Texas Department of Housing and Community Affairs

Summary of ESG-CV Phase III Amendment to the 2019 State of Texas Consolidated Plan One Year Action Plan

March 2023

Programming Plan for ESG CARES III Allocation

The Department accepted a reallocation of ESG CARES funds in the amount of $5,854,004.42 on September 26, 2022. These funds are in addition to the previously allocated and programmed $97,792,616, for total ESG CARES funds of $103,646,620.42.

The additional reallocated funds, referred to as ESG-CV Phase III were programmed to specific subrecipients for provision of street outreach, emergency shelter, rapid rehousing, and homeless prevention, HMIS, and administrative funding for both the subrecipients and the Department's administration of the funds.

In addition to the awards outlined below for the ESG CARES Phase III funds, as the Department approaches the expiration of funds available under ESG CARES, and the ESG CARES funds are greater than 88% expended, the Department's governing board has authorized the Executive Director discretionary authority to amend contracts awarded to subrecipients with existing ESG CARES contracts without further board approval to ensure that funds are reprogrammed for timely expenditure and reporting. ESG CARES funds from any phase may be reobligated through amendments approved by the Executive Director, regardless of the phase from which the funds originated.

ESTIMATED ALLOCATION OF THE ALLOCATION OF ESG CARES, PHASE III FUNDS

Subrecipient	Awarded Amount
Foundation for the Homeless	$847,850
Family Eldercare	$313,052
Youth Family Alliance dba Lifeworks	$850,000
Haven for Hope	$440,000
The SAFE Alliance	$301,997
The Other Ones Foundation	$2,801,105

Remaining funds in the amount of $300,000.42 are set-aside for TDHCA administration.

Per CPD Notice 22-06, this amendment to include reallocated ESG-CV funding are not required to comply with and consultation or citizen participation requirements, but will be published on the Department's website prior to drawdown of any of the reallocated funds.

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

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

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

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

Table 1 – Responsible Agencies

Narrative

TDHCA administers the ESG, ESG-CV, NHTF, CDBG-CV, and the HOME Programs; TDA administers the CDBG Program; and DSHS administers the HOPWA Program. All of these programs, known collectively as CPD Programs, are covered in the 2019 OYAP. TDHCA coordinates development of the OYAP among itself, TDA, and DSHS.

Key Organizational Events

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

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

DSHS, which administers HOPWA, is an agency of Texas Health and Human Services (HHS). In 2015, HHS began a reorganization to produce a more efficient, effective, and responsive system. In September of 2016, the first phase of that effort became operational, and a second phase occurred September 1, 2017. The goals of the transformation were to create a system that is easier to navigate for people who need information, benefits, or services; aligns with the HHS mission, business, and statutory responsibilities; breaks down operational silos to create greater program integration; creates clear lines of accountability within the organization; and develops clearly defined and objective performance metrics for all areas of the organization. Foremost as it relates to HOPWA, DSHS contract oversight and support functions have transferred to HHS. For more information about the HHSC transformation, visit https://hhs.texas.gov/about-hhs/hhs-transformation.

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

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

SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)

Anticipated Resources (only added row shown)**Program**	**Source of Funds**	**Uses of Funds**	**Expected Amount Available Year 1**				**Expected Amount Available Remainder of ConPlan $**	**Narrative Description**
			Annual Allocation: $	**Program Income: $**	**Prior Year Resources: $**	**Total: $**		
ESG CV – Other	Public-federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	~~33,254,679~~ 103,646,620.46	0	0	~~33,254,679~~ 103,646,620.46	~~33,254,679~~ 103,646,620.46	TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems (HMIS) activities. HHSP is Texas state general revenue funding for the largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees. Use of funds also includes Administration. The EH Fund, projected to accrue approximately $140,000 per year, provides funds to counties and municipalities to combat homelessness.

Table 2 - Expected Resources – Priority Table

Executive Summary

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

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

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

The 2015-2019 Consolidated Plan (as adopted) substantial amendments, the OYAP, and the Consolidated Plan Annual Performance and Evaluation Report (CAPER) are available to the public online at http://www.tdhca.state.tx.us and materials are accessible to persons with disabilities, upon request.

The State recognizes that public participation and consultation are ongoing processes. During the development of the 2015-2019 Consolidated Plan, comprehensive outreach was conducted to gather input. This outreach continues through the development of each Annual Action Plan within the 5-year consolidated planning process. Following the release of HUD's Final Rule to Affirmatively Further Fair Housing (AFFH), the State updated the Citizen Participation Plan and Language Access Plan; those updated plans are now being used as the State develops an updated Analysis of Impediments to Fair Housing Choice (AI).

For the ESG-CV Phase I funding the State requested a waiver of the citizen participation process. However, TDHCA held a series of online consultation opportunities with COCs, current ESG Subrecipients, and other stakeholders to gather input on ESG-CV program design. While the substantial amendment was not formally released for public comment, the activities for the ESG-CV I allocation were posted for the public to review, and orally described at a TDHCA Board Meeting on April 23, 2020, with an opportunity for public comment. The activities proposed in the first ESG-CV 2 amendment were posted for a five-day public comment period October 12 through 16 2020 with a public hearing held October 14, 2020. The addition of street outreach and emergency shelter will be posted for public review and included in a report related to the funds at a TDHCA Board Meeting on June 17, 2021. Per CPD Notice 22-06, this amendment to include reallocated ESG-CV funding are not required to comply with consultation or citizen participation requirements, but will be published on the Department’s website prior to drawdown of any of the reallocated funds.

Expected Resources

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

Introduction

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

These include:

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

The expected future funding amounts of the above programs, to the extent known, are in the planning documents governing those programs. These documents can be found online at http://www.tdhca.state.tx.us/. The anticipated resources below are focused on CPD Programs.

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

TDHCA is the lead agency for the following workgroups:

C-RAC: C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board. It advises TDHCA regarding the needs of colonia residents and the types of programs and activities which should be undertaken by the Colonia SHCs. The Colonia SHCs funds are provided to seven pre-determined counties.

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

Housing and Health Services Coordination Council (HHSCC): HHSCC is established by Tex. Gov't Code §2306.1091. Its duties include promoting coordination of efforts to offer Service-Enriched Housing and focusing on other cross-agency efforts.

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

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

As noted in AP-05 the HUD Program Year (PY) used by the state of Texas' Community Planning and Development Programs (CPD) will be changing from a February – January cycle to a September – August cycle. The purpose of this change is to align with State Fiscal year reporting, and the recent timeframe of the Congressional Appropriations process. To accomplish this change, Texas lengthened its PY 2019 by even months, running from February 1, 2019, through August 31, 2020.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Anticipated Resources (only added row shown)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
ESG CV – Other	Public-federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	~~33,254,679~~ 103,646,620.42	0	0	~~33,254,679~~ 103,646,620.42	~~33,254,679~~ 103,646,620.42	TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems (HMIS) activities. HHSP is Texas state general revenue funding for the largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees. Use of funds also includes Administration. The EH Fund, projected to accrue approximately $140,000 per year, provides funds to counties and municipalities to combat homelessness.

Table 3 - Expected Resources – Priority Table

OMB Control No: 2506-0117 (exp. 06/30/2018)

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

HOME

HOME multifamily development is often used to leverage with the HTC Program, which authorizes 9% low-income housing tax credits of $2.70 per capita for each state, and 4% HTC in amounts linked to the usage of the state's cap for issuance of tax exempt PABs to finance affordable housing development. In Texas, this equates to approximately $76,700,000 in 9% tax credits available to be awarded annually. These credits may be claimed each year for ten years and represents potential tax credit value on the magnitude of $767,000,000. The credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 88% and 92%. TDHCA's Qualified Allocation Plan (QAP) identifies the criteria used for selection of eligible developments to provide housing for low-income tenants. HOME provides increased leverage, allowing property owners to utilize fewer tax credits and less private debt and local funding, thus providing more efficient use of resources. Other leveraging sources may include United States Department of Agriculture (USDA) operating subsidies and loans, and conventional and FHA-insured loans. Match requirements for the HOME Multifamily Direct Loan Program will in part be met through Rules that establish awardees' minimum amount of match as 5% of the award amount. In addition to match provided as part of the developer's obligation, TCAP RF may be utilized as HOME match, and THDCA calculates to below market interest rates on eligible loans provided to the HOME development which is included in the match funds reported in the CAPER. TDHCA requires Subrecipients and state recipients to provide match of up to 15% of the project hard costs for some single family activities.

ESG

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

HOPWA

Texas HOPWA does not have program income but leverages funds whenever possible. Project Sponsors leverage available funds from Ryan White and State Services grants, private funding sources, foundations, and local assistance to help clients. AAs do not receive administrative funds from DSHS, so those costs are leveraged from other funding sources. Texas is not required to match the HOPWA formula award.

ESG-CV

ESG CV funds do not include a match requirement, but the funds are anticipated to be leveraged with funds from HHSP and the EH fund.

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

Annual Goals and Objectives

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

Goals Summary Information *(only revised row shown)*

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless Goals	2015	2019	Homeless	State of Texas	Emergency shelter and transitional housing Homelessness Prevention Rapid Re-housing	ESG: $9,127,824 ESG-CV: $~~33,254,679~~103,606,620.42	Tenant-based rental assistance / Rapid Rehousing: ~~4,173~~7,172 Households Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 50,593 Beds Homelessness Prevention: ~~13,998~~14,858 Persons Assisted

Table 4 – Goals Summary

OMB Control No: 2506-0117 (exp. 06/30/2018)

Goal Descriptions *(only revised row shown)*

1	**Goal Name**	Homeless Goals
	Goal Description	Funds will be utilized to provide Administration, HMIS services, emergency shelter, rapid re-housing, homeless prevention and street outreach to eligible persons who are experiencing homelessness or at-risk of homelessness, as defined by the applicable program rule or act. Actual funding amounts will be determined based on applications for funding received, which are prioritized in part by the recommendation provided by the applicable CoC. The estimates for the funding amount per activity type and number of persons served are extrapolated from data collected over the prior three years, quarterly CAPER reports for ESG CV, and also reflect that the ESG CV funding, ~~is~~was initially awarded specifically for Rapid Rehousing and Homeless Prevention, which increases the amount of funding for those activities. Regardless of the CoC recommendations, TDHCA limits the amount of funding available for street outreach and emergency shelter to not more than 60% of the total ESG funding available for the regular allocation of 2019 ESG funds, but the ESG-CV funds are not limited by this cap and it will not be applied to this funding source. Likewise, funds for administration and HMIS are limited within the TDHCA allocation to ensure that the applicable regulatory or statutory caps for these expenditures are not exceeded.

AP-35 Projects – (Optional)

Introduction:

Per the IDIS Desk Guide, Project-level detail is not required for a state grantee's Annual Action Plan. Once a state grantee has allocated funding via its Method of Distribution, the state grantee will use the Projects sub-menu in IDIS Online to add its projects for the program year. However, in order for accomplishments to associate to the goals listed in the plan, projects must be entered in the Action Plan template. Although not typically required, Texas is amending the Action Plan to include the entire~~initial~~ allocation of ESG-CV funding. This does require that the ESG funds programmed in this plan are included in the AP-35 as separate ESG projects as outlined in this section.

TDHCA will receive $9,127,824 in ESG under the 2019 allocation, outlined as ESG19 Texas. TDHCA has been allocated an additional $~~33,254,679~~103,606,620.42 ~~-~~in 2020 ESG funds under the CARES Act, outlined as ESG20 Texas for the purposes of this plan, and the use of these funds is further described below.

#	Project Name
1	ESG20 Texas

Table 5 – Project Information

Goal Outcome Indicator Info by allocation:

Goal	Goal Outcome Indicator	ESG20 Texas
1	Tenant-based rental assistance / Rapid Rehousing	~~3,255~~7,172
1	Households Assisted Overnight/Emergency Shelter/Transitional Housing Beds added	50,593~~39,461~~
1	Homelessness Prevention	~~10,918~~14,858
	Total Persons Assisted	~~53,634~~72,623

Description

TDHCA has programmed the ESG-CV allocation to fund the following activities as needed by the State of Texas to prevent, prepare, and respond to COVID-19:

1. Rapid re-housing;
2. Street outreach;
3. Emergency shelter (including temporary emergency shelter);
4. Homelessness prevention;

5. Homeless Management Information System (HMIS);
6. Administrative expenses; and
7. Additional activities allowed by HUD policy, guidance and approved waivers.

TDHCA initially prioritized the ESG-CV Phase 2 to fund only the following activities as needed by the State of Texas to prevent, prepare, and respond to COVID-19:

1. Rapid re-housing;
2. Homelessness prevention;
3. Homeless Management Information System (HMIS); and
4. Administrative expenses

In order to be responsive to the needs of the State of Texas in preparing, preventing, and responding to coronavirus and its impact on people at risk of and experiencing homelessness, TDHCA will routinely reevaluate our funding decisions throughout the period of performance. Consistent with the terms of all contracts, TDHCA intends to reprogram ESG-CV funding between selected activities or to include additional ESG-CV activities if/when necessary, based on infection control needs and response efforts related to preventing, preparing, and responding to COVID-19.

While TDHCA had previously requested waivers to allow for the direct administration of ESG-CV funds, and this authority was granted though CPD Notice 20-08, the State does not plan on directly administering the program, but instead subawards ESG-CV funds to eligible entity types (Unit of Local Government, Private Nonprofit, and Public Housing Authority), , through a letter of interest, competition, or direct selection of subrecipie~~ei~~nts at the discretion of the Department.

TDHCA plans on funding the activities identified above; however, TDHCA may reprogram funding to any eligible activity included in CPD Notice 21-08 if the need evidences itself and ESG-CV funding in other activity types is not being timely expended.

ESG does not have funding allocation priorities for special needs populations. A portion of the funding, other than previously deobligated or reallocated funding, is allocated to each CoC based on an allocation formula that includes population and other data as described in the State ESG rules. Award authority for all ESG funds remains with TDHCA's Board, and TDHCA contracts directly with all subrecipients regardless of method of application. TDHCA retains the right to adjust awards in relation to the amount of funding received. Threshold requirements for receipt of an award include current status of required single audits and submission of an audit certification form; information necessary to conduct a previous participation review, and documentation sufficient to determine that the subrecipient has adequate capacity to administer the ESG funds. Actions to meeting underserved needs are found in Action Plan Section 85.

CDBG-DR allocation priorities can be found in the CDBG-DR Action Plans at:

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

OMB Control No: 2506-0117 (exp. 06/30/2018)

AP-50 Geographic Distribution – 91.320(f)

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

HOME/NHTF Addresses Geographic Areas for Assistance

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

HOME/NHTF funds used for multifamily development are typically paired with tax-exempt bond and/or HTC. TDHCA rules that govern the HTC Program include incentives for developments utilizing the competitive 9% HTC in high opportunity areas, which are defined as high-income and low-poverty areas, and are not typically minority-concentrated except in majority-minority areas of the state. It also provides competitive incentive to develop in colonias or economically distressed areas. Developments using tax-exempt bond financing and 4% HTCs are more frequently located in qualified census tracts due to federal guidelines that cause these to be more financially viable.

ESG Addresses Geographic Areas for Assistance

Assistance provided by ESG funds will be directed statewide, according to the 11 HUD-designated CoC regions. TDHCA does not provide priorities for allocating investment geographically to areas of minority concentration as described in 24 CFR §91.320(f).

HOPWA Addresses Geographic Areas for Assistance

The Texas HOPWA funding allocations are geographically distributed according to the 26 HIV HSDAs. Allocations are based on several factors, including past performance of Project Sponsors and unmet need, with the majority of Texas HOPWA clients (90% in 2017) classified as extremely low and very low income. Allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid, and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. Many of these individuals reside in areas of minority concentration and a disproportionate number of PLWH are racial and ethnic minorities, so the program allocates funding to meet the needs of PLWH in Texas.

CDBG Addresses Geographic Areas for Assistance

TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f). CDBG funds are allocated across the state in three ways.
1. The CD Fund assigns a percentage of the annual allocation to each of the 24 Regional COGs, ensuring that each region of the state receives a portion of the funds.

2. The Colonia Fund directs funding to communities within 150 miles of the Texas-Mexico border. All remaining funds are distributed through state-wide competitions without geographic priorities.
3. Colonia SHCs are established along the Texas-Mexico border in Cameron/Willacy, Hidalgo, Starr, Webb, Maverick, Val Verde, and El Paso counties. The Colonia SHC Program serves approximately 35 colonias in seven border counties, which are comprised of primarily Hispanic households and have concentrations of very low-income households.

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

Geographic Distribution

Target Area	Percentage of Funds
State of Texas	100

Table 6 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

HOME Addresses Geographic Investments

HOME funds are allocated geographically using a regional allocation formula (RAF), as described in Strategic Plan Section 10. This process directs funds to areas of the State that demonstrate high need. At least 95% of TDHCA-administered HOME funds are used in areas that are not Participating Jurisdictions (PJs) per statute. This results in more HOME funds in smaller communities than in larger Metropolitan Statistical Areas (MSAs) that receive HOME funds directly from HUD. The current RAF is online at http://www.tdhca.state.tx.us/housing-center/pubs-plans.htm.

ESG Addresses Geographic Investments

ESG allocates the majority of ESG and ESG-CV funds to each CoC region based on an allocation formula. This formula includes factors such as homeless population, people living in poverty, cost burden of renters, point in time counts and ESG funds available from federal and state sources. Previously deobligated or reallocated funds may be awarded to any subrecipient in any region based on subrecipient performance or other factors at the discretion of the Department.

HOPWA Addresses Geographic Investments

At the end of 2016, there were 86,669 people living with HIV in Texas. The number of Texans living with HIV increases each year and in order to meet the needs of low-income PLWH in Texas, many of whom live in areas of minority concentration, the HOPWA funding allocations are geographically distributed across the State and are allocated based on several factors, including unmet need.

Six cities in Texas have a population of over 500,000 (Austin, Dallas, Fort Worth, El Paso, Houston, and San Antonio) in MSAs funded directly from HUD for HOPWA. The Texas HOPWA program can operate in any area of the State, but mostly serves counties not covered under the MSAs' jurisdictions, with some overlap of counties between the State and the MSAs. As a result, Texas HOPWA covers all of the rural areas of the State, where many low-income HOPWA clients reside, and funding prioritization is based on areas with greater unmet need for PLWH.

CDBG Addresses Geographic Investments

Texas CDBG Funds for projects under the CD Fund are allocated by formula to 24 regions based on the methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs (21.71% of annual allocation), along with a state formula based on poverty and unemployment (40% of annual allocation). 12.5% of the annual allocation is allocated to projects under the Colonia Fund categories, which must be expended within 150 miles of the Texas-Mexico border.

For the Colonia SHCs, state legislative mandate designates five centers along the Texas-Mexico border in Cameron/Willacy, Hidalgo, Starr, Webb, and El Paso counties to address the long history of poverty and lack of institutional resources. In 2001, TDHCA added two additional Colonia SHCs in Maverick and Val Verde counties. These seven counties collectively have approximately 40,180 colonia residents who may qualify to access center services.

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

Discussion

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

NHTF Geographic Priorities

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

NHTF Addresses Geographic Investments

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