
3	City of Godley	Johnson	286,000	5
3	City of Kaufman	Kaufman	286,000	5
3	City of Pilot Point	Denton	286,000	5
3	Affordable Housing of Parker County	Wise	16,000	0
3	Affordable Housing of Parker County	Wise	358,800	8
3	Affordable Elderly Housing of Texas	Hood	420,000	8
3	Crestmoor Park West Apartments, Ltd.	Johnson	1,162,885	60
3	Rockwall Senior Community, L.P.	Rockwall	1,300,000	15
3	The Gardens of Mabank, LP	Kaufman	225,000	4
3	Gardens of Decordova, L.P.	Hood	1,194,376	11
3	The Gardens of Weatherford, L.P.	Parker	1,144,376	11
4	City of Nash	Bowie	286,000	5
4	City of Tatum	Panola	286,000	5
4	City of Cumby	Hopkins	286,000	5
4	City of Texarkana	Bowie	286,000	5
4	City of Big Sandy	Upshur	228,800	4
4	City of Bloomburg	Cass	286,000	5
4	City of Avinger	Cass	286,000	5
4	City of Wake Village-EDC	Bowie	260,000	25

Program Performance

Housing

4	City of Annona	Red River	286,000	5
4	City of Detroit	Red River	286,000	5
4	City of Deport	Lamar	286,000	5
4	City of Edgewood	Van Zandt	286,000	5
4	East Texas Housing Finance Corp.	Anderson, Camp, Cherokee, Gregg, Harrison, Henderson, Marion, Panola, Rains, Rusk, Smith, Upshur, Van Zandt, Wood	520,000	50
4	Paris Living-A Community Dev. Corp.	Lamar	208,000	20
4	City of Cooper	Delta	104,000	10
4	Affordable Caring Housing, Inc.	Wise	75,000	0
4	Victoria Place Phase II, Ltd.	Henderson	175,000	40
5	Jefferson County	Jefferson	2,080,000	36
5	Jasper County	Jasper County	312,000	6
5	San Jacinto County	San Jacinto	312,000	6
5	Tyler County	Tyler	312,000	6
5	Polk County	Polk	312,000	6
5	Newton County	Newton	312,000	6
5	Orange County	Orange	2,080,000	58
5	Hardin County	Hardin	2,080,000	68
5	San Augustine County	San Augustine	173,334	3
5	Trinity County	Trinity	173,334	3
5	Shelby County	Shelby	173,332	3
5	Angelina County	Angelina	312,000	5
5	City of Tenaha	Shelby	286,000	5
5	City of Joaquin	Shelby	286,000	5
5	Burke Center	Angelina, Nacogdoches, Houston, Trinity, San Jacinto, Polk, Newton, Tyler, Jasper, Sabine, San Augustine, Shelby	286,000	5
5	City of Onalaska	Polk	286,000	5
5	City of Trinity	Trinity	286,000	5
5	City of Huntington	Angelina	286,000	5
5	City of Crockett	Houston	286,000	5
5	Jasper County	Jasper	624,000	11
5	Tyler County	Tyler	624,000	11
5	Newton County	Newton	624,000	11
5	Polk County	Polk	624,000	11
5	San Jacinto County	San Jacinto	624,000	11
5	BETCO-Jasper Housing, LP	Jasper	255,000	3
6	Walker County	Walker	286,000	5
6	City of Prairie View	Waller	286,000	5
6	City of Brookshire	Waller	286,000	5
6	City of Wallis	Austin	286,000	5
6	City of Santa Fe	Galveston, Chambers	286,000	5
6	City of Eagle Lake	Colorado	286,000	5
6	Liberty County	Liberty County	624,000	11
6	Chambers County	Chambers County	624,000	11

Program Performance

Housing

7	City of Luling	Caldwell	286,000	5
7	City of Lockhart	Caldwell	286,000	5
7	City of La Grange	Fayette	286,000	5
7	City of Smithville	Bastrop	286,000	5
7	City of Florence	Williamson	286,000	5
7	Travis County Housing Fin. Corp.	Travis	208,000	25
7	Foundation Communities	Travis	50,000	0
7	Northwest Residential, LP	Williamson	1,950,000	37
7	Foundation Communities	Travis	1,450,000	18
7	Picadilly Estates, L.P.	Travis	850,000	17
8	City of Jewett	Leon	286,000	5
8	City of Lacy Lakeview	McLennan	228,800	4
8	City of Bellmead	McLennan	286,000	5
8	City of Hillsboro	Hill	286,000	28
8	City of Belton	Bell	286,000	5
8	Lampasas County	Lampasas	286,000	5
8	City of Moody	McLennan	286,000	5
8	Shelter The Homeless International Projects	Coryell	75,000	0
8	Pembroke Court, Ltd.	Coryell	1,900,000	61
8	The Gardens of Gatesville, L.P.	Coryell	225,000	4
9	Ellis Community Resources, Inc.	Comal	286,000	20
9	City of Ingram	Kerr	286,000	5
9	City of Devine	Medina	286,000	5
10	Jim Wells County	Jim Wells	520,000	9
10	Duval County	Duval	520,000	18
10	Latino Education Project, Inc.	Nueces	286,000	25
10	Kingsville Housing Authority	Kleberg	208,000	20
10	City of Orange Grove	Jim Wells	286,000	5
10	San Patricio County	San Patricio	286,000	5
10	City of Driscoll	Nueces	286,000	5
10	City of George West	Live Oak	286,000	5
10	Town of Bayside	Refugio	286,000	5
10	City of Aransas Pass	San Patricio, Aransas	286,000	5
10	TX LULAC Amistad Housing, L.P.	San Patricio	170,000	12
11	Cameron County Housing Authority	Brownsville, Los Fresnos, San Benito, harlingen. La Feria	286,000	30
11	City of La Grulla	Starr	286,000	7
11	City of Edinburg	Hidalgo	286,000	8
11	Coto de Casa	Hidalgo	208,000	20
11	United Way of Southern Cameron County	Cameron	286,000	28
11	Cameron County Housing Finance Corp.	Cameron	286,000	28
11	City of Big Wells	Dimmit	286,000	5
11	Carrizo Springs Affordable Housing, Inc.	Dimmit, Maverick, Zavala	286,000	30
11	HVM Edcouch III, Ltd	Hidalgo	143,525	3
11	HVM Zapata II, Ltd.	Zapata	246,343	4
12	Buckner Children and Family Services, Inc.dba Family Place at Hearthstone	Midland	83,283	5
12	Concho Valley Community Action Agency	Schleicher	156,000	15

12	City of Stanton	Martin	286,000	5
12	City of Forsan	Howard	286,000	5
12	City of Coahoma	Howard	286,000	5
12	Crane County	Crane	286,000	5
12	Town of Pecos City	Reeves	286,000	5
13	City of Valentine	Jeff Davis	286,000	5
3,6,7,8,13	United Cerebral Palsy of Texas	Travis, Williamson, Hays, Caldwell, Burnet, Blanco, Bastrop, Tarrant, Parker, Johnson, Dallas, McLennan, Hill, Bell, Coryell	530,000	20
			54,343,328	1,487

FAMILIES AND PERSONS ASSISTED

This section describes the households assisted with HOME funds.

Anticipated Households Served with PY 2006 Funding

For contacts that were awarded with PY 2006 funds, there are 1,478 total anticipated units.

**PY 2006 Estimated Funds and Units
(Including Administration and CHDO Operating Funds)**

	HOME Activity	Total Estimated Units	Total Funding
Owner	Homebuyer Assistance	374	\$3,832,000
	Owner-Occupied Assistance	669	\$34,828,144
Renter	Tenant-Based Rental Assistance	115	\$1,470,643
	CHDO Rental Development (includes operating funds)	181	\$8,588,552
	Rental Development	67	\$4,291,104
	Rental Preservation	72	\$1,332,885
	Total	1,478	\$54,343,328

Actual Households Served in PY 2006

This section reports on the actual units completed in PY 2006 (February 1, 2006, though January 31, 2007) through current contracts. These contracts were originally awarded in 2002 though 2005, and units were completed during the PY 2006 reporting period. There were 2,142 total units completed in PY 2006 through these contracts.

Program Performance

Housing

Actual Units Completed in PY 2006 by Activity

	HOME Activity	Total Actual Units	Total Disbursed
Owner	Homebuyer Assistance	524	\$4,771,525
	Owner-Occupied Assistance	730	\$35,199,343
Renter	Tenant-Based Rental Assistance	775	\$3,870,528
	Rental Development Assistance	332	\$4,419,736
Total		2,361	\$48,261,132

Actual Units Completed in PY 2006 by Special Needs Population

Special Needs Group	Number of Units	Percentage
AIDS	33	1%
Elderly	296	13%
Homeless	141	6%
Large Family	0	0%
Mental Disability	0	0%
Physical Disability	701	30%
Migrant Farmworker	6	0%
Colonias	19	1%
Not Applicable	1,165	49%
Total	2,361	100%

Racial and Ethnic Status of Units Assisted

The racial and ethnic status of the 2,361 total units completed in PY 2006 is reported below.

Racial and Ethnic Status of Units Completed

Ethnicity	Units Assisted	Percent
White	1,474	62%
Black /African American	395	17%
Asian	5	0%
American Indian/Alaska Native	3	0%
Native Hawaiian/Other Pacific Islander	0	0%
American Indian and White	4	0%
Asian and White	0	0%
Black/African American and White	5	0%
American Indian/Alaska Native And Black/African American	3	0%
Other Multi-Race	139	6%
Native Hawaiian/Pacific Islander and Asian	1	0%
Unspecified	332	14%
Total	2,361	100.00%

Of 2,361 total units, 874, or 37 percent, have Hispanic or Latino origin. The breakdown of this population is below.

Hispanic Origin of Units Assisted in PY 2006

Ethnicity	Units Assisted	Percent
Hispanic and White	737	84%
Hispanic and Black /African American	0	0%
Hispanic and Asian	1	0%
Hispanic and American Indian/Alaska Native	6	1%
Hispanic and Native Hawaiian/Other Pacific Islander	0	0%
Hispanic and Other Race or Multiracial	130	15%
Total	874	37%

Income Status of Units Assisted

The income status of the 2,361 total units receiving assistance in PY 2006 is reported below.

Income Status of Units Completed in PY 2006

Income Category	Number of Units	Percentage
Extremely Low Income (0-30% AMFI)	1,234	52%
Very Low Income (31-50% AMFI)	735	31%
Low Income (51-60% AMFI)	140	6%
Low Income (61-80% AMFI)	244	10%
Other	8	0%
Total	2,361	100%

Income Status of Units Completed in PY 2006 by Activity

	HOME Activity	0-30%	31-50%	51-60%	61-80%	Vacant	Total
Owner	Homebuyer Assistance	36	156	106	226		524
	Owner-Occupied Assistance	451	246	15	18		730
Renter	Tenant-Based Rental Assistance	713	61	1			775
	Rental Development Assistance	34	272	18		8	332
Total		1,234	735	140	244	8	2,361

FAIR HOUSING ACTIVITIES

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

Monitoring and Compliance of the Fair Housing Requirements

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

Program Performance

Housing

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 Portfolio Management and Compliance (PMC) division 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 within 30 days of receiving a monitoring report. Repeated or unresolved findings may affect future funding.

TDHCA PMC staff provides 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. The Department maintains a list of entities that provide ongoing training to ensure that training opportunities are shared with developers, architects, and TDHCA staff. Training attended by owners and architects that is offered by other entities may also satisfy this requirement.

ACCOMPLISHMENTS IN HIGH PRIORITY AREAS

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

Housing Priority Needs Summary Table

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

Specific Accomplishments

This section describes specific HOME Program activities undertaken during PY 2006 that address high priority needs. Please see the “Goals and Objectives” section for detailed information about HOME Program goals and objectives, which also address these needs.

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

Program Performance

Housing

Persons with Disabilities

In order to address the needs of persons with disabilities, the HOME Program accomplished the following during PY 2006.

The Department awarded approximately \$1,450,000 to an 18-unit single-room occupancy multi-family development for housing for persons with disabilities.

For single family activities, TDHCA allocated a total of \$2,243,088 to fund 21 applicants that have committed to serving persons with disabilities with all or a portion of their funds. The Department awarded \$500,000 through the Persons with Disabilities Set-Aside to the Home of Your Own Program, which is projected to assist 20 persons with disabilities purchase a home. For owner occupied home repair, HOME funded 13 applicants totaling \$1,155,000 that committed to assist 21 households with persons with disabilities with all or a portion of their funds. For tenant based rental assistance, 5 awards totaling \$593,000 will provide rental assistance to 90 units for persons with disabilities.

To continue the effort to support housing for persons with disabilities, applicants for the owner occupied housing assistance and tenant based rental assistance programs must target at least 5 percent of the number of units proposed to individuals meeting the definition of persons with disabilities.

ON-SITE INSPECTIONS

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

Possible sanctions for non-compliance include default, foreclosure, and receivership. However, the Department strives to work cooperatively with owners to restore compliance. Before imposing sanctions, alternative solutions are considered such as restructuring debt, intensive 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.

Recognizing that past strategies for ensuring compliance with the provisions of Land Use Restriction Agreements have not been effective for all owners, the Department has created a new enforcement section of the Legal Division. In addition, the Department has created enforcement rules that will create monetary penalties for owners who do not cure issues of noncompliance. The enforcement rules are out for public comment at this time. Once adopted, the rules will provide the Portfolio Management and Compliance division a final corrective action opportunity for owners to cure issues. If they do not, properties will be referred to the Legal Division for enforcement.

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

PY 2006 HOME Program Property Inspections

No.	HOME File No.	Property Name	Monitoring Date	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Action Taken
1	5306077	Heatherwilde Park Retirement	7/20/2006	Yes	Rents over the limit; failure to complete HQS inspections	No	Corrective action rcvd, review pending
2	530727	Raintree	2/17/2006	Yes	Rents over the limit.	Yes	
3	535028	Jefferson Square	7/25/2006	Yes	Failure to complete HQS inspections.	Yes	
4	536266	Brentwood Oaks	4/28/2006	Yes	Rents over the limit.	Yes	
5	537078	Westwind Village	6/7/2006	Yes	Rents over the limit.	Yes	
6	539109	Angelica Homes	5/11/2006	Yes	Rents over the limit; failure to complete HQS inspections; household income above the limit.	No	Corrective Action due on 9/20/2006. None received. New corrective action deadline 4/21/2007. Scored in NC status system. Proeprty is in Material Noncompliance. Owner not eligible for additional funding under any TDHCA programs.
7	534389	Bentcreek	5/24/2006	Yes	Household income above the limit.	No	Corrective Action due on 9/24/2006. None received. Follow-up letter sent 10/24/2006. Scored in NC status system Another follow up latter sent on 3/23/2007. New corrective action deadline of 4/23/2007 established
8	534336	Anna House/Ridge Oak House	12/4/2006	Yes	Household income above the limit.	No	Owner's response due 4/7/2007.
9	530607	Crowley Senior	10/16/2006	Yes	Failure to complete HQS inspections; failure to comply with additional rent/occupancy requirements.	No	Owner's response due 5/20/2007.
10	538610	Denton Affordable Housing	10/16/2006	Yes	Health and safety violations; rents over the limit.	No	Owner's response due 2/21/2007. No reposne received. Scored nin the compliance status system. This owner appeid for addiitonal funding and they have been notified that their appciaiton will be deinied if they do not orrect these issues immediatley.

11	534031	Rincon Point	4/18/2006	Yes	Household income above the limit.	Yes	
12	531105	Garden Terrace	3/29/2006	Yes	Failure to maintain documentation.	Yes	
13	533345	Juan Linn	1/17/2007	Yes	Household income above the limit; health and safety violations; failure to maintain documentation.	HH OI - Yes H&S; Doc - NO	on site 1/24/07--letter mailed 2/16/07, CA due 5/17/07
14	539098	Levelland Multi-family	5/17/2006	Yes	Rents over the limit.	No	Owner's response due 10/18/06. Follow up notice sent 11/13/2006.
15	533186	Lincoln Courts	8/30/2006	Yes	Failed to respond to agency request for the monitoring review.	No	Corrective Action received / review in progress
16	531103	Medina Court Senior	4/27/2006	Yes	Failure to maintain documentation.	No	Final extension due 10/25/2007, spoke with property mgr on 10/30/07 confirming that no corrective action has been completed.
17	532305	Port Velasco	7/19/2006	Yes	Household income above the limit; health and safety violations; failure to maintain documentation; unit not available for rent.	No	Undergoing foreclosure proceedings pending
18	536297	Supportive Housing Program	1/24/2007	Yes	Household income above limit; failure to maintain documentation; unit not available for rent.	HH OI - Yes Doc & Unit - No	Owner's response due 5/26/2007.
19	539122	Center Park	11/15/2006	Yes	Household income above limit; failure to maintain documentation; rent over the limit.	No	Owner's response due 4/8/2007
20	535247B	Olton Multifamily Housing	5/17/2006	Yes	Failure to maintain documentation.	Yes	
21	536268C	Palisades at Bellville	7/28/2006	Yes	Failed to respond to agency request for the monitoring review.	No	Property owner has filed bankruptcy. Property will foreclosure and sell to nonprofit. (See Monita.)
22	535031	Parkview Place	7/26/2006	Yes	Rent over the limit.	No	Owner's response due 5/6/2007.
23	539099	Grandview Retirement Villas	6/21/2006	Yes	Rent over the limit; failure to complete HQS inspections.	Yes	
24	538613	Brittons Place	2/16/2006	Yes	Rent over the limit; failed to meet special needs set asides.	Yes	

25	532306	Zarate	10/17/2006	Yes	Household income above limit; failure to maintain documentation.	No	Corrective action due 06/03/07
26	533288	Ranchland	8/15/2006	Yes	Household income above limit; failure to complete HQS inspections.	No	Corrective action due 3/2007, pending review
27	532307	Arturo Figueroa Homes	10/17/2006	Yes	Health and safety violations.	No	Monitored 10/06/06, HH above Income limit and late recert issues identified.
28	536268D	Red River Independent Senior	8/28/2006	Yes	Household income above limit; health and safety violations; rent over the limit; failure to complete HQS inspections and Affirmative Marketing plan.	No	Monitoring letter sent 3/1/07
29	537606	Southeast Texas Communities	8/18/2006	Yes	Household income above limit; health and safety violations; failure to comply with additional income rent/occupancy requirements; failure to complete HQS inspections and Affirmative Marketing plan.	No	Owner's response due 12/8/2006. Follow up letters on 10/3/2006 & 12/20/2006.
30	535004	Jourdanton Elderly Housing	6/6/2006	Yes	Failure to maintain documentation.	No	Corrective Action due on 10/17/2006. None received. Follow-up letter sent 1/9/2007. Scored in NC status system
31	530647	Special Needs Rental Housing	2/2/2006	Yes	Failure to maintain documentation; failure to provide an Affirmative Marketing plan.	No	Extension due 12/16/06. No corrective action submitted.
32	532277	Tyler community Homes	7/17/2006	Yes	Household income above limit.	No	10/17/06 Owner response insufficient. Department sent owner notice on 11/6/06 & 1/9/07
33	533027	Mountain View	4/28/2006	Yes	Household income above limit; failure to provide an Affirmative Marketing plan.	Yes	
34	539112	Weldon Blackard Rental	6/7/2006	Yes	Household income above limit.	No	Property submitted plan to cure on 1/15/2007. Under review.

35	532325	Colonias Del Valle	8/18/2006	Yes	Rent over the limit; health and safety violations.	Rent - No H&S - Yes	Corrective Action due on January 16, 2007. Received on January 18, 2007. Under review.
36	532319	Thomas Street	6/14/2006	Yes	Household income above limit; failed to execute lease addendums.	No	CA deadline up, did not respond. Sent final notice 3/19/07. Called Mgmt. Company to follow up as well.
37	537607	West Avenue	11/14/2006	Yes	Household income above limit; failure to maintain documentation.	No	Corrective action due 3/29/2007
38	542070	Bayou Bend	12/15/2006	Yes	Failure to complete HQS inspections.	Yes	
39	531001	Cedar Ridge II	3/23/2006	Yes	Household income above limit.	yes	Finding corrected 11/4/06
40	531300	Alta Vista Village	6/14/2006	Yes	Household income above limit; rent over the limit; failure to complete HQS inspections.	No	Final extension due 2/28/2007, no response rcvd
41	531301	Spring Garden	5/25/2006	Yes	Household income above limit.	1 File - Yes No	Corrective action due 1/4/07, no response rcvd
42	535247A	George Gervin	1/18/2007	Yes	Household income above limit.	No	Owner response due May 8, 2007.
43	1000084	Canal Street	5/18/2006	Yes	Household income above limit.	Yes	
44	1000555	Luling Senior Housing	11/3/2006	Yes	Household income above limit.	yes	CA received, reviewed. All findings corrected.

AFFIRMATIVE MARKETING AND MINORITY OUTREACH

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

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

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

Affirmative Marketing Actions

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

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

Specific Actions

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

Program Performance

Housing

materials to area social service agencies that work with minorities, disabled individuals, or other protected groups.

Affirmative Marketing Record Keeping

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

Minority Outreach

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

HOME Projects Completed by Minority and Women Business Enterprises

		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	703		4	20	193	486
2. Dollar Amount	\$32,397,092		\$183,500	\$961,300	\$6,455,386	\$24,796,906
B. Sub-Contracts						
1. Number	2,834		8	43	755	2,028
2. Dollar Amount	\$10,931,842		\$40,473	\$558,938	\$2,641,061	\$7,691,370
	a. Total	b. Women Business Enterprises (WBE)	c. Male			
C. Contracts						
1. Number	703	14	689			
2. Dollar Amount	\$32,397,092	\$455,726	\$31,941,366			
D. Sub-Contracts						
1. Number	2,834	60	2,774			
2. Dollar Amounts	\$10,931,842	\$377,452	\$10,554,390			

NON-HOMELESS SPECIAL NEEDS:

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM

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 19,468 to 29,497 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 \$22 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 \$81.9 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.

GRANTEE AND COMMUNITY PROFILE

The State of Texas HOPWA formula program, first funded in 1992, currently serves all areas outside of the Dallas, Fort Worth, Houston, Austin and San Antonio metropolitan areas. The state program is administered by the Health Promotion Unit- HIV/STD Comprehensive Services Branch, Texas Department of State Health Services (DSHS). In addition to the HOPWA program, DSHS and its contractors administer the State and federal funds for HIV health and social services, including the Ryan White CARE Act-Title II, and State Services grants.

The State of Texas HOPWA program includes the following activities:

Short-Term Rent, Mortgage, and Utilities (STRMU) assistance program: The STRMU program provides short-term rent, mortgage, and utility payments to prevent homelessness of the tenant or mortgagor of a dwelling. Payments for rent, mortgage, and/or utilities, including telephone, up to the cap established locally or for a period not to exceed 21 weeks in any 52-week period, are provided.

Tenant-Based Rental Assistance (TBRA) program: The TBRA program provides tenant-based rental assistance, including assistance for shared housing arrangements. It enables low-income

Program Performance

Non-Homeless Special Needs

clients to pay their rent and utilities until there is no longer a need, or until they are able to secure other housing.

Supportive Services program: The HOPWA Supportive Services program makes funds available to Project Sponsors to provide case management and telephone service assistance for all HOPWA clients and assistance to purchase smoke detectors for STRMU clients.

Areas of service coverage within jurisdiction: The State of Texas HOPWA Formula program serves all counties in Texas, with the exception of the 26 counties served by five directly funded Eligible Metropolitan Service Areas (e.g., 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).

Needs statement: As of 12/31/2006, there were 58,994 persons living with HIV/AIDS in Texas. Using an estimate made by the National Commission on AIDS that one-third to one-half of persons living with HIV/AIDS in 2006 are either homeless or at risk of homelessness, there may be from 19,468 to 29,497 people living with HIV/AIDS in Texas who are homeless or at risk of homelessness.

Project Sponsor Management: The DSHS HIV/STD Comprehensive Services Branch, which administers the State's HOPWA formula program, contracts with 8 Administrative Agencies (AA) around the state that either serve as project sponsors or contract with other agencies for the delivery of HOPWA services. DSHS selects AAs through competitive requests for proposal; and the AAs, in turn, select HOPWA Project Sponsors through competitive processes. DSHS reserves three percent of the total HOPWA award for the administrative costs of both DSHS and its AAs. Project Sponsors are allowed up to seven percent of their Project Sponsor grant amount for administrative costs. The HIV/STD Comprehensive Services Branch monitors the AAs and their monitoring of the Project Sponsors' HOPWA activities and expenditures. DSHS has a team of 14 Field Operations consultants and managers that are assigned to monitor the contract activities of the AAs. This monitoring involves periodic site visits, technical assistance visits, and the submission of monthly billing reports and quarterly progress reports. Administrative Agencies are required to comply with HUD regulations, the DSHS Program Manual and their contractual Statement of Work.

Description of Resources: DSHS, its AAs, and Project Sponsors rely on a number of federal, state, and local resources to provide adequate administration of the State HOPWA formula funds. DSHS leveraged \$190,364 of federal and state funds to provide administration at the state level; and Project Sponsors reported \$134,989 in leveraged funds for administration. Annually, DSHS makes available approximately \$22 million in federal Ryan White and State HIV services funds statewide for the provision of HIV care and support services to eligible, HIV positive persons. An additional \$81.9 Million in state and federal funds are expended annually on HIV medications. Cities, counties, and community-based organizations also provide funding for services accessed by HOPWA clients. In 2006, Project Sponsors reported \$83,030 in leveraged funds to provide TBRA, \$54,239 to provide STRMU assistance, and \$1,629,160 to provide support services. Leveraged funds are absolutely essential for the provision of HOPWA project administration and support services for HOPWA clients in the state of Texas.

Collaborative Efforts: HOPWA clients served with state formula funds are linked through their Project Sponsors and AAs to a network of care and support services for HIV positive persons and their families. The HIV care network in the areas supported with state formula funds consists of 64 local providers, who make a range of medical, psychosocial, and support services available to eligible persons with HIV. HOPWA Project Sponsors collaborate locally with these providers to ensure that clients receive the services they need to begin and remain in care. Additionally, HIV positive persons are the highest priority population for HIV prevention activities in the state of Texas, which funds approximately 47 HIV prevention providers across the state to provide prevention services. Additionally, Project Sponsors collaborate with other housing programs in their areas to assure that HIV positive persons have access to the housing programs that best fit their needs and circumstances. Most notable is collaboration of state formula-funded HOPWA Project Sponsors with local Section 8 housing programs.

On the state level, DSHS collaborates with the Texas Department of Housing and Community Affairs to produce the state’s Consolidated Plan for housing and called upon the Texas Office of Rural and Community Affairs, which administers the state’s CDBG program, for technical assistance in matters related to the Integrated Disbursement and Evaluation System (IDIS).

PROGRAM ACCOMPLISHMENTS:

DSHS served 562 households with TBRA, 700 households with STRMU assistance, and 1,215 households with Supportive Services during the HOPWA project year 2/01/2006 to 1/31/2007. A total of \$1,503,888 was expended for TBRA, \$487,728 for STRMU services, and \$178,641 for Supportive Services. DSHS complied with the three percent grantee administration allocation and the seven percent project sponsor administration allocation.

As required by the Fair Housing Act (24 CFR Part 91.250), the race and ethnicity of all HOPWA beneficiaries are reported in the following table.

Race and Ethnicity of all HOPWA Beneficiaries		Total # of Beneficiaries receiving TBRA/STRMU		Total # also Hispanic or Latino	
		#	%	#	%
a.	White	1550	69	714	32
b.	Black/African American	619	28	10	0.4
c.	Asian	35	2	0	0
d.	American Indian/Alaskan Native	7	0.3	0	0
e.	Native Hawaiian/Other Pacific Islander	3	0.1	0	0
f.	American Indian/Alaskan Native and White	4	0.2	0	0
g.	Asian and White	0	0	0	0
h.	Black/African American and White	10	0.4	0	0
i.	American Indian/Alaskan Native & Black African American	3	0.1	0	0
j.	Other Multi-Racial	4	0.2	0	0

Program Performance

Non-Homeless Special Needs

Annual Performance Charts

The following charts are the CAPER Annual Performance Charts.

Accomplishments Data Chart

Housing Assistance		[1] HOPWA Households Goal	[2] HOPWA Households Actual	[3] HOPWA Budget	[4] HOPWA Actual Expenditures	[5] HOPWA Leveraged Non-HOPWA
1.	Tenant-based Rental Assistance	n/a ²	562	1,166,457	1,503,888	83,030
2.	Short-term Rent, Mortgage, and Utility Assistance	n/a	700	615,695	487,728	54,239
3.	Supportive Services in conjunction with HOPWA housing activities	n/a	1195	581,618	178,641	1,629,160
4.	Grantee Administration (3% maximum)			80,730	57,910	190,364
5.	Project Sponsor Administration (7% maximum)			257,145	121,440	218,720
6.	Total Program Costs for 2006			2,701,645	2,508,132	1,985,149

TBRA Housing Stability Outcomes chart

[1] Total Number of TBRA Households	[2] Number of TBRA Households Continuing to the next quarter	[3] Number of Exited TBRA Households and Destination
562	396	1 (Emergency Shelter) = 0
		2 (Temporary Housing) = 3
		3 (Private Housing) = 55
		4 (Other HOPWA) = 11
		5 (Other Subsidy) = 43
		6 (Institution) = 3
		7 (Jail/Prison) = 7
		8 (Disconnected) = 12
		9 (Death) = 30

2. The Texas DSHS 2006 HOPWA Action Plan did not set household goals, rather the goals for 2006 were set as persons to be served. The goals in 2006 were 1290 persons to receive TBRA and 1360 persons to receive STRMU.

STRMU Housing Stability Outcomes Chart

[1] Total Number of STRMU Households	[2] Number of STRMU Households and Destination at Exit/End of Project Year
What number of those households received STRMU Assistance in the prior project year: 413	1 (Emergency Shelter) = 72
	2 (Temporary Housing) = 54
	3 (Private Housing) = 390
	4 (Other HOPWA) = 53
What number of those households received STRMU Assistance in the two (2) prior consecutive project years: 284	5 (Other Subsidy) = 59
	6 (Institution) = 1
	7 (Jail/Prison) = 28
	8 (Disconnected) = 35
	9 (Death) = 14

Outcomes on Access to Care and Support Chart

Category of Services Accessed	Number of Households receiving HOPWA Housing Assistance		Number of jobs that included health benefits
	At Entry or Continuing	At Exit or Continuing	
a. Has a housing plan for maintaining or establishing stable on-going residency	1193	1205	
b. Had contact with a case manager/benefit counselor at least once in the last three months (or consistent with the schedule specified in their individualized service plan)	1166	1175	
c. Had contact with a primary health care provider at least once in the last three months (or consistent with the schedule specified in their individualized service plan)	985	1024	
d. Had medical insurance coverage or medical assistance	827	856	
e. Obtained an income-producing job created by this project sponsor during the project year		0	0
f. Obtained an income-producing job outside this agency during the project year		128	32

Program Performance

Non-Homeless Special Needs

Income Outcomes on Access to Care and Support Chart

	Monthly Household Income at Entry or clients continuing from prior project year	# of Households
a.	No income	189
b.	\$1-\$150	40
c.	\$151 - \$250	86
d.	\$251- \$500	145
e.	\$501 - \$1000	542
f.	\$1001- \$1500	182
g.	\$1501- \$2000	57
h.	\$2001 +	18

	Monthly Household Income at Exit/End of project year	# of Households
a.	No income	180
b.	\$1-\$150	40
c.	\$151 - \$250	85
d.	\$251- \$500	145
e.	\$501 - \$1000	544
f.	\$1001- \$1500	189
g.	\$1501- \$2000	58
h.	\$2001 +	21

Housing Stability Outcomes Chart

Type of Housing Assistance	[1] Number in stable housing	[2] Number in unstable situations	[3] Percent Stable/total
Tenant-based Rental Assistance	491	24	95%
Short-term Rent, Mortgage, and Utility Assistance	503	189	73%
Total HOPWA Housing Assistance	1017	213	83%

PROGRAM PARTNERS:

The following chart is the 2006-07 list of DSHS' 8 Administrative Agencies, their Project Sponsors and the total household outputs for TBRA, STRMU and Supportive Services. Attached is the list of the Project Sponsor agencies and the contact information.

Administrative Agency	Project Sponsor	Households served with TBRA	Households served with STRMU	Households served with Supportive Services
Alamo Area Council of Governments	Alamo Area Resource Center	6	28	34
	Coastal Bend AIDS Foundation	52	46	98
	United Medical Centers	7	5	7
	Victoria City-County Health Department	18	6	24
Brazos Valley Council of Governments	Brazos Valley Community Action Agency	11	3	14
	Community Action, Inc.	2	29	31
	San Angelo AIDS Foundation	15	6	21
	United Way of the Greater Fort Hood Area	23	11	33
	Project Unity	9	7	9
	Waco/McLennan County Public Health District	22	33	55
Dallas County HHSD	AIDS Resources of Rural Texas	1	1	2
	Dallas County Health and Human Services -HOPWA Program	1	3	4
	Your Health Clinic	19	12	31
Houston Regional Resource Group	AIDS Coalition of Coastal Texas	3	1	3
	AIDS Foundation of Houston	0	18	0
	Health Horizons	7	44	51
	Special Health Resources for Texas, Inc. Longview/Tyler	32	179	211
	Special Health Resources for Texas, Inc. Texarkana	11	59	70
	Triangle AIDS Network	21	4	25
Lubbock Regional MHMR Center	Panhandle AIDS Service Organization	34	47	81
	Permian Basin Community Center	30	31	61
	Planned Parenthood Association of Lubbock	18	27	43
Planned Parenthood Center of El Paso	Planned Parenthood Center of El Paso	59	44	90
South Texas Development Council (STDC)	City of Laredo Health Department	26	5	31
	Valley AIDS Council	86	12	98
Tarrant County Health Department	AIDS Resources of Rural Texas – Abilene	8	28	36
	AIDS Resources of Rural Texas – Weatherford	8	1	9
	Wichita Falls Wichita County Health Department	33	10	43
TOTAL		562	700	1215

Program Performance

Non-Homeless Special Needs

Project Sponsor List by Administrative Agency

Alamo Area Council of Governments

Project Sponsor Agency Name	Alamo Area Resource Center		
Name & Title of Contact at Project Sponsor Agency	Randy Hinkle, Programs Manager		
Email Address	randyh@aacrsa.com		
Business Address	527 N. Leona, Bldg A, 3 rd Floor		
City, State, Zip	San Antonio	Texas	78207
Phone (include area code)	(210) 358-9893	Fax Number (include area code)	(210) 358-9953
Website	www.aacrsa.com		
Total HOPWA Subproject Amount for this Organization	88,456		
Primary Service or Site Information: Project Zip Code(s)	78207		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Project Sponsor Agency Name	Coastal Bend AIDS Foundation		
Name & Title of Contact at Project Sponsor Agency	Jessica Hills Client Services Coordinator		
Email Address	Jessicah@cbaaf.org		
Business Address	400 Mann Street, Suite 800		
City, State, Zip	Corpus Christi	TX	78401
Phone (include area code)	361-814-2001	Fax Number (include area code)	361-883-1998
Website	www.cbaaf.org		
Total HOPWA Subproject Amount for this Organization	228,797		
Primary Service or Site Information: Project Zip Code(s)	78401		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Project Sponsor Agency Name	United Medical Centers		
Name & Title of Contact at Project Sponsor Agency	Mari Munoz Executive Secretary		
Email Address	umhcsep@swbell.net		
Business Address	474 N. Adams St.		
City, State, Zip	Eagle Pass	TX	78852
Phone (include area code)	830-773-9271	Fax Number (include area code)	830-757-4239
Website			
Total HOPWA Subproject Amount for this Organization	28,770		
Primary Service or Site Information: Project Zip Code(s)	78852		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Program Performance

Non-Homeless Special Needs

Project Sponsor Agency Name	Victoria City-County Health Department		
Name & Title of Contact at Project Sponsor Agency	Paul M. Kelliher, Program Manager		
Email Address	pkelliher@vctx.org		
Business Address	2805 N. Navarro, Suite 104		
City, State, Zip	Victoria	TX	77901
Phone (include area code)		Fax Number (include area code)	
Website			
Total HOPWA Subproject Amount for this Organization	\$70,507		
Primary Service or Site Information: Project Zip Code(s)	77901		
Is the project sponsor a nonprofit organization?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Program Performance

Non-Homeless Special Needs

Brazos Valley Council of Governments

Agency Name	Brazos Valley Community Action Agency		
Name & Title of Contact at Agency	n/a (no longer a contractor – contact BVCOG)		
Email Address	mwright@bvcoq.org		
Business Address			
City, State, Zip			
Phone (include area code)		Fax Number (include area code)	
Website			
Total HOPWA Contract Amount for this organization	\$33,079.95		
Primary Service or Site Information: Project Zip Code(s)	77802		
Is the sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please check if yes and a faith-based organization.</i> <input type="checkbox"/> <i>Please check if yes and a grassroots organization.</i> <input type="checkbox"/>		
Scope of Work			
Contract Number	H2007-BVCAA		
Prepared by	Name: <u>Megan Wright</u> Title: <u>Data Manager (BVCOG)</u> Email: <u>mwright@bvcoq.org</u>		

Agency Name	Community Action, Inc.		
Name & Title of Contact at Agency	Cynthia Juniper Director of Family Services		
Email Address	cjuniper@communityaction.com		
Business Address	101 Uhland		
City, State, Zip	San Marcos	TX	78667
Phone (include area code)	512-392-1161	Fax Number (include area code)	512-392-3530
Website	www.communityaction.com		
Total HOPWA Contract Amount for this organization	\$27,325		
Primary Service or Site Information: Project Zip Code(s)	78667		
Is the sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please check if yes and a faith-based organization.</i> <input type="checkbox"/> <i>Please check if yes and a grassroots organization.</i> <input type="checkbox"/>		
Scope of Work			
Contract Number	H2007-CA		
Prepared by	Name: <u>Danny Cedillo</u> Title: <u>Coordinator of HIV Services</u> Email: <u>dcedillo@communityaction.com</u>		

Program Performance

Non-Homeless Special Needs

Agency Name	Project Unity		
Name & Title of Contact at Agency	Jeannie McGuire MS, LBSW, President		
Email Address	jmcquire@project-unity.org		
Business Address	P.O. Box 2812		
City, State, Zip	Bryan	TX	77805
Phone (include area code)	979-764-8100	Fax Number (include area code)	979-764-8155
Website	projectunitytx.org		
Total HOPWA Contract Amount for this organization	\$44,370.05		
Primary Service or Site Information: Project Zip Code(s)	3705 S. College Ave, Bryan, TX 77801		
Is the sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please check if yes and a faith-based organization.</i> <input type="checkbox"/> <i>Please check if yes and a grassroots organization.</i> <input type="checkbox"/>		
Scope of Work			
Contract Number	H2007-PU		
Prepared by	Name: <u>Ella McGruder</u> Title: <u>Director of Programs</u> Email: <u>emcgruder@project-unity.org</u>		

Agency Name	San Angelo AIDS Foundation		
Name & Title of Contact at Agency	Samuel Guerrero Housing Manager		
Email Address	sam@saaf.net		
Business Address	334 W. Concho Ave.		
City, State, Zip	San Angelo	Texas	76903
Phone (include area code)	325-658-3634	Fax Number (include area code)	325-658-3703
Website	www.SAAF.net		
Total HOPWA Contract Amount for this organization	\$64318		
Primary Service or Site Information: Project Zip Code(s)	76903		
Is the sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please check if yes and a faith-based organization.</i> <input type="checkbox"/> <i>Please check if yes and a grassroots organization.</i> <input type="checkbox"/>		
Scope of Work	HIV Care & Prevention		
Contract Number	H2007-SAAF		
Prepared by	Name: <u>Samuel Guerrero</u> Title: <u>Housing Program Manager</u> Email: <u>Sam@saaf.net</u>		

Agency Name	United Way of the Greater Fort Hood Area		
Name & Title of Contact at Agency	Robert E. Luckey, HIV Program Director		
Email Address	reluckey@aol.com		

Program Performance

Non-Homeless Special Needs

Business Address	2027 S. 61 st Street		
City, State, Zip	Temple	TX	76504
Phone (include area code)	254-778-2495	Fax Number (include area code)	254-778-4302
Website	None		
Total HOPWA Contract Amount for this organization	\$65,012		
Primary Service or Site Information: Project Zip Code(s)	76504		
Is the sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please check if yes and a faith-based organization.</i> <input type="checkbox"/> <i>Please check if yes and a grassroots organization.</i> <input type="checkbox"/>		
Scope of Work	HIV/AIDS support services and prevention		
Contract Number	H2007-UWGFHA Change #1		
Prepared by	Name: <u>Robert E. Luckey</u> Title: <u>HIV Program Director</u> Email: <u>reluckey@aol.com</u>		

Agency Name	Waco McLennan County Public Health District		
Name & Title of Contact at Agency	Janis Willis, Health Services Coordinator		
Email Address	janisw@ci.waco.tx.us		
Business Address	225 W. Waco Dr.		
City, State, Zip	Waco	TX	76707
Phone (include area code)	254-750-5499	Fax Number (include area code)	254-750-5480
Website	http://www.mclennanpublichealth.org		
Total HOPWA Contract Amount for this organization	\$90,274		
Primary Service or Site Information: Project Zip Code(s)	Waco HSDA		
Is the sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please check if yes and a faith-based organization.</i> <input type="checkbox"/> <i>Please check if yes and a grassroots organization.</i> <input type="checkbox"/>		
Scope of Work	Case Management/HOPWA Services		
Contract Number	H2006-WMCPHD		
Prepared by	Name: <u>Janis Willis</u> Title: <u>225 W. Waco Dr.</u> Email: <u>janisw@ci.waco.tx.us</u>		

Dallas County

Project Sponsor Agency Name	AIDS Resources of Rural Texas (ARRT)		
Name & Title of Contact at Project Sponsor Agency	Susan Baer, Executive Director		
Email Address	sbaer@aidsresources.com		
Business Address	P.O. Box 1720		
City, State, Zip	Weatherford	Texas	76086
Phone (include area code)	817.596.3022	Fax Number (include area code)	817.596.0900
Website	N/A		
Total HOPWA Subproject Amount for this Organization	\$1,360.45		
Primary Service or Site Information: Project Zip Code(s)	76086		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Project Sponsor Agency Name	Dallas County Health and Human Services - HOPWA Program		
Name & Title of Contact at Project Sponsor Agency	Charlequintta Jones, HOPWA Supervisor		
Email Address	ccjones@dallascounty.org		
Business Address	2377 N. Stemmons Freeway, Ste 200, LB-16		
City, State, Zip	Dallas	TX	75207
Phone (include area code)	(214) 819-2844	Fax Number (include area code)	(214) 819-6023
Website	www.dallascounty.org		
Total HOPWA Subproject Amount for this Organization	\$15,225.55		
Primary Service or Site Information: Project Zip Code(s)	75207-2710		
Is the project sponsor a nonprofit organization?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Project Sponsor Agency Name	Your Health Clinic (formerly known as AIDS Resource Center of Texoma, ARCOT)		
Name & Title of Contact at Project Sponsor Agency	William A. Stringer, Executive Director		
Email Address	b.wstringer@verizon.net		
Business Address	222 W. Brockett		
City, State, Zip	Sherman	Texas	75090
Phone (include area code)	903.813.1272	Fax Number (include area code)	903.813.0169
Website	N/A		
Total HOPWA Subproject Amount for this Organization	\$55,033.00		
Primary Service or Site Information: Project Zip Code(s)	75090		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Program Performance

Non-Homeless Special Needs

Houston Regional HIV/AIDS Resource Group

Project Sponsor Agency Name	AIDS COALITION OF COASTAL TEXAS INC.		
Name & Title of Contact at Project Sponsor Agency	GEORGIA NELSON/NICKIE BELL		
Email Address	georgia1405@yahoo.com/ nickie_bell@hotmail.com		
Business Address	707 Tremont Street		
City, State, Zip	Galveston	Texas	77550
Phone (include area code)	(409) 763-2437	Fax Number (include area code)	(409) 763-5482
Website			
Total HOPWA Subproject Amount for this Organization	29,663		
Primary Service or Site Information: Project Zip Code(s)	77414 Matagorda County		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input checked="" type="checkbox"/>		
Project Sponsor Agency Name	AIDS Foundation Houston		
Name & Title of Contact at Project Sponsor Agency	Robert M. Taylor		
Email Address	taylorb@afhouston.org		
Business Address	3202 Wesleyan		
City, State, Zip	Houston	TX	77027
Phone (include area code)	713-623-6796	Fax Number (include area code)	713-623-4029
Website	www.AIDShelp.org		
Total HOPWA Subproject Amount for this Organization	22366		
Primary Service or Site Information: Project Zip Code(s)			
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		
Project Sponsor Agency Name	Health Horions of East Texas, Inc.		
Name & Title of Contact at Project Sponsor Agency	Yolanda Tatum, LBSW Program Manager for Client & Prevention Services		
Email Address	yolanda_tatum@sbcglobal.net		
Business Address	412 North Street Suite F		
City, State, Zip	Nacogdoches	TX	75961
Phone (include area code)	936-569-8240	Fax Number (include area code)	936-569-2217
Website	NA		
Total HOPWA Subproject Amount for this Organization	128,181		
Primary Service or Site Information: Project Zip Code(s)	75961		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/>		

Program Performance

Non-Homeless Special Needs

	<i>Please check if yes and a grassroots organization.</i> <input checked="" type="checkbox"/>
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Project Sponsor Agency Name	Special Health Resources for Texas, Inc-Longview/Tyler		
Name & Title of Contact at Project Sponsor Agency	Michelle Verser, Client Services Director		
Email Address	mverser@shrt.net		
Business Address	2020 Bill Owens Parkway, Suite 230		
City, State, Zip	Longview	TX	75605
Phone (include area code)	903-234-0776	Fax Number (include area code)	903-234-9769
Website	www.shrt.net		
Total HOPWA Subproject Amount for this Organization	105150		
Primary Service or Site Information: Project Zip Code(s)	75602		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please check if yes and a faith-based organization.</i> <input type="checkbox"/> <i>Please check if yes and a grassroots organization.</i> <input type="checkbox"/>		

Project Sponsor Agency Name	Special Health Resources for Texas, Inc--Texarkana		
Name & Title of Contact at Project Sponsor Agency	Michelle Verser, Client Services Director		
Email Address	mverser@shrt.net		
Business Address	2020 Bill Owens Parkway, Suite 230		
City, State, Zip	Longview	TX	75605
Phone (include area code)	903-234-0776	Fax Number (include area code)	903-234-9769
Website	www.shrt.net		
Total HOPWA Subproject Amount for this Organization	37236		
Primary Service or Site Information: Project Zip Code(s)			
Is the project sponsor a nonprofit organization?	<input type="checkbox"/> Yes <input type="checkbox"/> No <i>Please check if yes and a faith-based organization.</i> <input type="checkbox"/> <i>Please check if yes and a grassroots organization.</i> <input type="checkbox"/>		

Project Sponsor Agency Name	Triangle AIDS Network		
Name & Title of Contact at Project Sponsor Agency	Bonnie Brooks Executive Director	Irish Lewis Auxiliary Services	
Email Address	bonnie@tanbmt.com		
Business Address	P. O. Box 12279		
City, State, Zip	Beaumont	TX	77726
Phone (include area code)	(409) 832-8338	Fax Number (include area code)	(409) 832-9625
Website	www.tanbmt.com		
Total HOPWA Subproject Amount for this Organization	\$143,154		
Primary Service or Site Information: Project Zip Code(s)	Beaumont, TX 77702		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please check if yes and a faith-based organization.</i> <input type="checkbox"/> <i>Please check if yes and a grassroots organization.</i> <input type="checkbox"/>		

Program Performance

Non-Homeless Special Needs

Lubbock Regional MHMR

Project Sponsor Agency Name	Panhandle AIDS Support Organizatino		
Name & Title of Contact at Project Sponsor Agency	HOPWA		
Email Address	michael@ppatp.org		
Business Address	P.O. Box 2582		
City, State, Zip	Amarillo	TX	79105
Phone (include area code)	8006-372-1050	Fax Number (include area code)	806-372-1067
Website	panhandle ASO.org		
Total HOPWA Subproject Amount for this Organization	116,284		
Primary Service or Site Information: Project Zip Code(s)	79101		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input checked="" type="checkbox"/>		

Project Sponsor Agency Name	Permia Basin Assistance Services		
Name & Title of Contact at Project Sponsor Agency	Kathy Brown, Program Coordinator		
Email Address	KathyBrown@pbmhm.com		
Business Address	1118-B. W. 12th		
City, State, Zip	Odessa	TX	79763
Phone (include area code)	432-580-0713	Fax Number (include area code)	432-580-0972
Website	www. pbmhm.com		
Total HOPWA Subproject Amount for this Organization	105,747		
Primary Service or Site Information: Project Zip Code(s)	79763		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Project Sponsor Agency Name	Planned Parenthood Association of Lubbock, Inc.		
Name & Title of Contact at Project Sponsor Agency	Tony Thornton, President and CEO		
Email Address	tony.thornton@ppfa.org		
Business Address	#14 Briercroft Office Park		
City, State, Zip	Lubbock	Texas	79412
Phone (include area code)	806-795-7123	Fax Number (include area code)	806-795-7172
Website			
Total HOPWA Subproject Amount for this Organization	84,652		
Primary Service or Site Information: Project Zip Code(s)	79412		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Planned Parenthood of El Paso

Project Sponsor Agency Name	Planned Parenthood Center of El Paso		
Name & Title of Contact at Project Sponsor Agency	William S. Brooks, CFO		
Email Address	william.brooks@ppcep.org		
Business Address	1801 Wyoming Avenue		
City, State, Zip	El Paso	Texas	79902
Phone (include area code)	915-544-8195	Fax Number (include area code)	915-544-8377
Website	www.ppcep.org		
Total HOPWA Subproject Amount for this Organization	350,693		
Primary Service or Site Information: Project Zip Code(s)	79902		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Program Performance

Non-Homeless Special Needs

South Texas Development Corporation (STDC)

Project Sponsor Agency Name	City of Laredo Health Department		
Name & Title of Contact at Project Sponsor Agency	Hector F. Gonzalez, M.P.H./ Health Director		
Email Address	hgonzalez@ci.laredo.tx.us		
Business Address	2600 Cedar Ave.		
City, State, Zip	Laredo	Texas	78044
Phone (include area code)	(956) 795-4905	Fax Number (include area code)	(956) 795-2035
Website	www.ci.laredo.tx.us		
Total HOPWA Subproject Amount for this Organization	87,800		
Primary Service or Site Information: Project Zip Code(s)	HIV Program that coordinates housing assistance services via HOPWA funds for the 78044 location.		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Project Sponsor Agency Name	VALLEY AIDS Council		
Name & Title of Contact at Project Sponsor Agency	ALEX WESTBROOK,, CLIENT SERVICES DIRECTOR		
Email Address	awestbrook.vac2tachc.org		
Business Address	418 East Tyler		
City, State, Zip	Harlingen,	Texas	78550
Phone (include area code)	956 428 9322	Fax Number (include area code)	956 428 0056
Website	www.Valley AIDS .com		
Total HOPWA Subproject Amount for this Organization	\$343,416		
Primary Service or Site Information: Project Zip Code(s)	all zip codes in Cameron, Hidalgo and Willacy Counties Texas		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Tarrant County Health Department

Project Sponsor Agency Name	AIDS Resources of Rural Texas (Abilene)		
Name & Title of Contact at Project Sponsor Agency	Lisa Justice		
Email Address	ljustice@aidsresources.com		
Business Address	PO Box 1720		
City, State, Zip	Weatherford	TX	76086
Phone (include area code)	817-596-3022	Fax Number (include area code)	817-596-0900
Website	www.aidsresources.com		
Total HOPWA Subproject Amount for this Organization	\$53,354		
Primary Service or Site Information: Project Zip Code(s)	Abilene, TX 79063		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Project Sponsor Agency Name	AIDS Resources of Rural Texas - Weatherford		
Name & Title of Contact at Project Sponsor Agency	Lisa Justice, Director of Finance		
Email Address	ljustice@aidsresources.com		
Business Address	PO Box 1720		
City, State, Zip	Weatherford	TX	76086
Phone (include area code)	817-596-3022	Fax Number (include area code)	817-596-0900
Website	www.aidsresources.com		
Total HOPWA Subproject Amount for this Organization	\$45,926		
Primary Service or Site Information: Project Zip Code(s)	76035, 76048, 76049, 76067, 76068, 76401, 76402, 76433, 76446, 76449, 76453, 76461, 76462, 76463, 76465, 76467, 76472, 76475, 76476, 76484		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Project Sponsor Agency Name	Wichita Falls Wichita County Public Health District		
Name & Title of Contact at Project Sponsor Agency	DeWayne Robertson EIP Program Manager		
Email Address	DeWayne.Robertson@cwftx.net		
Business Address	1100 Third Street		
City, State, Zip	Wichita Falls	Texas	76301
Phone (include area code)	(940) 761-7898	Fax Number (include area code)	(940) 761-7679
Website			
Total HOPWA Subproject Amount for this Organization	\$43,664		
Primary Service or Site Information: Project Zip Code(s)	76301		
Is the project sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

Program Performance

Non-Homeless Special Needs

BARRIERS AND TRENDS OVERVIEW

DSHS faced a number of administrative barriers in its management of the HOPWA state formula program during 2006. The 3% allowable administrative cost for HOPWA grantees is insufficient to support the administrative needs of the project. With a 2006 grant amount of \$2,691,000, DSHS was allowed \$80,730 for administrative costs to be shared by DSHS and its 8 Administrative Agencies, which, after the deduction of DSHS indirect costs of approximately \$26,000, was insufficient to fund even one full time position in the HIV/STD Comprehensive Services Branch. Additionally with regard to Branch personnel, both the Development Team, which produces the grant application and progress reports and administers the programmatic portion of IDIS, and the Field Operations Team, which monitors Administrative Agency HOPWA contracts and activities, experienced a number of vacancies in key positions during 2006 that further stretched DSHS' capacity to manage the HOPWA program.

An ongoing barrier to administration of the HOPWA program concerns the due date for the HOPWA annual report and discrepancies between fiscal and programmatic management of the program through IDIS. DSHS General Provisions for services contracts allow contractors 90 days after the end of the contract period to submit vouchers for payment, and DSHS takes another 30 days to process the vouchers for payment. The payments are then submitted to the DSHS Federal Funds Reporting Branch to draw down reimbursement of DSHS through IDIS. Since the contracts end January 31 of each year, this means that Administrative Agencies have until April 30 to present vouchers to DSHS for payment, and those expenditures are not entered into IDIS for another 4 to 6 weeks, or June 15 of each year. Therefore, HOPWA expenditures for the project year may not be accurately reflected in IDIS until well past the April 1 due date of the HOPWA annual report. Another barrier regarding financial management of the HOPWA program concerns the inability to correct overpayments in IDIS. On a number of occasions during 2006, AAs submitted erroneous vouchers for reimbursement of HOPWA project expenditures. DSHS corrected overpayments to Administrative Agencies in its own financial system by deducting them from future vouchers paid to those agencies; but because drawdowns are processed through IDIS on the Project Sponsor level, it is often not possible to do that, as overpayments often occur when Project Sponsors leave the program.

DSHS has taken a number of actions to address the administrative barriers noted above. During 2006, DSHS re-competed its AA contracts and, with the beginning of those new contracts on April 1, 2007, those agencies will no longer be authorized to use HOPWA funds for administrative costs. A change was also made to the services contracts General Provisions, which reduces from 90 to 60 days the period after the end of the contract period in which vouchers must be submitted for payment. The HIV/STD Comprehensive Services Branch and the DSHS Federal Funds Reporting Branch made an extraordinary effort to assure insofar as possible that all vouchers were processed through IDIS prior to the submission of the annual report. However, despite this effort, the amounts disbursed through IDIS did not concur with the expenditures reports submitted by Project Sponsors at the end of the 2006 Project Year. The HIV/STD Comprehensive Services Branch will continue to work with its internal partners and the HOPWA project officer to address this issue, as well as the issue of correcting drawdowns made through IDIS.

With regard to services, state HOPWA formula-funded Project Sponsors reported 288 clients on TBRA waiting lists, and 62 clients on STRMU waiting lists at the end of the 2006 project year. Several Project Sponsors reported that Section 8 programs in their areas allowed submission of

Section 8 applications during 2006 for the first time in several years, and the Project Sponsors were able to transition some HOPWA clients into Section 8 housing. However, many Project Sponsors continue to report a shortage of Section 8 funding in their areas. Other reported barriers to meeting the housing needs of persons with HIV/AIDS and their families were increases in rental costs; the inability of some clients to meet landlords' requirements regarding background checks and credit history; and clients receiving STRMU who require assistance over a longer period of time than the 21 weeks allowed annually by the STRMU program. Project Sponsors also reported that new reporting requirements over the past year have created technical barriers due to the lack of available data in the current client database utilized by Project Sponsors. In addition, revisions in HOPWA terminology caused confusion about HUD definitions and as a result of these barriers, excessive staff hours were used in order to collect and report accurate data.

With the reauthorization of the Ryan White C.A.R.E. Act (now known as the Ryan White Treatment Modernization Act), 75% of all Ryan White services funds must be expended on medical services and 25% may be spent on other support services, including emergency housing. HRSA has also provisionally announced changes to its services definitions that would restrict client lifetime eligibility for emergency housing assistance under the Ryan White program to 21 weeks and require that all case management provided with Ryan White funds be medical case management. While Texas services contractors have not relied greatly on Ryan White funds for emergency housing, expending \$173,964 in 2004 and \$142,822 in 2005 for housing assistance and housing related services, these changes taken together have the potential to leave some areas of the state with insufficient funding to meet the housing needs of eligible persons with HIV/AIDS and pose serious barriers for adequately funding HOPWA case management services. DSHS will closely monitor the situation to address needs as they arise.

Fair Housing Activities

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

Other Actions

Underserved Needs

OTHER ACTIONS

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

MEETING UNDERSERVED NEEDS AND DEVELOPING AFFORDABLE HOUSING

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

CDBG

Texas CDBG encourages affordable housing projects using several methods in the allocation of CDBG funds to the eligible communities that can participate in its programs, including favorable state scoring and regional prerogative to prioritize funding for housing infrastructure and rehabilitation. Each region is encouraged to set aside a percentage of the regional allocation for housing improvement projects, and housing applications are scored as high priority projects at the state level. Housing projects continue to be funded through the Colonia Self-Help Centers as well.

Currently, the primary method of promoting and supporting affordable housing is by providing the water and wastewater infrastructure for residential housing. The CDBG funding provides a cost savings for housing when CDBG funds are used to provide first-time water and wastewater services by installing water and sewer yardlines and paying impact and connection fees for qualifying residents. During PY 2006 CDBG funded 45 contracts through four different grant programs to provide water or sewer services on private property, obligating contracts totaling \$16,547,512 of which \$3,757,398 will be directly used for work on private property, including installing water and sewer yardlines, to benefit 5,249 persons, of which 5,147 or 98% are low- to moderate-income. Private property improvements installed to benefit persons that are not low- to moderate-income may be included in the project but must be funded through local or other private funds.

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

Other Actions

Underserved Needs

communities. Texas CDBG staff offers technical assistance to communities to promote successful CDBG projects.

CDBG funding also helps cities and counties study affordable housing conditions. The plans produced through a CDBG planning contracts provide both valuable data concerning a city's or county's affordable housing stock and planning tools for expanding their affordable housing. In PY 2006, CDBG funded 17 Planning/Capacity Building grants throughout the state, obligating \$654,200 to benefit 31,702 persons, of which 18,848 are low- to moderate-income. The Colonia Fund also awarded one Colonia Planning grant of \$65,068 to benefit 2,683 persons, of which 1,415 are low- to moderate-income.

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

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

HOME and ESGP

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

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

In response to Hurricane Rita, on October 4, 2005, HUD waived the 15 percent HOME CHDO set-aside requirement for Federal PY 2005 and PY 2006 HOME allocations. TDHCA has elected to utilize a portion of this CHDO set-aside to assist disaster victims in the 22-county area impacted by the hurricane.

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

Barriers to Affordable Housing

Please note that TDHCA does not have regulatory authority over the housing/building industry, save projects funded with TDHCA funds and certain aspects of the manufactured housing industry. Additionally, as a governmental entity, the Department cannot lobby or attempt to influence the policies related to the governing of the State of Texas. The State of Texas *can* act as an information resource and has engaged in the following actions to assist localities in overcoming unnecessary regulatory barriers, which may increase the cost of housing:

- Work with the HOME Program Advisory Task Force to identify internal and external concerns and processes/issues, rules and regulations related to the HOME Program that may require attention to ensure maximum program efficiency; and research and identify possible options for improvements for the HOME Program including identification of implications including possible operational, public policy and program administration impacts.
- Work with the Private Activity Bond Program Urban Affairs Advisory Task Force to identify concerns and options for improvement regarding processes and policy related to the affordable housing allocation methodology of the PAB Program; identify implications, including possible operational, public policy and program administration impacts of the possible options for improvement.
- Provide below-market-rate loans to first time homebuyers under the MRB Program. Single family programs assist in overcoming barriers to mortgage financing by offering down payment assistance programs. Qualified individuals and families (80 percent or less of AMFI) may receive grants or 0 percent subordinate financing to cover down payment and allowable closing costs. This financing lowers the overall monthly housing obligation expense and overcomes the “lack of funds” hurdle typically faced by low to moderate income households.
- Continue to leverage funds from both public and private sources for maximum results.
- Continue work with the disability taskforce in developing policy with regards to issues related to persons with disabilities.
- Continue education programs such as the Texas Statewide Homebuyer Education Program, which provides lenders, homebuyer educators, and consumers information on serving traditionally underserved populations (e.g., persons with disabilities, lower income populations).

Worst Case Housing Needs

Worst case housing needs are defined as low-income renters who pay more than half their income for rent, live in seriously substandard housing (including homeless persons) or have been involuntarily displaced. The ESG program provides funding to assist homeless persons and those threatened with homelessness. The following activities were undertaken with ESGP funds: renovation, major rehabilitation, or conversion of buildings for use as emergency shelters for the homeless; provision of essential services; and payment of maintenance, operation, and furnishings costs. The HOME program activities tenant based rental assistance and rental development addresses worst case housing needs for those renters paying more than half their income for rent by providing affordable housing options.

HOPWA

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 19,468 to 29,497 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 \$22 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 \$81.9 Million is spent on HIV medications. However, 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 provide the majority of funds in its service area for meeting the housing needs of eligible HIV positive persons, by providing Short Term Rent, Mortgage and Utility Assistance (STRMU) and Tenant Based Rental Assistance (TBRA). 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.

PUBLIC HOUSING RESIDENT INITIATIVES

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

CDBG

Litigation concerning CDBG funding and Public Housing Authorities, known as *Young v. Martinez*, focused attention and funds on these areas in the past. The State provided three funding set-asides to address Court-ordered activities under the Final Order and Decree for the litigation, obligating a total of \$13,664,753.18 for sixty-two (62) *Young v. Martinez* Fund projects in PHA areas. To date, over \$12.66 million of that total has been requested for drawdown with \$537,972 remaining as an unutilized balance in completed projects and \$462,913 remaining in two open contracts.

Set-Aside 1: During the 1995 program year, the state agreed to set aside \$6.3 million for *Young*-related activities. The state funded thirty-seven (37) of the forty-one (41) *Young v. Martinez* Fund applications received, obligating \$6,568,200. All thirty-seven projects have now been completed and all contracts are closed, expending \$6,396,782.31 and leaving an unutilized balance of \$171,417.69. A portion of this balance has been re-obligated to other *Young*-related projects.

Set-Aside 2: During the 2001 program year, the state agreed to set aside \$2.3 million for *Young*-related activities, as requested by HUD. The state funded ten (10) projects identified by TDHCA field staff, obligating \$2,428,619.70. Nine of the ten projects have now been completed with contracts closed and \$2,076,870.19 expended, leaving an unutilized balance of \$351,749.51. The final contract has been terminated.

Set-Aside 3: During the 2003 program year, the state agreed to set aside a total of \$4.66 million for *Young*-related activities, utilizing de-obligated and recaptured funds from 2001 and 1998 program years, as requested by HUD. The state funded fifteen (15) projects identified by HUD staff, obligating \$4,667,933.48. Thirteen of the fifteen projects have now been completed and contracts have been closed, with \$4,190,215.86 drawn.

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

HOME and ESGP

Because PHAs are eligible applicants under the HOME Program, TDHCA sends notices of funding availability to all PHAs in the state. At HOME application workshops, application processes are discussed in detail, including those related to HBA/ADDI and Tenant Based Rental Assistance. Furthermore, PHA staff, especially including those receiving HOME funds and those with Section 8 Homeownership programs, are targeted by TDHCA's Texas Statewide Homebuyer Education Program for training to provide homebuyer education opportunities and self-sufficiency tools for PHA residents.

Other Actions

Public Housing

In addition to PHAs that have received HOME funds to provide homebuyer assistance in their areas, PHAs have also received HOME tenant-based rental assistance funds, enabling them to provide additional households with rental assistance and services to increase self-sufficiency.

In PY 2006, eight PHAs attended HOME application workshops and \$494,000 in PY 2006 HOME funds were allocated to PHAs.

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

In addition to HOME and ESGP activities related to PHAs, TDHCA performs certifications of consistency. In 1999, TDHCA, as required by 24 CFR §903.15, started a certification process to ensure that the annual plans submitted by PHAs in an area without a local *Consolidated Plan* are consistent with the State of Texas's *Consolidated Plan*. For the PY 2006 reporting period, February 1, 2006, through January 31, 2007, TDHCA processed 63 certifications of consistency in a fair and impartial manner.

HOPWA

In PY 2006, the HOPWA program administered by DSHS did not provide public housing assistance.

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 35.¹

CDBG

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

HOME and ESGP

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

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

¹ Texas Department of State Health Services

Other Actions

Lead-Based Paint

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

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

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

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

HOPWA

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

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

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

POVERTY-LEVEL HOUSEHOLDS

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

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

CDBG

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

In PY 2006, CDBG awarded 259 contracts that used the National Objective of benefiting low- to moderate-income persons. The \$71,429,054 in funds obligated in PY 2006 benefits 216,081 persons, of whom 141,243 are low- to moderate-income persons.

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

HOME and ESGP

Through the HOME Tenant-Based Rental Assistance Program, TDHCA assists households with rental subsidy and security and utility deposit assistance for a period not to exceed twenty four months. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training, GED classes, or drug dependency classes. The HOME Program enables households to receive rental assistance while participating in programs that will enable them to improve employment options and increase their economic independence and self-sufficiency. In PY 2006, the HOME Program committed \$1,470,643 for Tenant-Based Rental Assistance activities.

Other Actions

Poverty

The ESGP Program funds activities that provide shelter and essential services for homeless persons, as well as intervention services for persons threatened with homelessness. Essential services for homeless persons include medical and psychological counseling, employment counseling, substance abuse treatment, transportation, and other services. In PY 2006, ESGP committed \$1,121,390 for essential services for homeless persons. These services are intended to help homeless individuals and those with poverty-level incomes improve their conditions and achieve self-sufficiency.

For individuals threatened with homelessness, homelessness prevention funds can be used for short-term subsidies to defray rent and utility arrearages for households receiving late notices, security deposits, and payments to prevent foreclosure. In PY 2007, ESGP committed \$776,162 for homelessness prevention activities. These services are intended to assist very low income households and those with poverty-level incomes avoid becoming homeless.

HOPWA

The HOPWA Program funds STRMU and TBRA activities. STRMU provides short-term housing assistance to prevent homelessness, while TBRA provides rental assistance until the client finds affordable and stable housing. These activities help eligible HIV positive persons pay for living expenses and stay in stable housing when their income and HIV/AIDS condition pose risks of becoming homeless. In PY 2006, HOPWA expended \$2,508,132 for these activities.

COMPLIANCE

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

CDBG

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

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

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

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

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

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

Other Actions

Compliance

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

HOME and ESGP

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

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

Identifying and Tracking Program and Project Results

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

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

ESGP 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. ESGP 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 ESGP subrecipients is performed through analysis of administrator management practices, analysis of sources used by TDHCA to track technical assistance such as information captured in the Central Database, review of documentation

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

Ensuring Timely Expenditure of Funds

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

Documenting Compliance with Program Rules

Compliance with program rules is documented through contract administration and other formal monitoring processes. Staff document compliance issues as part of their ongoing contract management reviews and notify administrators of any noncompliance and required corrective action. On-site 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 with rental housing developments. During the application process the compliance history is gathered, the database is researched, and input from all divisions within TDHCA is requested. If issues of material noncompliance are found, then the applicant is not eligible for future funding until the issues are resolved. The compliance history is considered by TDHCA's Board prior to finalizing awards.

Preventing Fraud and Abuse

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

Identifying Innovative Tools and Techniques that Support Affordable Housing Goals

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

Other Actions

Compliance

Ensuring Quality in Funded Projects

Ensuring the administrator provides the committed product, amenities and compliance with accessibility requirements is a Departmental priority. Staff ensures the quality of workmanship in HOME-funded projects through the inspection process. TDHCA staff, in conjunction with Manufactured Housing Inspectors conduct inspections to substantiate the quality of the work performed. Deficiencies and concerns are identified during an initial inspection, with corrective action required by construction completion. The clearance of a final inspection is required of all rental housing developments funded by the Department.

TDHCA staff has attended trainings and become familiar with the construction standards of Section 504, Rehabilitation Act of 1973. Manufactured Housing Inspection Staff assisting with conducting inspection staff have been given the necessary tools to thoroughly complete these inspections and are provided annual training by Department staff on the procedures, expectations and accessibility requirements.

Other processes used to ensure quality workmanship have included plan reviews. With the 2006 commitments the Department will require plans to have architectural sign off on specifications, and confirm compliance with committed amenities and compliance with any accessibility requirements.

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

Sanctions

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

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

HOPWA

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 either directly administers the HOPWA funds or contracts 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. Project sponsors 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 to monitor the contract activities of the Administrative Agencies. This monitoring involves periodic site visits, technical assistance visits, and the submission of monthly billing reports and semi-annual detailed data reports.

Other Actions

Institutional Structure

INSTITUTIONAL STRUCTURE

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

ORCA, TDHCA, and DSHS are primarily pass-through funding agencies and distribute federal funds to local entities that in turn provide assistance to households. Because of this, the agencies work with many housing and community development partners, including consumer groups, community based organizations, neighborhood associations, community development corporations, councils of governments, community housing development organizations, community action agencies, real estate developers, social service providers, local lenders, investor-owned electric utilities, local government, nonprofits, faith-based organizations, property managers, state and local elected officials, and other state and federal agencies.

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

CDBG

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

HOME and ESGP

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

TDHCA encourages ESGP subrecipients to coordinate services with housing and other service agencies. Collaborative applications funded with ESGP funds are required to coordinate services and to provide services as part of a local continuum of care. At the time the Department monitors ESGP subrecipients, coordination efforts are reviewed.

HOPWA

DSHS administers HOPWA funds through 8 competitively selected administrative agencies across the state of Texas. Funds are allocated to 25 HIV Service Delivery Areas (HSDAs) based on a formula that takes into account the number of persons living with HIV/AIDS and the poverty level within each HSDA. The 8 Administrative Agencies, in turn, either administer HOPWA funds directly or competitively select community based organizations or public agencies to serve as project sponsors. Project sponsors are typically organizations with knowledge of and experience in providing services to persons with HIV/AIDS and their family members affected by the disease. These agencies bring their institutional knowledge and a range of funding sources to the task of providing stable and affordable housing to eligible persons with HIV/AIDS.

Goals and Objectives

Community Development

GOALS AND OBJECTIVES

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

COMMUNITY DEVELOPMENT GOALS AND OBJECTIVES: CDBG

The following includes the reported outputs of key and non-key measures for CDBG goals as found in the ORCA Strategic Plan 2003-2007 and reported to the Legislative Budget Board for Fiscal Year 2006.

Goal 1: Support Community and Economic Development projects

Number of new community and economic development contracts awarded.

2006 Target: 325

2006 Actual: 383

Number of projected beneficiaries from new contracts awarded.

2006 Target: 385,000

2006 Actual: 1,572,974

Number of programmatic monitoring visits conducted.

2006 Target: 300

2006 Actual: 306

Number of jobs created/retained through contracts awarded.

2006 Target: 1,410

2006 Actual: 1,274

Number of Single Audit reviews conducted.

2006 Target: 150

2006 Actual: 157

Goal 2: Provide Outreach and Technical Assistance to Communities

Number of on-site technical assistance visits conducted annually.

2006 Target: 563

2006 Actual: 811

HOMELESS AND HOUSING GOALS AND OBJECTIVES: ESGP and HOME

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

GOAL 1: TDHCA WILL INCREASE AND PRESERVE THE AVAILABILITY OF SAFE, DECENT, AND AFFORDABLE HOUSING FOR VERY LOW, LOW, AND MODERATE INCOME PERSONS AND FAMILIES

1.1 Strategy: Provide mortgage financing and homebuyer assistance through the Single Family Mortgage Revenue Bond Program.

Strategy Measure: Number of single family households assisted through the First Time Homebuyer Program.

2006 Measure	2006 Actual	% of Goal	2007 Measure
1,727	2,255	131%	1,727

***1.2 Strategy:** Provide funding through the HOME Program for affordable single family housing.

Strategy Measure: Number of single family households assisted with HOME funds.

2006 Measure	2006 Actual	% of Goal	2007 Measure
1,834	1,235	67%	1,834

***1.3 Strategy:** Provide funding through the HTF program for affordable single family housing.

Strategy Measure: Number of single family households assisted through the Housing Trust Fund.

2006 Measure	2006 Actual	% of Goal	2007 Measure
100	66	66%	100

Explanation of Variance: An additional 20 houses were completed during the 4th quarter. However, due to various legal issues and delays with third party lenders, TDHCA was unable to close and fund these loans in the 4th quarter. At least 50 houses were under construction at the end of the program year. The withdrawal of some applicants from the program also caused additional delays due to having to identify other families to participate in the program.

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

Strategy Measure: Number of multifamily households assisted with tenant-based rental assistance.

2006 Measure	2006 Actual	% of Goal	2007 Measure
2,100	1,025	49%	2,100

Explanation of Variance: The targeted number of vouchers of 2,100 was developed when HUD provided Section 8 funds based on the number of Housing Choice vouchers available. The allocation of funds changed for the Section 8 Program Year beginning January 1, 2005. TDHCA no longer receives Section 8 funds based on a number of vouchers. Instead, for PY 2005 and 2006, TDHCA receives funds from HUD based on the average number of active tenants during May, June, and July 2004.

1.5 Strategy: Provide federal tax credits to develop rental housing.

Strategy Measure: Number of multifamily households assisted with HTCs.

2006 Measure	2006 Actual	% of Goal	2007 Measure

Goals and Objectives

Homeless and Housing

18,832 | 17,250 | 91.60% | 20,151

Explanation of Variance: In 2006, fewer "4%" units associated with developments that receive Private Activity Bond (PAB) financing were approved than originally projected. PAB financed developments are primarily in urban/metro market; it is believed that the reduced number of associated units is related to over-saturation and concentration of affordable housing in these communities. Sharp increases in development costs after Hurricanes Katrina and Rita also reduced units served by requiring more subsidy per unit in both the 4 percent and 9 percent HTC programs. Projections for 07-09 reflect continued reduction in 4% units and escalating development costs associated with Hurricanes Katrina and Rita.

- *1.6 Strategy:** Provide funding through the HOME Program for affordable multifamily housing.
Strategy Measure: Number of multifamily households assisted with HOME funds.

2006 Measure	2006 Actual	% of Goal	2007 Measure
741	466	63%	647

Explanation of Variance: Despite strong indications early in the HOME MF cycle, the total number of assisted units to be produced was significantly lower than anticipated. One primary weakness in current program rules was the ability of applicants to minimize HOME units layered with HTC properties.

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

Strategy Measure: Number of multifamily households assisted through the Housing Trust Fund.

2006 Measure	2006 Actual	% of Goal	2007 Measure
255	794	311%	262

- 1.8 Strategy:** Provide funding through the Multifamily Mortgage Revenue Bond program for affordable multifamily housing.

Strategy Measure: Number of households assisted through the Mortgage Revenue Bond program.

2006 Measure	2006 Actual	% of Goal	2007 Measure
3,500	3,127	89%	3,500

Explanation of Variance: Households served through this program in 06 were less than anticipated as a result of a reduced demand for Private Activity Bond financing. PAB financed developments are primarily in urban/metro market; it is believed that the reduced number of associated units is related to over-saturation and concentration of affordable housing in these communities. Sharp increases in development costs after Hurricanes Katrina and Rita also reduced units served by requiring more subsidy per unit. Projections for 07-09 reflect continued reduction in demand and escalating development costs associated with Hurricanes Katrina and Rita.

GOAL 2: TDHCA WILL PROMOTE IMPROVED HOUSING CONDITIONS FOR EXTREMELY LOW, VERY LOW, AND LOW INCOME HOUSEHOLDS BY PROVIDING INFORMATION AND TECHNICAL ASSISTANCE.

- *2.1 Strategy:** Provide information and technical assistance to the public through the Division of Policy and Public Affairs.

Strategy Measure: Number of information and technical assistance requests completed.

2006 Measure	2006 Actual	% of Goal	2007 Measure
5,400	5,005	93%	5,400

Explanation of Variance: TDHCA made a phone system upgrade during the quarter. A 1-800 number for the entire agency was added and an automated attendant was added to the phone tree. This system has

resulted in more calls being directly routed to the appropriate division instead of being forwarded by the Department's receptionist to DPPA for response.

2.2 **Strategy:** To provide technical assistance to colonias through field offices.

(A) Strategy Measure: Number of on-site technical assistance visits conducted annually from the field offices.

2006 Measure	2006 Actual	% of Goal	2007 Measure
600	1,326	221%	600

***(B) Strategy Measure:** Number of colonia residents receiving assistance.

2006 Measure	2006 Actual	% of Goal	2007 Measure
1,700	918	54%	1,700

Explanation of Variance: The units of local governments and nonprofit organizations provide the direct assistance to colonia residents for the Department through its various contracts with these entities. In addition Colonia residents are usually contracted directly by the Field Offices under the Department's loan servicing initiative.

***(C) Strategy Measure:** Number of entities and/or individuals receiving informational resources.

2006 Measure	2006 Actual	% of Goal	2007 Measure
1,200	1,279	106.6%	1,200

GOAL 3: TDHCA WILL IMPROVE LIVING CONDITIONS FOR THE POOR AND HOMELESS AND REDUCE THE COST OF HOME ENERGY FOR VERY LOW INCOME TEXANS.

3.1 **Strategy:** Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.

(A) Strategy Measure: Number of persons assisted through homeless and poverty related funds.

2006 Measure	2006 Actual	% of Goal	2007 Measure
440,000	549,162	125%	440,000

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

2006 Measure	2006 Actual	% of Goal	2007 Measure
2,000	1,658	83%	2,000

Explanation of Variance: CSBG subrecipients use intensive case management programs to help persons transition out of poverty. These programs are extremely labor intensive and helping individual clients to make this transition may take from 90 days to several years.

A major factor which affected case management efforts was Hurricanes Katrina and Rita. CSBG subrecipients diverted staff resources from case management to emergency assistance to assist in relief efforts and to provide short and long term assistance to individuals impacted by the hurricanes.

Another factor which diverted staff resources from case management was the large increases in fuel costs which increased the number of persons seeking emergency utility assistance.

Goals and Objectives

Homeless and Housing

Note: This number contains an adjustment of -154 to account for administrative adjustments in the number of persons served in previous quarters.

(C) Strategy Measure: Number of shelters assisted through the Emergency Shelter Grant Program.

2006 Measure	2006 Actual	% of Goal	2007 Measure
70	76	109%	70

3.2 Strategy: 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) Strategy Measure: Number of households assisted through the Comprehensive Energy Assistance Program.

2006 Measure	2006 Actual	% of Goal	2007 Measure
63,200	86,988	138%	63,200

(B) Strategy Measure: Number of dwelling units weatherized through the Weatherization Assistance Program.

2006 Measure	2006 Actual	% of Goal	2007 Measure
4,800	3,904	81%	4,800

Explanation of Variance: Mid year changes in the program design allowed for higher expenditures per unit (in order to assist lower income households) that resulted in lower than projected performance for the year.

GOAL 4: TDHCA WILL ENSURE COMPLIANCE WITH THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS' FEDERAL AND STATE PROGRAM MANDATES.

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

***(A) Strategy Measure:** Total number of monitoring reviews conducted.

2006 Measure	2006 Actual	% of Goal	2007 Measure
4,700	5,504	117.1%	4,554

(B) Strategy Measure: Total number of units administered.

2006 Measure	2006 Actual	% of Goal	2007 Measure
227,195	232,067	102.1%	237,195

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

***(A) Strategy Measure:** Total number of monitoring reviews conducted.

2006 Measure	2006 Actual	% of Goal	2007 Measure
10,725	13,409	125%	9,220

(B) Strategy Measure: Number of contracts administered.

2006 Measure	2006 Actual	% of Goal	2007 Measure
400	443	110.8%	350

GOAL 5: TO PROTECT THE PUBLIC BY REGULATING THE MANUFACTURED HOUSING INDUSTRY IN ACCORDANCE WITH STATE AND FEDERAL LAWS.

5.1 **Strategy:** Provide titling and licensing services in a timely and efficient manner.

(A) **Strategy Measure:** Number of manufactured housing statements of ownership and location issued.

2006 Measure	2006 Actual	% of Goal	2007 Measure
89,000	106,138	119%	89,000

(B) **Strategy Measure:** Number of licenses issued.

2006 Measure	2006 Actual	% of Goal	2007 Measure
4,435	4,075	92%	4,435

Explanation of Variance: Performance is under the targeted projection due to receiving fewer applications resulting from a continued slowdown of activity in the industry.

5.2 **Strategy:** Conduct inspections of manufactured homes in a timely manner.

(A) **Strategy Measure:** Number of routine installation inspections conducted.

2006 Measure	2006 Actual	% of Goal	2007 Measure
8,000	5,103	64%	8,000

Explanation of Variance: Although the measure is below the targeted number, the Department is meeting the program's statutory requirement to inspect at least 25% of installation inspections received. The actual year-to-date inspection rate is 30.38%.

*(B) **Strategy Measure:** Number of non-routine installation inspections conducted.

2006 Measure	2006 Actual	% of Goal	2007 Measure
2,500	1,894	75.76%	2,500

Explanation of Variance: The number requiring an inspection is less than the targeted projection because of a decrease in the number of requests from the public and regulated entities.

5.3 **Strategy:** To process consumer complaints, conduct investigations, and take administrative actions to protect the general public and consumers.

Strategy Measure: Number of complaints resolved.

2006 Measure	2006 Actual	% of Goal	2007 Measure
1,700	1,002	59%	1,700

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

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

Goals and Objectives

Homeless and Housing

GOAL 6: TDHCA WILL TARGET ITS HOUSING FINANCE PROGRAMS RESOURCES FOR ASSISTANCE TO EXTREMELY LOW INCOME HOUSEHOLDS.

6.1 Strategy: The housing finance divisions shall adopt an annual goal to apply \$30,000,000 of the division's total housing funds toward housing assistance for individuals and families earning less than 30 percent of median family income.

Strategy Measure: Amount of housing finance division funds applied towards housing assistance for individuals and families earning less than 30 percent of median family income.

2006 Measure	2006 Actual	% of Goal	2007 Measure
\$30,000,000	\$28,660,669	95.54%	\$30,000,000

(See Rider 4 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.)

GOAL 7: TDHCA WILL TARGET ITS HOUSING FINANCE RESOURCES FOR ASSISTANCE TO VERY LOW INCOME HOUSEHOLDS.

7.1 Strategy: The housing finance divisions 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.

Strategy Measure: 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.

2006 Measure	2006 Actual	% of Goal	2007 Measure
20%	52.7%	263.38%	20%

(See Rider 4 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.)

GOAL 8: TDHCA WILL PROVIDE CONTRACT FOR DEED CONVERSIONS FOR FAMILIES WHO RESIDE IN A COLONIA AND EARN 60 PERCENT OR LESS OF THE APPLICABLE AREA MEDIAN FAMILY INCOME

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

Strategy Measure: Amount of TDHCA funds applied towards contract for deed conversions for colonia families earning less than 60 percent of median family income.

FY 2006-2007 Measure	FY 2006 Actual	% of Goal	FY 2006-2007 Measure
\$4,000,000	\$4,684,300	117.1%	\$4,000,000

(See Rider 11 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.)

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

GOAL 9: TDHCA WILL WORK TO ADDRESS THE HOUSING NEEDS AND INCREASE THE AVAILABILITY OF AFFORDABLE AND ACCESSIBLE HOUSING FOR PERSONS WITH SPECIAL NEEDS THROUGH FUNDING, RESEARCH, AND POLICY DEVELOPMENT EFFORTS.

9.1 Strategy: Dedicate no less than 20 percent of the HOME project allocation for applicants that target persons with special needs.

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

2006 Measure	2006 Actual	% of Goal	2007 Measure
≥20%	24%	120%	≥20%

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

Strategy Activities:

- A. Assist counties and local governments in assessing local needs for persons with special needs
- B. Work with State and local providers to compile a statewide database of available affordable and accessible housing.
- C. Set up a referral service to provide this information at no cost to the consumer.
- 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 web sites, TDHCA newsletter, and local informational workshops.

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

Strategy Activities:

- 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 agencies, advocates, and other interested parties in the development of programs that will address the needs of persons with special needs.
- 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.

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

Strategy Activities:

- A. Increase the 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 to reside in noninstitutional settings.

9.5 Strategy: Issue a Notice of Funding Availability (NOFA), separate from the regular HOME TBRA activity funding, which provides up to \$2 million for tenant based rental assistance directed to assist persons with disabilities. This NOFA will indicate that the recipients must meet the Texas State definition used by the Promoting Independence Advisory Board. Funding awards associated with this activity will allow up to 6 percent administration costs with no match requirement.

Strategy Measure: Amount of HOME project allocation awarded through a NOFA to provide TBRA assistance to persons with disabilities.

2006 Measure	2006 Actual	% of Goal	2007 Measure
Not Applicable	Not Applicable	Not Applicable	\$2 million

Goals and Objectives

Homeless and Housing

9.6 Strategy: Issue a NOFA, separate from the regular HOME HBA and OCC activity funding, that provides up to \$2 million for homebuyer assistance and owner occupied rehabilitation to assist persons with disabilities. Recognizing that there are additional costs associated with assisting persons with disabilities, this NOFA will include the potential to increase the maximum application amount above that of the general HBA and OCC activity funding. Funding awards associated with this activity will allow up to 6 percent administration costs with no match requirement.

Strategy Measure: Amount of HOME project allocation awarded through a NOFA to provide HBA and OCC assistance to persons with disabilities.

2006 Measure	2006 Actual	% of Goal	2007 Measure
Not Applicable	Not Applicable	Not Applicable	\$2 million

CITIZEN PARTICIPATION

PUBLIC COMMENT PROCESS

In an effort to fully include the citizens of Texas in the Consolidated Planning process, the Department holds a public comment period for the Plan of at least 15 days. This public comment period for the *2007 State of Texas Consolidated Plan Annual Performance Report* began on Friday, April 6, 2007, and concluded at 5:00 pm on Monday, April 23, 2007. The public comment period was posted in the April 6, 2007, edition of the *Texas Register* and on TDHCA's website.

SUMMARY OF PUBLIC COMMENT

No public comment was received on the *2007 State of Texas Consolidated Plan Annual Performance Report*.