

H2370.8
L739
1991-92
draft

Draft

State of Texas

Comprehensive Housing Affordability Strategy

**Annual Performance Report
for Fiscal Year 1992**



Government Publications
Texas State Documents
NOV 2 1992
Depository
Dallas Public Library

September 1992

Texas Department of Housing and Community Affairs



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Ann W. Richards
GOVERNOR

Susan J. Leigh
EXECUTIVE DIRECTOR

BOARD MEMBERS

Paul R. Rodriguez
Chairman
Harvey Clemons Jr.
Elizabeth Flores
Richard C. Hile
Joseph Kemp
Judith McDonald
Mary Sanger
Susan Sharlot

October 26, 1992

Dear Housing Constituents:

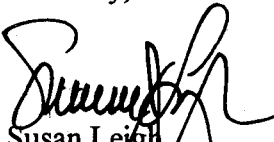
I am pleased to submit for your review the State of Texas' Comprehensive Affordability Strategy (CHAS) Annual Performance Report for fiscal year 1992. These documents are submitted in compliance with the requirement of the Cranston-Gonzalez National Affordable Housing Act of 1990 and subsequent regulations published by the U. S. Department of Housing and Urban Development (HUD).

The State's Annual 1992 Performance Report is a comparative review and analysis of the CHAS Annual Plan that was submitted to HUD in December 1992. It contrasts actual accomplishments with what had been anticipated for Texas' non-participating jurisdictions.

Your review and comment on this report is invited. You are also encouraged to attend any of the five public hearings taking place in the first two weeks of November. A schedule of those meetings, their locations and meeting times follows this letter. Your participation in the public review process is vital to the development of our housing policy for the State of Texas.

Thank you for your interest and participation.

Sincerely,


Susan Leigh
Executive Director

SL:da
Encl.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAS PERFORMANCE REPORT
FY 1993**

The State of Texas Comprehensive Housing Affordability Strategy (CHAS) is a five year housing strategy required under the Cranston-Gonzalez National Affordable Housing Act of 1990. The State of Texas CHAS includes an evaluation of existing housing needs and recommendations for housing programs to address the needs of rural, non-entitlement areas in the State. This year the CHAS will be accompanied by a CHAS Performance Report for FY92. This draft Performance Report makes an appraisal of available State resources and how they were used.

The Texas Department of Housing and Community Affairs will be conducting public hearings on the FY '93 revisions of the State CHAS at the locations listed below. Representatives will be present to explain the FY '93 revisions to the State CHAS and to receive comments on proposed housing strategies. The public hearings are scheduled at the following locations:

November 2, 1992 - 6:00 p.m.:	Tyler Public Library 201 S. College Tyler, Texas 75702
Contact Person:	Chris Alberton (903) 531-1317
November 4, 1992 - 6:00 p.m.:	Llano Estacado Museum Auditorium 1900 W. 7th Plainview, Texas 79072
Contact Person:	Irene Favila (806) 293-4457
November 5, 1992 - 6:00 p.m.:	City Council Chambers 300 N. Loraine Midland, Texas 79702
Contact Person:	Rick Menchaca (915) 685-7436
November 9, 1992 - 6:00 p.m.:	Towers Housing Development 201 N. 31st Edinburg, Texas 78539
Contact Person:	Estella Treviño (512) 383-5653
November 10, 1992 - 10:00 a.m.:	Texas Department of Housing and Community Affairs 811 Barton Springs Road, Suite 300 Austin, Texas 78704
Contact Person:	Kim Patterson (512) 457-3833

Written comments on the CHAS may be submitted at public hearings (listed above) or sent to the address listed below, no later than **November 26, 1992**. Comments on the Performance Report will be accepted until **Monday, November 30, 1992**. Information on the CHAS and copies of summaries of the CHAS may also be obtained by contacting:

Ninfa Moncada, Director of Marketing & Development Division
Texas Department of Housing and Community Affairs
P.O. Box 13941, Capitol Station
Austin, Texas 78711
(512) 475-3929

State of Texas Comprehensive Housing Affordability Strategy:

**ANNUAL PERFORMANCE REPORT
FISCAL YEAR 1992**

TABLE OF CONTENTS

Introduction	Page 2
PART I: ANNUAL PERFORMANCE	
A. Resources Made Available to the State (Table A)	3
B. Investment of Available Resources (Table B)	5
• Resources which were not committed and/or expended in FY92	5
• Program funds invested in FY92 by CHAS priority	6
• Geographic distribution of investments	12
• Leveraging of non-federal funds and matching funds	12
• Pattern of actual investment compared to planned investment	12
C. Households Assisted (Table C)	14
D. Other Actions Undertaken	15
• Public policies	15
• Institutional structure	15
• Intergovernmental cooperation	16
• Low income housing tax credit	16
• Public housing resident initiatives	17
• Affirmatively furthering fair housing	17
PART II. ASSESSMENT OF ANNUAL PERFORMANCE	18
Appendix A: Public Review Process	20
Appendix B: Summary of Public Comments and Response	21
Appendix C: Participating Jurisdictions and Threshold Communities	22

INTRODUCTION

The Annual Performance Report for Fiscal Year 1992 is the first opportunity for the State of Texas to review its performance of its five year Comprehensive Housing Affordability Strategy (CHAS). The CHAS was first written in October 1991 and included not only a five year plan for affordable housing, but also a one year action plan for fiscal year 1992 (October 1, 1991-September 30, 1992). The focus of the State CHAS was on the non-participating jurisdictions of Texas which did not receive federal HOME funding. This Annual Performance Report for FY92 is a comparative review and analysis of the CHAS Annual Plan with the actual accomplishments of those non-participating jurisdictions in State of Texas during the year.

Part One of the Performance Report will review the resources made available to the State of Texas for affordable housing in FY92, the investment of the available resources, the households assisted during the year, as well as other significant accomplishments. This review will include a comparison of actual activity during FY92 with anticipated activity described in the CHAS Annual Plan.

Part Two of the Performance Report will assess the State's FY92 performance with respect to achievement of the CHAS five year strategy priorities and objectives and discuss any adjustments to the five year strategy.

This report was prepared by the Texas Department of Housing and Community Affairs, which is also the author of the State of Texas CHAS. The structure of the Performance Report is based upon an outline of required information and instructions from the U.S. Department of Housing and Urban Development (HUD). The process undertaken to receive public comment on the Performance Report is described in Appendix A. A summary of the public comments and actions taken to address the comments are included as Appendix B.

PART I: ANNUAL PERFORMANCE FY92

A. RESOURCES MADE AVAILABLE TO THE STATE

Table A provides a review of the program resources which were both anticipated to be available to the State of Texas, and those resources which were actually made available to the State in FY92.

Significant differences exist between the resources which were anticipated in the Annual Plan for FY92 and those which were actually received. In several instances the information provided in the Annual Plan does not differentiate between funds available to the State of Texas, and funds which would be available to other organizations within the state. For instance the Annual Plan anticipates \$400,000 to be available through the HOPE 1 program, although these funds are not actually available to the State of Texas (non-eligible applicant). The significant differences in the various programs between anticipated and actual resources available occurred for the following reasons:

- 1.) The amount of funds available for housing activities from the Community Development Block Grant program (CDBG - Line 2) was increased to approximately \$2,601,000.
- 2.) The Annual Plan anticipated a total amount of \$6,500,000 (Line 4) for the State Weatherization Program. However, the Department of Energy only provided \$2,040,000 for this program, while the State provided \$4,700,000 (Line 18).
- 3.) The State was not an eligible applicant for funds from HOPE I (Line 5) and therefore no funds were available.
- 4.) The State did not apply for any HOPE II funds (Line 6). HOPE II is primarily designed for the conversion of multifamily properties to cooperative housing by resident organizations and not-for-profit organizations.

CHAS: Annual Performance Report FY92

Table A: Resources Made Available to the State of Texas During FY92

Funding Source	A Funds Anticipated in FY92 Annual Plan (S000s)	B Actual Funds Made Available in FY92 (S000s)	C Funds Expended and/or Committed Before End of FY92 (S000s)
<i>Federal Funds:</i>			
<i>A. Formula/Entitlement Programs</i>			
1 HOME*	32,250	33,638	1,166 ¹
2 CDBG (Housing)	1,000	2,601	2,601
3 Emergency Shelter Grant	1,925	1,912	1,912
4 Dept. of Energy	6,500	2,040	2,040 ²
<i>B. Competitive Programs</i>			
5 HOPE I	400	0	0
6 HOPE II	2,000	0	0
7 HOPE III	12,500	1,385	1,385 ³
8 Perm. Hsg. for Handicapped	214	211	0
9 Shelter Plus Care	4,000	0	0
10 Sec. 8 Rental Vouchers/Cert.	NA	4,944	4,944
11 Tax Credits (Annual \$ Amount)	21,233	21,686	15,174
12 PATH	2,371	1,771	1,771
13 Rental Rehab	1,290	1,226	1,226
<i>Subtotal Federal Funds:</i>	85,683	71,414	32,219
<i>State Funds:</i>			
14 Down Payment Assistance Program	1,000	1,000	69
15 SF Mortgage Revenue Bonds	172,800	326,751	152,002
16 State Matching Funds	9,000	332	332
17 State Housing Trust Fund	NA	7,421	0
18 Weatherization Programs	0	4,700	4,700 ²
19 Home Improvement Loan Program	NA	1,900	0
<i>Subtotal State Funds:</i>	182,800	342,104	157,103
<i>Private Funds</i>			
20 FHLB Affordable Hsg. Program	138	0	0
21 Private and Corporate Foundations	255	0	0
<i>Subtotal Private Funds:</i>	393	0	0
22 Total - All Sources	268,876	413,518	189,322

¹ The deadline for applying for HOME funds was September 30, 1992. Because of this, no HOME funds could be committed in FY92.

² FY92 Anticipated Federal Funds for the DOE Programs was \$6,500,000 (line 4). Actual funds received were \$6,740,000 - reported as \$2,040,000 Federal funds on line 4 and \$4,700,000 of State Oil Overcharge funds on line 18.

³ The FY92 anticipated HOPE 3 grant total included all grants to be awarded to applicants in the State of Texas (the actual total was \$10,620,800). Line 7, column B identifies only those HOPE 3 grants which TDHCA was the applicant.

- 5.) The State applied for three HOPE III grants (Line 7) and received two grants for a total of \$1,385,000. The estimate of \$12,500,000 in the Annual Plan included funds available to other organizations within the State.
- 6.) The State did not apply for the Shelter Plus Care program (Line 9). This program serves persons who are homeless and disabled, and would require a joint application with a homeless service provider in a non-participating jurisdiction.
- 7.) The Annual Plan under estimated the amount of funds available by \$154 million from the State's Mortgage Revenue Bond Program (Line 15).
- 8.) Most of the State Matching Funds (Line 16) anticipated in FY92 were transferred to the State Housing Trust Fund (\$6.4 million - Line 17). An additional \$1.0 million in unencumbered funds was added to the housing trust fund by TDHCA's Board of Directors.
- 9.) The private funds (Line 20 and 21) which were anticipated in the Annual Plan were made available to other organizations in the state, not the State of Texas.

Overall, the Annual Plan for FY92 under anticipated the total amount of resources available to the State (Line 22). At the time, the Annual Plan for FY92 was written, there was no basis for anticipating funds for the State Housing Trust Fund or the Home Improvement Loan Program.

B. INVESTMENT OF AVAILABLE RESOURCES

Resources Which Were Not Committed and/or Expended in FY92

Column C of Table A shows the amount of resources actually committed and/or expended by the State during FY92. Of the resources which were available to the State in FY92, not all of the resources were committed and/or expended before the end of the fiscal year for several reasons:

- 1.) HOME funds of \$33,638,000 (Line 1) were made available to the State on April 22, 1992. Fifteen percent of these funds were set-aside for Community Housing Development Organizations (CHDOs). By September 30, 1992, the Texas Department of Housing and Community Affairs (TDHCA) had received 273 applications requesting \$114 million in HOME funding for rehabilitation of owner-occupied rental housing and tenant-based rental assistance. A second HOME application is due on October 30, 1992 for development of specific rental projects. TDHCA transferred approximately \$1,166,000 to "threshold communities" in FY92 enabling them to become participating jurisdictions under the HOME program (see p.26 in the FY 1993 Annual Plan).
- 2.) TDHCA was approved for funding from the Permanent Housing for the Handicapped Program (Line 8) in FY92. Negotiations for site control of the housing project are being completed and, therefore, no funds have been committed or expended.
- 3.) TDHCA did not allocate the full amount of low income housing tax credits (LIHTC - Line 11) available for FY92 before the expiration of the federal program on June 30. If the tax credit program had been authorized by Congress for a full twelve months, then TDHCA would more than likely have been able to allocate all of the available tax credits. Upon re-authorization of the LIHTC program for FY93, TDHCA expects to

be able to allocate the remaining portion of tax credits available for FY92. Although the FY92 LIHTC program ended in June, TDHCA is still allocating approximately \$5 million in recaptured tax credits from FYs 1991 and 1992 allocation (amount not included in Table A).

- 4.) While \$1 million was authorized in January 1992 for the Down Payment Assistance Program (Line 14), it took until July 1992 for enough lenders to become involved and get their staff trained for the applications to begin to be processed in any volume. Only \$69,000 was expended in FY92 with the balance of the funds available in FY93.
- 5.) While the State had approximately \$327 million available for the Single Family Mortgage Revenue Bond Program (Line 15) in FY92, not all of these funds were intended to be spent in FY92. It takes about two years to fully utilize the funds in a Single Family bond program. The bond funds which were not fully committed in FY92 will be available in the forward years.
- 6.) The State Housing Trust Fund (Line 17) was not funded until the end of FY92. Applications requesting over \$28 million in funding were received in August and are under review. Ten percent of the Trust Fund has been set-aside for technical assistance and capacity building of not-for-profit housing developers. These funds have not been committed to particular projects as yet.

Program Funds Invested in FY92 by CHAS Priority

Aside from the programs described above, all of the other program resources available to the State were committed or expended for a total investment of approximately \$189 million. Table B shows these programs and the CHAS priority which was forwarded by the program. The following discussion is organized by the different program investments which help

accomplish each CHAS priority. Please refer to Table B as a source for the information below.

PRIORITY ONE: To make decent, safe and affordable housing available to low and very low income homeowners and homebuyers.

HOME (Line 1): Because HOME funds were received so late in FY92, only the funds needed by "threshold communities" to make them eligible as participating jurisdictions in the HOME program were committed. A total of \$1,166,000 was allocated to the following eight cities:

THRESHOLD COMMUNITIES	ALLOCATION AMOUNT
Abilene	\$187,000
Amarillo	22,000
Arlington	32,000
Bexar County	155,000
Galveston	197,000
McAllen	157,000
Odessa	226,000
Wichita Falls	190,000
TOTAL	\$1,166,000

Now that they are participating jurisdictions, these communities are empowered to conduct their own housing needs analysis, prepare a CHAS, and administer their own programs, independent of the state CHAS.

Community Development Block Grant (Line 2): In FY92 approximately \$2.6 million was invested in the rehabilitation of 193 low-income, owner-occupied homes. These homes are located throughout the state in non-entitlement areas which do not otherwise receive CDBG funding.

CHAS: Annual Performance Report FY92

Table B: Investment of Available Resources During FY92

Funding Source	Funds Expended and/or Committed Before End of FY92 (\$000s)	CHAS Priority 1: ...affordable homeownership...	CHAS Priority 2: ...affordable rental housing...	CHAS Priority 3: ...housing/services for the homeless...	CHAS Priority 4: ...housing for special needs...	CHAS Priority 5: ...tech. assistance, capacity building...
<i>Federal Funds:</i>						
<i>A. Formula/Entitlement Programs</i>						
1 HOME	1,166	1,166				
2 CDBG (Housing)	2,601	2,601				
3 Emergency Shelter Grant	1,912			1,912		
4 Dept. of Energy	2,040	2,040				
<i>B. Competitive Programs</i>						
5 HOPE 3	1,385	1,385				
6 Sec. 8 Rental Vouchers/Cert.	4,944		4,944			
7 Tax Credits (Annual \$ Amount)	15,174		15,174			
8 PATH	1,771				1,771	
9 Rental Rehab	1,226		1,226			
<i>Subtotal Federal Funds:</i>	32,219	7,192	21,344	1,912	1,771	0
<i>State Funds:</i>						
10 Down Payment Assistance Program	69	69				
11 SF Mortgage Revenue Bonds	152,002	152,002				
12 State Matching Funds	332	332				
13 Weatherization Programs	4,700	4,700				
<i>Subtotal State Funds:</i>	157,103	157,103	0	0	0	0
Total - All Sources	189,322	164,295	21,344	1,912	1,771	0

Department of Energy/State Weatherization Programs(Lines 4 & 13): In FY92 approximately \$6,740,000 was invested of federal and state funds in minor home repair for approximately 2,500 very-low and low income homeowners. Approximately 50% of these homeowners are elderly and 14% of these homeowners have disabilities. This program served households throughout the state.

HOPE III (Line 5): Late in FY92 TDHCA was awarded two HOPE III grants to provide affordable home ownership for approximately 58 low-income households. (Three grant applications had been completed by TDHCA). TDHCA was awarded approximately \$1,385,000 from the U.S. Department of Housing and Urban Development (HUD) in conjunction with two not-for-profit organizations, Habitat for Humanity (six cities) and People for Progress, Inc. (Nolan and Mitchell Counties). TDHCA is matching the grant from HUD with \$332,000 in State funds. Habitat for Humanity is also providing approximately \$2 million in matching resources. While the HOPE III grants and State Matching Funds have been committed to these two projects, no funds were expended in FY92.

Down Payment Assistance Program (Line 10): In FY92 approximately \$69,000 was used to help 58 low income households reduce their down payment on a home financed through the Single Family Mortgage Revenue Bond Program.

Single Family Mortgage Revenue Bond Program (Line 11): In FY92 approximately \$152 million was expended to provide low interest mortgages for very-low, low, and moderate income first time homebuyers. A total of 3,165 homebuyers were assisted of which 319 were very low income (<50% of area median family income) and 1,298 were low income (51-80% of area median family income). Home loans were made throughout the state.

State Matching Funds (Line 12): A total of \$332,000 in matching funds were provided by the State for the HOPE III grants.

Weatherization Programs (Line 13): See Department of Energy/State Weatherization Programs description.

During FY92 the Farmers Home Administration (FmHA) also offered three programs within the state which help make home ownership more affordable for low-income households. The FmHA Section 502 Home Ownership Program provided \$22.25 million to 645 low income households for acquisition or new construction home loans in FY92. The FmHA Section 504 Loan Program provided \$689,580 to 133 low income households to finance home repairs in FY92. The FmHA Section 504 Grant Program provided \$834,080 in grants to 208 households for home repairs in FY92. (These programs were not reported in Table A or Table B because they are not included in the forms provided by HUD for preparation of the CHAS. Also, these programs are administered by FmHA, not the State of Texas.)

PRIORITY TWO: Provide safe, affordable rental units to low and very low income persons.

Section 8 Rental Vouchers and Certificates (Line 6): In FY92 TDHCA administered this federal rental assistance program and provided \$4,944,223 to 1,990 very low and low income households. The program is targeted to rural areas which are not presently being served by a public housing authority or a city rental assistance program.

Low Income Housing Tax Credit Program (Line 7): The State of Texas received an annual allocation of tax credits worth \$21,686,250. TDHCA was able to commit approximately \$15

million of tax credits before the expiration of the program on June 30, 1992. Tax credits are available to owners of rental housing which set-aside at least 20% of their units to be affordable for very low income households for a minimum of fifteen years (Most owners elect to set-aside 100% of their units). The amount of tax credits a property owner receives is determined in part by the number of units set aside, as well as the cost of acquisition, rehabilitation, or new construction. In FY92 over 8,900 units will be set aside as affordable for very-low and low income households which earn less than 60% of the area median income. Approximately 12% of the projects receiving tax credits in FY92 involved acquisition and rehabilitation, 50% involved just rehabilitation, and 40% involved new construction. Projects which received tax credits were located throughout the state.

Applications for the Texas tax credit program were first made available in February 1992. Applications were reviewed to determine those which met "threshold criteria." The threshold criteria basically determined whether or not a particular project was feasible. Applications which met the threshold criteria were ranked using a point scoring system to determine those which met the highest number of public priorities.

Texas Rental Rehabilitation Program (Line 9): In FY92 approximately \$1,226,000 was distributed to eight rental projects for rehabilitation. These rental properties benefited 350 low income households and were located in non-entitlement areas of Texas. This program ended in FY92, however rehabilitation of rental property is possible under the HOME program for FY93.

PRIORITY THREE: Provide housing and services to homeless persons and persons "at risk" of becoming homeless.

Emergency Shelter Grant Program (Line 3): In FY92 approximately \$1.9 million was distributed to shelters throughout the State. Of the total amount of funds, 20% was spent on shelter rehabilitation, 24% went towards rent and utility assistance, 28% to support services, and 29% to cover shelter operating costs. An estimated 40,400 homeless individuals benefited from this program.

The Emergency Food and Shelter Grant Program (ESFG) which is funded by the Federal Emergency Management Agency also provided \$9,124,722 to Texas in FY92. A significant portion of these funds are used for emergency rent and utility payments for households "at-risk" of becoming homeless. (This program is not reported in Table A or Table B because it is not included in the forms provided by HUD for preparation of the CHAS. Also the program is administered by private organizations, not the State of Texas.)

PRIORITY FOUR: Persons with special needs should have access to all housing assistance and essential supportive services.

PATH (Line 8): During FY92 the Texas Department of Mental Health and Mental Retardation spent \$1,771,000 to serve 7,004 individuals with mental illness or drug dependence who were either homeless or "at-risk" of becoming homeless. Most of these funds (96%) are used to provide support services throughout the state.

While PATH is the only state administered, housing related program which exclusively serves persons with special needs, all of the other programs described above also serve persons with special needs.

PRIORITY FIVE: Provide information and technical assistance to non-profit organizations, homeless providers, and other housing providers to build capacity and success in developing affordable housing.

Only limited operating funds were available to advance this priority in FY92. However, TDHCA sponsored the development of a statewide directory and analysis of not-for-profit housing developers. This study made an assessment of not-for-profit housing development capacity statewide and recommended strategies designed to assist in building up such development capacity. TDHCA also held nine workshops targeted to not-for-profit housing developers to assist them in preparing applications for the HOME program. Prior to the end of FY92, TDHCA had certified over 20 Community Housing Development Organizations. Also in FY92, 10% of the funds from the State Housing Trust Fund were "set-aside" for future technical assistance and capacity building projects based on the recommendation strategies described in the study above.

Geographic Distribution of Investments

The geographic distribution of investments is discussed above by program. During FY92 TDHCA focused its investment of funds in non-entitlement and non-participating jurisdictions of Texas. These communities are not eligible to apply directly to HUD for most federal housing funds, particularly CDBG and HOME funds.

Leveraging of Non-Federal Funds and Matching Funds

During FY92 TDHCA placed a high priority on the leveraging of limited government funds to produce affordable housing. Several federally funded programs in FY92 were used to leverage the following additional non-federal funds:

- 1.) The Department of Energy Weatherization Program provided over \$2 million which was matched by State funding of over \$4.7 million.
- 2.) The HOPE III grants (\$1,385,000) were matched by \$332,000 from the State Matching Fund and approximately \$2 million from Habitat for Humanity.
- 3.) The FY92 allocation of approximately \$15 million of low income housing tax credits will leverage or be combined with an estimated \$129 million in other financing for affordable rental projects.
- 4.) While the transfer of \$1,166,000 of HOME funds to "threshold communities" did not directly leverage additional State or private funds, it did leverage additional federal funding worth \$4,834,000.

Pattern of Actual Investment Compared to Planned Investment

The Annual Plan for FY92 describes an overall pattern of investment which is consistent with the actual investment of funds in FY92. Because HOME funds were received late and could not logistically be committed in FY92, many of the strategies outlined in the Annual Plan could not be implemented. The transfer of HOME funds to threshold communities was a recommendation of the Annual Plan. The Annual Plan also identifies several strategies to address priority five, which were not accomplished in FY92, but which will be developed in FY93 using funds from the State Housing Trust Fund.

C. HOUSEHOLDS ASSISTED

During FY92 the investment of federal funds by the State of Texas for housing programs benefited an estimated 51,864 households. The basis for this estimate is provided in Table C. Only the investment of federal funds is considered in Table C. Based on instructions from HUD, the Weatherization Programs are not included (because the weatherized homes are not fully rehabilitated to meet all Housing Quality Standards) and the PATH Program is not included (because the homeless are receiving services apart from housing assistance). Also, only those households which actually were assisted in FY92 are included in the total. An estimate of households which will benefit in future years from the investment of FY92 funds is not included. For example, the 58 households which will benefit from the HOPE 3 program will not actually benefit until FY93 and FY94 when they purchase their home, therefore they are not included in Table C.

Table C: Estimate of Households and Persons Assisted During FY92

<u>Federal Funding Source</u>	<u>Estimate of Households/Persons Assisted</u>
1 CDBG (housing)	193
2 Emergency Shelter Grant (persons)	40,400
3 Section 8 Rental Vouchers/Certificat	1,990
4 Low Income Housing Tax Credits	8,931
5 Rental Rehab	350
TOTAL HOUSEHOLDS ASSISTE	51,864

The Annual Plan for FY92 used different definitions supplied by HUD to estimate the number of households which will ultimately benefit from FY92 funds. Because of the different method used to estimate the households assisted, a comparison is not meaningful.

D. OTHER ACTIONS UNDERTAKEN

The following actions were also undertaken by the Texas Department of Housing and Community Affairs during fiscal year 1992.

Public Policies

The Annual Plan for FY92 called for the encouragement of local communities to reduce barriers to affordable housing which result from public policies such as land use regulation and zoning requirements. The State has adopted the Annual Plan's recommendation that extra consideration be given to applications for funding from the HOME program and the Housing Trust Fund if the local community takes action to eliminate adverse public policies. Applications from local communities which extend the long-term affordability commitment of a project beyond the HUD requirement also receive a higher score.

Lending institutions usually work closely with federal and state agencies in financing housing programs. As a result TDHCA has sought increased cooperation from these entities, since many development barriers are funding related. During FY92 lenders participating in the Single Family Mortgage Revenue Bond and Down Payment Assistance Programs were exposed to a number of workshops and seminars designed to increase their levels of sensitivity and awareness of the obstacles encountered by very low and low income persons. Through this endeavor, TDHCA was able to expand the lending base by at least 50%. As a result TDHCA now works with lenders servicing loans for low income residents in 17 counties where financing was previously difficult to find.

Institutional Structure

The Annual Plan identifies the Texas Department of Housing and Community Affairs as the primary agency to carry out the State's housing programs. TDHCA worked closely with other

State agencies to coordinate the programs referenced in this Performance Report. In particular TDHCA worked closely with the Texas Department of Health and Human Services and the Texas Department of Mental Health and Mental Retardation.

Intergovernmental Cooperation

TDHCA worked with the State agencies mentioned above as well as other federal and local government organizations. Specifically TDHCA worked frequently with HUD, the Resolution Trust Corporation, the Federal Home Loan Bank, and the Farmers Home Administration. TDHCA worked closely with local government organizations such as counties, cities, and public housing authorities. A close working relationship with these government organizations has assisted the efforts of TDHCA to provide effective programs, as well as market its programs.

During the summer of FY92, TDHCA participated on the Housing Subcommittee of the Governor's Border Working Group. This committee produced a final report titled "Housing Need in the Texas Border Region," which spells out several recommendations to the State and other organizations to increase the effort to provide affordable housing to the Colonias in the border region.

Discussion is also underway regarding two projects between TDHCA and the Resolution Trust Corporation (RTC). TDHCA is considering working with RTC to monitor projects for compliance which RTC sold under the guidelines of their Affordable Housing Program. TDHCA may also assist RTC in the sale of properties for future affordable housing.

Low-income Housing Tax Credit

The allocation of tax credits by TDHCA during FY92 is described under Section B. TDHCA is currently reviewing the tax credit allocation process so that all of the tax credits which may

be available in 1993 will be allocated before the end of the year. Throughout FY92, TDHCA encouraged the coordination of the tax credit program with other federal, state, and local housing programs.

Public Housing Resident Initiatives

No actions were undertaken or anticipated by the Annual Plan for FY92 because the State of Texas does not have jurisdiction over public housing residents.

Affirmatively Furthering Fair Housing

TDHCA continued to affirmatively support fair housing and require all recipients of funding to affirmatively support fair housing.

PART II: ASSESSMENT OF ANNUAL PERFORMANCE

The State of Texas has made significant strides during fiscal year 1992 towards achieving the priorities of the five year CHAS. Unfortunately, all of the resources available to the State are insufficient to meet the vast affordable housing needs throughout Texas. As an example, 273 organizations applied for a total of \$114 million in the first application for HOME funds. The State Housing Trust Fund (approximately \$7.4 million available for FY92) received 68 applications for a total of approximately \$28.3 million.

The majority of the resources which were available to the State in FY92 were used to address the first two CHAS priorities. The Single Family Mortgage Revenue Bond Program helped 1,617 very low and low income first time homebuyers purchase a home. The Weatherization Programs helped over 2,500 low income households with minor home repairs. The Low Income Housing Tax Credit Program benefited over 8,900 low income renters. As funds from the HOME program, HOPE III and the State Housing Trust Fund are expended in FY93, the State will be able to further address all of the CHAS priorities. Priorities 3-5 of the CHAS will receive greater emphasis during the next few years.

TDHCA placed an emphasis on leveraging federal funds with other public and private resources. A list of matching funds provided during FY92 appears on page 12. By transferring \$1,166,000 of HOME funds directly to eight threshold communities, the State leveraged an additional \$4.8 million in federal funds. The State HOME Program and Housing Trust Fund also designed applications during FY92 which give a higher score to applicants which leverage other resources for their project.

The five year priorities of the CHAS served as a guide to TDHCA in the development of the HOME program during FY92. Since rehabilitation of owner occupied housing in rural areas

PART II: ASSESSMENT OF ANNUAL PERFORMANCE

While the State of Texas had significant accomplishments during fiscal year 1992 towards achieving the priorities of the five year CHAS, it should be noted that the Texas Department of Housing and Community Affairs (TDHCA) had been impacted by a legislatively mandated merger of the Texas Housing Agency, the Texas Department of Community Affairs, and the Community Development Block Grant (CDBG) Program from the Texas Department of Commerce. The merger has been beneficial in bringing focus on issues concerning housing and community affairs. Nevertheless, the time and attention required to organizationally manage the merger did result in a diminished capacity to meet the needs of those we serve and more effectively utilize the funds available to us. These two factors, meeting the needs of those we serve and better utilizing our funds, is now well underway. Also, the technical assistance and capacity building efforts in support of non-profit housing providers was impacted by the merger as well. The funds to accomplish this are in place and will be used for that purpose as the Department sees them as a vital element in providing affordable housing to Texans of low and very low income.

It should come as no surprise that, unfortunately, all of the housing-related resources available to the State were insufficient to meet the vast affordable housing needs throughout Texas in FY 1992. As an example, 273 organizations applied for a total of \$114 million in the first round of applications for HOME funds (available HOME funds total \$32.4 million in FY92). The State Housing Trust Fund (approximately \$7.4 million available for FY92) received 68 applications for a total of approximately \$28.3 million.

The majority of the resources which were available to the State in FY92 were used to address the first two CHAS priorities. The Single Family Mortgage Revenue Bond Program helped 1,617 very low and low income first time homebuyers purchase a home. The Weatherization

Programs helped over 2,500 low income households with minor home repairs. The Low Income Housing Tax Credit Program benefited over 8,900 low income renters. As funds from the HOME program, HOPE III and the State Housing Trust Fund are expended in FY93, the State will be able to further address all of the CHAS priorities. Priorities 3-5 of the CHAS will receive greater emphasis during the next few years.

TDHCA placed an emphasis on leveraging federal funds with other public and private resources. A list of matching funds provided during FY92 appears on page 12. By transferring \$1,166,000 of HOME funds directly to eight threshold communities, the State leveraged an additional \$4.8 million in federal funds. The State HOME Program and Housing Trust Fund also designed applications during FY92 which give a higher score to applicants which leverage other resources for their project.

The five year priorities of the CHAS served as a guide to TDHCA in the development of the HOME program during FY92. Since rehabilitation of owner occupied housing in rural areas is one of the greatest housing needs identified by the CHAS, nearly two thirds of the State's HOME allocation is set-aside for this purpose.

As a result of the Annual Performance Report the State does not propose to change its five year strategy, primarily due to the fact that insufficient time has transpired to generate enough data from which a accurate analysis could be made. In FY94, TDHCA will undertake a comprehensive review of the 1992 five year CHAS priorities and strategies and update it with current program and demographic data that will better assess the housing needs in Texas.

is one of the greatest housing needs identified by the CHAS, nearly two thirds of the State's HOME allocation is set-aside for this purpose.

As a result of the Annual Performance Report the State does not propose to change its five year strategy, primarily due to the fact that insufficient time has transpired to generate enough data from which a accurate analysis could be made. In FY94, TDHCA plans to undertake a comprehensive review of the five year CHAS priorities and strategies. It will reflect the evaluation of the HOME and Housing Trust Fund programs after a complete year of operation.

APPENDIX A

PUBLIC REVIEW PROCESS

Public comments on the CHAS Annual Performance Report FY92 will be welcomed and received during five public hearings statewide (see list attached to the FY93 CHAS Annual Plan). Written public comments will also be accepted during the public comment period (October 30, 1992-November 29, 1992). A copy of the Performance Report will be available for review during the public comment period at area councils of government (COGs) and state depository libraries (see list attached to the FY93 CHAS Annual Plan). Notice of the public hearings and beginning of the public comment period were published in the Texas Register two weeks prior to the first public hearing. The Annual Performance Report will also reflect the input of the CHAS Advisory Committee which includes a broad representation of community and government leaders in affordable housing (see list in the FY93 CHAS Annual Plan).

APPENDIX B
SUMMARY OF PUBLIC COMMENTS AND RESPONSE

This Page Left Intentionally Blank Until End of Public Comment Period

APPENDIX C
1992 HOME ALLOCATIONS TO
PARTICIPATING JURISDICTIONS
& THRESHOLD COMMUNITIES

PARTICIPATING JURISDICTION	ALLOCATION AMOUNT	CONTACT PERSON
Austin	\$2,868,000	Lida Borge 512-499-6379
Beaumont	840,000	Richard Chappell 409-880-3786
Brownsville	1,067,000	Joe Galvan 512-548-6142
Corpus Christi	1,788,000	Chris Gorham 512-880-3000
Dallas	6,611,000	Carol Star 214-670-3601
El Paso	3,798,000	Andrew Hair 915-541-4891
Ft. Worth	2,507,000	Steve Johnson 817-871-7331
Harris County	1,779,000	Carol Borrego 713-626-5651
Hidalgo County	1,926,000	Annette Nevarez 512-318-2619
Houston	10,757,000	Amy Shellhamer 713-868-8414
Laredo	1,245,000	Cindy Collazo 512-791-7364
Lubbock	1,066,000	Sandy Ogletree 806-767-2290
San Antonio	6,771,000	Andrew Cameron 512-299-8299
Tarrant County	934,000	Patricia Ward 817-884-1736
Waco	896,000	Mason Yarbrough 817-750-5670

Threshold Communities

THRESHOLD COMMUNITIES *	STATE TRANSFER AMOUNT	CONTACT PERSON
Abilene	\$187,000	Roberta Thompson 915-676-6394
Amarillo	22,000	Vicki Covey 806-378-3023
Arlington	32,000	Charles Clawson 817-275-3271
Bexar County	155,000	Joseph Nazaroff 512-220-2677
Galveston	197,000	Ross Polk 409-766-2107
McAllen	157,000	Joe Saenz 512-686-6551
Odessa	226,000	Jerry Fletcher 915-337-7381
Wichita Falls	190,000	Bob Henderson 817-761-7454
TOTAL	\$1,166,000	

**Threshold Communities are communities receiving a HOME Program allocation between \$500,000 - \$750,000. In FY 1992 the State transferred the identified amounts to enable them to become Participating Jurisdictions.*

