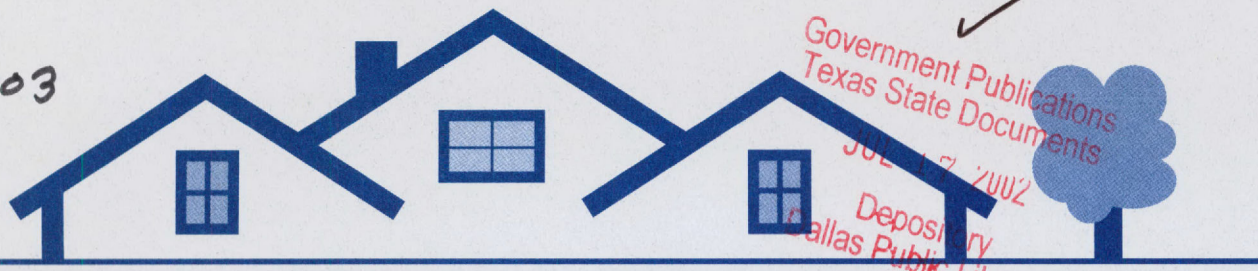


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# Breaking Ground

The quarterly newsletter of the Texas Department of Housing and Community Affairs

Providing information about community resources and affordable housing in Texas.

January-March 2001

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## Sunset Advisory Commission votes to continue TDHCA

By Michael Lyttle  
TDHCA Communications &  
Governmental Relations

The Sunset Advisory Commission recommended in January that the Texas Department of Housing and Community Affairs (TDHCA) be continued for another two years at which time it will undergo another review by the Commission and its staff. The 10-member Commission also recommended several changes affecting the structure of its governing board, Manufactured Housing Division, and Community Development Block Grant (CDBG) Program.

The Commission voted to restructure the Department's governing board as a seven-member board (rather than nine) composed of public members appointed by the Governor. The Commission also voted to specify that the current governing board may serve after the effective date of the Sunset bill until the Governor appoints the new board or until September 1, 2001.

The Commission also recommended that the new board appoint a series of advisory committees, as well as have access to proper working space and support staff assistance, as needed. The Department is also required to develop a process by which board decisions may be appealed. Furthermore, the Commission recommended changes to the board's statutory authority to ensure its ability to oversee non-housing related activity.

Two additional motions passed by the Commission affect two divisions within TDHCA. The Commission recommended a separate, five-member governing board be established for the Department's Manufactured Housing Division regulatory functions, but voted to keep the division's administrative functions within TDHCA. However, the Commission on a split vote recommended that the CDBG Program be relocated away from the Department into a new Office of Rural Community Affairs.

These recommendations by the Commission will be rolled into the "Sunset bill" on TDHCA to be voted upon by the legislature.

The Department has seen the Sunset Review process as a way to reenergize its service delivery. Improved practices have been established or are currently being put in place; and, following Sunset and legislative recommendations, the Department is proposing new initiatives to address deeper pockets of need in Texas.

"Our Sunset review has been a vigorous and healthy exercise," said Daisy A. Stiner, TDHCA Executive Director. "The agency will greatly benefit from this review and we are well on our way to implementing a number of the measures the Commission has identified."

Complete information on these decisions can be accessed through the Sunset Advisory Commission's web site at [www.sunset.state.tx.us](http://www.sunset.state.tx.us).

## TDHCA Governing Board approves Tax Credit Program QAP

By Gordon Anderson  
TDHCA Communications

The Governing Board of the Texas Department of Housing and Community Affairs (TDHCA) at its January 26 meeting approved the 2001 Qualified Allocation Plan and Rules (QAP) for the Low Income Housing Tax Credit (LIHTC) Program. The QAP are the rules by which the Department will administer the program for the 2001 allocation round.

The Department held a series of hearings throughout Texas during November and December of last year to receive public comment on the document. Members of the public also provided extensive written comment on the QAP. TDHCA took these comments into consideration while developing the draft document, which was then delivered to the Governing Board for review. Board members discussed, amended, and approved the draft document before forwarding it to the Capitol for Governor Rick Perry's signature. (See "QAP", page 7)

## The 77th Legislative Session in review

By Roy C. Lopez and Elena Peinado  
TDHCA Governmental Relations

The session is on and the 77th Legislature is making decisions on how Texas will meet its various pressing needs. Most bills affecting affordable housing and community development will go through the TDHCA's oversight committees: the House Committee on Urban Affairs and the Senate Committee on Intergovernmental Relations. Other Committees which may be of interest include:

- Senate Committee on Business and Commerce (includes a Subcommittee on Border Affairs);
- Senate Committee on Health and Human Services (for issues dealing with special needs populations);
- House Committee on County Affairs;
- House Committee on Economic Development;
- House Committee on Financial Institutions;
- House Committee on Human Services; and
- House Committee on Land and Resource Management.

The Texas Legislature has made its activities more accessible to those outside of Austin through its Texas Legislature Online website located at: <http://www.capitol.state.tx.us/>. The website allows you to search for bills filed by bill number, author, subject, committee and/or a keyword. You can read the text of a bill and learn its status in the process. For those of whose high school civics class recall is rusty, the site also provides an overview of the legislative process.

The Senate and House also have a website to keep Texans informed. Through them you can follow Committee schedules and find out when public hearings on the bills will take place. You may also listen to Committee hearings and meetings of the full House or Senate through these websites. The House website is <http://www.house.state.tx.us/>. The Senate website is <http://www.senate.state.tx.us/>.

### Bills to watch

This 77th session, housing and community development issues are holding a considerable amount of attention under the (See "Session", page 2)

## Identifying regional needs

Editor's note: In February 2001, TDHCA submitted its Exceptional Items Request to the 77th Texas Legislature. Among the Department's requests was a "Regional Needs Assessment" plan, described below.

By Sarah Dale Anderson  
TDHCA Office of Strategic Planning

### Background

As identified through the budget structure laid out by the Legislative Budget Board for the Texas Department of Housing and Community Affairs, the amount of funds available to the State is adequate to address less than one percent of the total housing need. With the addition of all other federal, state, and local funds, approximately another three percent can be addressed. With this in mind, it is imperative that those most in need receive the resources that are available and that alternatives be found to traditional means of financing housing and community development issues.

### Proposal

To create a comprehensive strategic plan to address the housing and community development needs of Texans, TDHCA must have an accurate picture of not only existing needs, but also of estimated future needs. While facts and figures from sources such as the U.S. Census Bureau, the U.S. Department of Housing and Urban Development, and Texas State Data Centers will provide an accurate base for such planning, it will be imperative that local communities have input. This input will not only help reconcile the raw numbers with the communities assessment of their needs, but also help with the prioritization of needs.

Recognizing the unique socioeconomic and cultural characteristics that exist across the state, TDHCA believes that each state service region should have a planner who focuses solely on the needs for that specific region. To facilitate this dialogue, TDHCA is proposing to work with a research staff that has local ties/knowledge in the development of its strategic plan.

### Regional Development Coordinators\*

TDHCA is proposing to have a Regional Development Coordinator working locally to help:

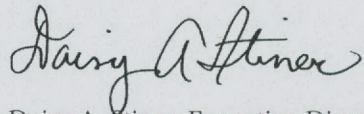
- Identify local data partners and perform data reconciliation;
  - Identify local, regional, statewide, national partners;
- (See "Regional", page 7)

## A message from the Executive Director

Dear Reader:

The 77th legislative session is upon us! We are continuing to work closely with members of the Texas Senate and House of Representatives to further address and streamline the requirements and processes of the programs and services we administer. Meanwhile, the Department's program staff remains hard at work in servicing the housing and community development needs of our state's citizens. This new issue of *Breaking Ground* will give you a review of the status of our programs and a taste of the latest developments at the Department. We trust you will find this publication to be helpful and informative.

Sincerely,



Daisy A. Stiner, Executive Director  
Texas Department of Housing and Community Affairs

### Session (Continued from page 1)

pink capitol dome. Bills have been introduced and referred to committees regarding opportunities, which will address the service delivery of many of TDHCA's programs, which could mean changes. As of March 7, 2001, proposed legislative actions affecting the Department and its subgrantees include:

**HB 1 (Junell)** (Same as SB 1-Ellis) – This is the General Appropriations Act for the 2002-2003 biennium. When the Senate Committee on Finance and the House Committee on Appropriations address this appropriations bill, they will determine the funding level for all state agencies including, TDHCA.

**HB 7 (Chisum)** This bill would create the Office of Rural Community Affairs. If the bill passes as it has been introduced, this new Department would oversee the responsibilities of administering the Community Development Block Grant Program.

**HB 191 (Burnam)**: This bill establishes a special needs set-aside in the Housing Trust Fund. The bill amends the Government Code to require TDHCA to set aside at least 15% of the total Housing Trust Fund each biennium to assist individuals with special needs.

**HB 285 (King)**: Relates to the authority of a county or school district to sell land to certain organizations that provide low-income housing or promote revitalization of the land.

**HB 829 (Hill)**: Redefines the term "colonia" in TDHCA's statute. The bill amends TDHCA's statute to remove the limitation that a "colonia" must be located within 150 miles of Texas' border with Mexico.

**HB 1392 (Keefer)**: Relates to property tax exemptions for Community Development Housing Organizations (CDHOs). The bill adds CHDOs to the list of organizations for which a property tax exemp-

tion, once granted, continues in effect until the ownership of the property changes.

**HB 1409 (Junell)**: Prohibits Councils of Government from collecting a fee for administering CDBG contracts.

**HB 1811 (Kolkhorst)** This Bill would mandate that the Department shall expend at least 95 % of HOME funding to non-participating small cities and rural areas that do not qualify to receive direct HOME funding allocations from the United States Department of Housing and Urban Development.

**HB 2116 (Ritter)** This bill would restrict housing finance corporations (bond projects only) from developing multifamily residential developments unless at least 50 percent of the units are reserved, for the lifetime of the residential development, for occupancy by individuals and families earning less than 100 % of the area median family income.

**SB 198 (Moncrief)**: Reported out of the Senate Intergovernmental Relations Committee as a committee substitute, this bill applies contract for deed homebuyer protections statewide.

**SB 517 (Lucio)**: Relates to land development in counties within 50 miles of the Texas border with Mexico. The bill adds to the Local Government Code to authorize the Commissioners Court in a county to regulate land development in the unincorporated areas of the county, as specified in the bill, and to adopt building codes to promote safe and uniform building, plumbing, and electrical standards.

**SB 537 (Lucio)**: This bill relates to the authority of a municipality to regulate the movement of a manufactured house in the municipality. The bill amends a section of the Transportation Code to authorize a municipality, but not a county, to require a permit, bond, fee or license, in addition to the state requirements, for the movement of a manufactured home within the municipality. ■

## GUEST CORNER

# States win huge victory for affordable housing

By John McEvoy  
National Council of State Housing Agencies

In the last bill it passed on its last day before adjourning in December, Congress provided the biggest single increase in federal housing assistance in history. President Clinton signed that bill into law a week later. That legislation's enactment represents a triumph by the nation's state housing agencies, like the Texas Department of Housing and Community Affairs (TDHCA), which fought four years to win it. The real winners, however, will be the hundreds of thousands of additional lower income people in Texas and all across the country who will now have the chance to rent or own a safe, decent, and affordable residence to live.

The bill Congress passed provides a 50 percent increase in the federal limits on the two principal federal programs that finance affordable homes and apartments: tax-exempt private activity (Single Family Mortgage Revenue) Bonds and the Low Income Housing Tax Credits. States administer both programs through their housing finance agencies.

The Single Family Bond program provides investors with a federal tax exemption on the interest on bonds they buy from housing finance agencies. The federal tax savings leads investors to accept a relatively low rate of interest on those bonds. The housing agencies repackaged the money they get from selling those bonds and pass the interest savings along in the form of discount-rate mortgages to lower income, first-time homebuyers.

The Tax Credit program empowers state housing finance agencies to give federal tax credits to developers who build apartments for low income renters. The apartments must be limited for at least 30 years to renters who make 60 percent or less of an area's median income. The agency must make sure that the proposed development meets its statewide plan that determines areas of greatest need and only gets the amount of Housing Credit necessary to finance the low income apartments.

Nationwide, the increases Congress enacted will produce as many as 65,000 new first-time homebuyer mortgages and 30,000 new apartments for lower income families. Because every state's share is determined by its population, Texas will benefit more than almost any other state.

In 1986, as a deficit reduction measure, Congress limited the volume of tax-exempt bonds each state could issue for most kinds of economic development and housing to an amount determined by multiplying the state's population by \$50. The amount of Housing Credits each state could allocate to developers was limited by multiplying the state's population by \$1.25.

Even in 1986, these limits were well below the number of homebuyers and renters whose incomes made them eligible for the programs. Worse, the limits were never increased for inflation. As a result, by last year, both the Housing Bond and Credit

programs had lost at least 50 percent of the purchasing power they had in 1986. That left thousands of additional families without affordable housing opportunity, even though their incomes made them eligible for help.

Congress finally enacted the increases because the nation's housing finance agencies, like TDHCA, went door to door in Congress for nearly four years to enlist support for them. The National Council of State Housing Agencies, which represents these state agencies in Washington, D.C., drafted the bills Congress passed. The bills increase the limits and adjust them annually hereafter to make up for future inflation. That will keep Housing Bonds and Credits from ever again losing purchasing power.

The state agencies enlisted the support of governors, House members, senators and the President to get the increases enacted.

As a result, more than half the nation's governors, including then-Governor Bush, endorsed the bills, and 86 percent of all members of both houses of Congress co-sponsored them.

The relentless four-year journey the states pursued to win the Single Family Bond and Tax Credit cap increases had more than its share of challenges and frustrations along the way. Many outsiders considered it a hopeless task. But the chance to expand housing opportunity so greatly for lower income American families was too important for the states ever to accept defeat. ■



Governor of Texas: Rick Perry

TDHCA Governing Board:

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Margie Lee Bigham	Vidal Gonzalez
Robert Brewer	Lydia Rangel Saenz
C. Kent Conine	Marsha L. Williams

Executive Director: Daisy A. Stiner

Director of Communications: Michael Lyttle

Managing Editor: Jill McFarren

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## Nuts and Bolts

### TDHCA's Community Development Block Grant Stats

The Community Development Block Grant (CDBG) funded approximately **316** rural infrastructure, planning, housing and economic development projects in fiscal year **1999**, serving **476,744** individuals.

The CDBG funded approximately **347** rural infrastructure, planning, housing and economic development projects in fiscal year **2000**, serving **546,084** individuals.

# TDHCA marks 12 years of Fair Housing; Recognizes National Fair Housing Month

By Jill McFarren  
TDHCA Communications

Throughout the month of April, the Texas Department of Housing and Community Affairs (TDHCA) is celebrating 12 years of the Texas Fair Housing Act by observing National Fair Housing Month. Governor Rick Perry noted the important contributions the state's fair housing programs have made to Texans by issuing an official Proclamation announcing the month of April as Fair Housing Month.

"This Proclamation confirms our commitment to fair housing in Texas," said Daisy Stiner, Executive Director of TDHCA. "Our job is to administer a variety of programs that help to ensure that fair housing is a reality for all Texans. This month TDHCA will be reflecting on where we, as a state, have been, and where

we're heading in furthering the availability of fair housing in Texas."

The Fair Housing Act, established by Congress in 1968, prohibits discrimination in the financing, rental, or sale of dwellings based on race, color, religion, sex, or national origin. Amendments to the Act in 1988 extended it to also prohibit discrimination based on disability and familial status. The Texas Legislature also solidified its commitment to fair housing with the Texas Fair Housing Act of 1989—which offered protection for apartment renters and homeowners. TDHCA has also made this commitment through its programs,

helping to ensure that all Texans have access to fair and decent housing.

To read the complete text of the Texas Fair Housing Month Proclamation, visit the TDHCA website.

■  
**April is  
National  
Fair Housing  
Month**  
■

## Fair Housing:

### An update from the Federal Register

Vol. 65, No. 236 / Thursday, December 7, 2000 / Notices

Department of Housing and Urban Development  
(Docket No. FR-4621-N-02)

Community Planning and Development Formula Programs: Assisting Persons With Disabilities – Recipients' Affirmatively Furthering Fair Housing Responsibilities and Involvement of Persons With Disabilities in Planning Actions

#### Highlights:

- Each recipient jurisdiction must submit a certification required by the Community Development Block Grant regulations and the Consolidated Plan regulations stating that it will affirmatively further fair housing.
- The amendments to the Fair Housing Act in 1988 made it unlawful to discriminate against persons because of disability, including the failure to make multifamily residential structures built for first occupancy after March 13, 1991 accessible to persons with disabilities.
- Jurisdictions are also encouraged to take other actions to advance fair housing choice for persons with disabilities in support of their certification to affirmatively further fair housing.
- When reviewing Consolidated Plans, HUD is to take into consideration a community's adoption of a building code that satisfies the Act's accessibility requirements along with the community's other efforts to remove impediments to fair housing.
- HUD encourages elected officials and those engaged in housing and community development programs to determine whether a jurisdiction's building code is inconsistent in any respect with the Act's accessibility requirements.
- HUD's final report reviewing the model building codes was published in the Federal Register on March 23, 2000.
- The report identifies those areas of the code that were not consistent with the accessibility requirements of the Act, and included recommended language for addressing these variations.
- HUD encourages jurisdictions to find ways to inform builders and architects as early as possible in the project design phase, but certainly no later than the issuance of a building permit, of the need to comply with the accessibility requirements of the Act.

For a status report on TDHCA's programs and services, see "TDHCA Program Updates" on page 5.

# Family Crisis Center gets creative in achieving shelter goals

By Jill McFarren  
TDHCA Communications

Critical life-saving services are provided to victims of family violence, sexual assault and child abuse every day in shelters throughout our state. In the rural communities of Bastrop, Fayette, Lee and Colorado Counties in Central Texas, these services are provided by the Family Crisis Center. To provide the best care for local victims, the Center works to provide a continuum of care, which includes a 24-hour hot line, emergency shelter, crisis intervention

and advocacy, individual and group counseling, assistance with the criminal justice system, school based child abuse prevention programs and counseling, parent education programs, adult violence intervention programs and community organization. The Center has incorporated a variety of funding sources to support the spectrum of services it currently offers.

To address increasing housing and support services requests, the Center's Board of Directors designed a strategic plan that incorporated apartment units in the expansion and renovation of the emergency shelter. Center staff and volunteers made the expansion a priority and began researching funding options. TDHCA's HOME program was identified as a viable funding resource once the Center became a CHDO (Community Housing Development Organization).

Having successfully completed the CHDO process, the Center staff met with HOME program administrators, who recommended that the Center create a gated community, joining the apartment units with the emergency shelter, and using HOME dollars to pay for the apartments and any "common" areas.

A friend who is an architect with Haldeman Powell in Fort Worth, drew plans, and Gaeke Construction, another friend of the Center, built a bid.

The Center, a non-profit 501(c)3, raised funds to purchase the current emergency shelter and "match" the requested \$1,000,000 in no-interest loans. TDHCA's

Board of Directors approved the HOME loan, and the Center expanded its search for funding partners to meet the financial needs for the entire project, which will cost \$1,970,541. The Center's collaborative partnerships currently include:

- Meadows, Swalm and Lola Wright Foundations: leveraged community funds and brought in new partners;
- Federal Home Loan Bank: \$336,000 grant award for proposal submitted through First National Bank (Bastrop);
- TDHCA's Emergency Shelter Grants Program: renovation funds for emergency



The Family Crisis Center in Bastrop.

shelter and homeless prevention activities for local families;

- Region XIII Homeless Children's program: support for children's activities;
- State program for homeless children: funded technology plan for apartments and emergency shelter;
- Local international security firm, Kohl, Schiff and Associates: donated security plan and security equipment;
- VISTA: 2 positions to work with families in the apartments;
- Local housing authorities and formerly battered women: reviewed policies and protocols for new units;
- Combined Community Action, the local Community Action Agency who provides TDHCA's Community Services Block Grant (CSBG) services: oversight and management of rental complex; and
- Family Crisis Center: oversight of emergency shelter.

Confident in the Center's dream, TDHCA funded the project ensuring ongoing service to area individuals and families. The leveraged funding, from both inside and outside the community, will build a gated community that will save lives, and increase affordable housing in Bastrop County by 10 percent. The Center believes its broad spectrum of services will help families with multifaceted needs build their self-sufficiency and independence, which will in turn strengthen local communities. The complex will be ready for occupancy in April 2001. ■

### HUD SuperNOFA News

The San Antonio Housing and Urban Development (HUD) office is hosting the fiscal year 2001 Super Notice of Fund Availability (SuperNOFA) Broadcasts for grants to fund HUD Housing and Community Development Programs.

Check the HUD web site for additional

SuperNOFA information including application kits, chart with deadlines, etc.

The SuperNOFA Information Center may be reached from 8:00 a.m. to 7:00 p.m. CST, Monday through Friday, by dialing toll free 1-800-HUD-8929 or 1-800-483-2209 TTY.

www.hud.gov

# ON THE CALENDAR

## APRIL 2001

April is **FAIR HOUSING** month!

- 10** LIHTC Compliance Workshop, Austin. Contact TDHCA's Compliance Division: (512) 475-3926.
- 11** HOME Compliance Workshop, Austin. Contact TDHCA's Compliance Division: (512) 475-3926.
- 11-12** RRHA Rental Occupancy Management Seminar, Levelland. Contact the Rural Rental Housing Assoc. of Texas: (254) 778-6111.
- 16-20** **National Community Economic Development Week**
- 17-20** MBA National Technology in Mortgage Banking Conference, San Francisco, CA. Contact Jim Horne, Mortgage Banker's Association: (202) 557-2819 or visit [www.mbaa.org](http://www.mbaa.org)
- 18** USDA Guaranteed Rural Housing lender training session, Temple. Covers processing and underwriting issues. Contact the Texas state office of the U.S. Department of Agriculture Rural Development: (254) 742-9770.
- 18** TDHCA Governing Board meeting. Contact Gordon Anderson, TDHCA: (512) 475-4743
- 23** LIHTC application deadline. Contact Cherno Njie: (512) 475-1565.
- 24** Tax-Exempt Bond Compliance Workshop, Dallas. Contact TDHCA's Compliance Division: (512) 475-3926.
- 24-25** Financial Management Training, San Antonio (#). Contact Andrea Freeman or Ursula Jackson, ICF Consulting: (703) 934-3317 or visit [www.icf-infotech.com](http://www.icf-infotech.com)
- 25-28** NALHFA Spring Conference, San Diego, CA. Visit the National Association of Local Housing Finance Agencies: [www.nalhfa.org](http://www.nalhfa.org)

## MAY 2001

- TBA** LIHTC will hold four public hearings in Austin, Dallas, San Antonio and Houston on applications received for proposed tax credit developments. Contact Cherno Njie: (512) 475-1565.
- 1-3** Developing Affordable Housing in Rural Texas, Lubbock (#). Contact Mia Ford, Texas Development Institute: (512) 478-6067.
- 2-4** "Unique Opportunities for Affordable Housing Developers", the 2001 Western Regional Conference, Las Vegas, NV. Contact Nikki Gentile, representing Reznik Fedder & Silverman, CPAs, PC: (301) 652-9100.
- 3** State Community Development Review Committee meets to review funding recommendations for the 2001 and 2002 program years. Contact Sandy Mauro, TDHCA: (512) 475-3912.
- 5-8** NCSHA Spring Workshops, Tampa, FL. Contact the National Council of State Housing Agencies: (202) 624-7710 or visit [www.ncsha.org](http://www.ncsha.org)
- 8-9** TDHCA and Dallas HUD Affordable Housing, Telecommunications, and Economic Development / Workforce

Development Workshop, Longview. Contact Wayne Dial, TDHCA Technical Assistance Center, Mt. Pleasant: (903) 572-0111

- 8-9** Construction Management Training, Dallas/Ft. Worth (#). Contact Andrea Freeman or Ursula Jackson, ICF Consulting: (703) 934-3317 or visit [www.icf-infotech.com](http://www.icf-infotech.com)
- 9** USDA Guaranteed Rural Housing lender training session, Temple. Covers processing and underwriting issues. Contact the Texas state office of the U.S. Department of Agriculture Rural Development: (254) 742-9770.
- 14-16** TMBA 85th Annual Conference, Galveston, TX. Visit Texas Mortgage Banker's Association at [www.texasmba.org](http://www.texasmba.org).
- 15** LIHTC Compliance Workshop, Dallas. Contact TDHCA's Compliance Division: (512) 475-3926.
- 15-16** Property Management Training, Houston (#). Contact Andrea Freeman or Ursula Jackson, ICF Consulting: (703) 934-3317 or visit [www.icf-infotech.com](http://www.icf-infotech.com)
- 15-17** RRHA "Advanced" Rental Housing Management Seminar, College Station. Contact the Rural Rental Housing Assoc. of Texas: (254) 778-6111.
- 15-18** Nonprofit Resource Center of Texas workshop, San Antonio (\*\*\*#). Contact Suzanne Mora: (210) 227-4333 or visit [www.nprc.org](http://www.nprc.org)
- 16** TDHCA Governing Board meeting. Contact Gordon Anderson, TDHCA: (512) 475-4743
- 16** AHDP Compliance Workshop, Dallas. Contact TDHCA's Compliance Division: (512) 475-3926.

## JUNE 2001

- TBA** **Homeownership Week**
- 7-11** TCMA Annual Conference, Laredo. \*Includes TDHCA HTF presentation June 10\* Contact Texas City Management Assoc.: (512) 719-6300 or visit [www.tcma.org](http://www.tcma.org)
- 12-13** Property Management Training, San Antonio (#). Contact Andrea Freeman or Ursula Jackson, ICF Consulting: (703) 934-3317 or visit [www.icf-infotech.com](http://www.icf-infotech.com)
- 13** USDA Guaranteed Rural Housing lender training session, Temple. Covers processing and underwriting issues. Contact the Texas state office of the U.S. Department of Agriculture Rural Development: (254) 742-9770.
- 13** LIHTC Compliance Workshop, Corpus Christi. Contact TDHCA's Compliance Division: (512) 475-3926.
- 14** HOME Compliance Workshop, Corpus Christi. Contact TDHCA's Compliance Division: (512) 475-3926.
- 19-20** Construction Management Training, Corpus Christi (#). Contact Andrea Freeman or Ursula Jackson, ICF Consulting: (703) 934-3317 or visit [www.icf-infotech.com](http://www.icf-infotech.com)

**NOTE: TDHCA entries are highlighted in color for your convenience.**

- 19-22** NCSHA Housing Credit Conference, Seattle, WA. Contact the National Council of State Housing Agencies: (202) 624-7710 or visit [www.ncsha.org](http://www.ncsha.org)
- 20** TDHCA Governing Board meeting. Contact Gordon Anderson, TDHCA: (512) 475-4743
- 21** Financing Affordable, Homeownership in Rural Texas, Oklahoma and Louisiana, Dallas. USDA Rural Development, and others. Contact Roberta Youmans: (202) 408-2581.
- 21-23** MBAA Commercial and Multifamily Mortgage Administration Conference, San Antonio. Contact Mortgage Bankers Assoc. of America (MBAA): (800) 793-6222 or visit [www.mbaa.org](http://www.mbaa.org)

## JULY 2001

- 11** USDA Guaranteed Rural Housing lender training session, Temple. Covers processing and underwriting issues. Contact the Texas state office of the U.S. Department of Agriculture Rural Development: (254) 742-9770.
- 12-14** NCHM Certified Occupancy Specialist training and certification, Dallas. Contact the National Center for Housing Management: (800) 368-5625 or visit [www.nchm.org](http://www.nchm.org) or call.
- 18** TDHCA Governing Board meeting. Contact Gordon Anderson, TDHCA: (512) 475-4743  
LIHTC allocations will be made at this meeting.

## AUGUST 2001

- TBA** HTF awards announced in late August. Contact Keith Hoffpauir, TDHCA's HTF: (512) 475-3986
- 8** USDA Guaranteed Rural Housing lender training session, Temple. Covers processing and underwriting issues. Contact the Texas state office of the U.S. Department of Agriculture Rural Development: (254) 742-9770.
- 14** LIHTC Compliance Workshop, Austin. Contact TDHCA's Compliance Division: (512) 475-3926.
- 15** AHDP Compliance Workshop, Austin. Contact TDHCA's Compliance Division: (512) 475-3926.
- 15** TDHCA Governing Board meeting. Contact Gordon Anderson, TDHCA: (512) 475-4743
- 16** HOME Compliance Workshop, Austin. Contact TDHCA's Compliance Division: (512) 475-3926.
- 21-23** NCHM Basic primer for Site-Based Compliance for the Tax Credit Specialist, Dallas. Contact the National Center for Housing Management: (800) 368-5625 or visit [www.nchm.org](http://www.nchm.org)
- 25-26** CAI Community Governance Course, Dallas. Contact the Community Associations Institute: (703) 548-8600 or visit [www.caionline.org](http://www.caionline.org)
- 27-29** TAAHP Annual Conference, Austin. Contact the Texas Affiliation of Affordable Housing Providers: (512) 454-8626.
- 29-31** NAHRO Senior Professional Housing Manager course, San Antonio. Contact the National Assoc. of Housing and

Redevelopment Officials: (202) 289-3500 or visit [www.nahro.org](http://www.nahro.org)

## SEPTEMBER 2001

- TBA** LIHTC Carryover Training workshop. Contact Cherno Njie: (512) 475-1565.
- TBA** LIHTC Certification Training workshop. Contact Cherno Njie: (512) 475-1565.
- 1** CSBG submits its Annual Plan to the U.S. Department of Health and Human Services.
- 11** Tax-Exempt Bond Compliance Workshop, Dallas. Contact TDHCA's Compliance Division: (512) 475-3926.
- 11** RRHA Tax Credit Compliance Seminar, Salado. Contact the Rural Rental Housing Assoc. of Texas: (254) 778-6111.
- 12-13** RRHA Rental Occupancy Management Seminar, Salado. Contact the Rural Rental Housing Assoc. of Texas: (254) 778-6111.
- 12** USDA Guaranteed Rural Housing lender training session, Temple. Covers processing and underwriting issues. Contact the Texas state office of the U.S. Department of Agriculture Rural Development: (254) 742-9770.
- 19** LIHTC Compliance Workshop, Dallas. Contact TDHCA's Compliance Division: (512) 475-3926.
- 19** AHDP Compliance Workshop, Dallas. Contact TDHCA's Compliance Division: (512) 475-3926.
- 19** TDHCA Governing Board meeting. Contact Gordon Anderson, TDHCA: (512) 475-4743

- # TDHCA Housing Trust Fund Capacity Building Training
- \* Texas Homeless Network workshops will include sessions on Best Practices for Nonprofits, Obtaining State & Federal Funds for Affordable Housing, Planning & Collaboration, and Grant Writing as a Process.
- \*\* TONYA, Inc. workshop includes: Organizational Development, Housing Resources, Housing Programs, and Grant Writing.
- \*\*\* Each Nonprofit Resource Center of Texas' workshop is a four day series featuring: Roles & Responsibilities of Board & Staff, Strategic Planning, Resource Development, Strategic Alliances, Internal Operation & Human Resources, nonprofit Fiscal Management, Proposal Writing and Government Grantwriting.

- AHDP Affordable Housing Disposition Program
- CHDO Community Housing Development Organization
- CSBG Community Services Block Grant Program
- ESGP Emergency Shelter Grants Program
- HOME HOME Investment Partnerships Program
- HTF Housing Trust Fund
- LIHTC Low-Income Housing Tax Credit Program
- NOFA Notice of Funding Availability
- QAP Qualified Allocation Plan and Rules
- TBA Date to be announced

# TDHCA Program Updates: A status report on TDHCA's programs & services

## Community Affairs Division

By *Eddie Fariss*

### Community Services Block Grant Program (CSBG)

TDHCA's Community Services Block Grant Program (CSBG) provides administrative support to a network of local Community Action Agencies (CAAs) that provide services to very low-income persons in all areas of the state. The funding, from the U.S. Department of Health and Human Services, helps provide such essential services as childcare; health and human services for children, families and the elderly; housing; and other poverty-related programs.

This year, CSBG received \$28,719,487 for FY2001, a 13 percent increase over last year's \$25,255,680.

### Emergency Shelter Grants Program (ESGP)

TDHCA's Emergency Shelter Grants Program (ESGP) funds provide grants to eligible entities that provide shelter and related services for homeless persons, as well as intervention services to persons threatened with homelessness. Activities eligible for funding include renovation of shelters for use as homeless shelters; assistance in obtaining permanent housing; medical and psychological counseling and supervision; and the development and implementation of homeless prevention activities. TDHCA receives funding for this program from the U.S. Department of Housing and Urban Development (HUD).

In FY2001, TDHCA's ESGP will administer \$4,526,000 in funding made available throughout the state. As of March 9, 2001, 122 applications had been received for the funds.

### Emergency Nutrition/Emergency Relief Program (ENTERP)

The Emergency Nutrition/Emergency

Relief Program (ENTERP) provides emergency and energy-related assistance to low-income Texans. ENTERP aid is provided to county governments or non-profit organizations serving each Texas county. Funds are used to provide emergency services such as utility assistance, housing, food, clothing, medical services and transportation. TDHCA receives funding for this program from the State general revenue and oil overcharge.

TDHCA is currently obligating the last of the \$117,787.48 oil overcharge funds to rural counties with high unemployment and high poverty populations. Approximately 85 counties will receive \$1,386 each, depleting the program's total available funding.

Without the exceptional item funding, this program will cease to be a viable source of funding to provide emergency assistance in Texas communities.

## Community Development Division

By *Cynthia Vallejo*

### Texas Community Development Program (TCDP)

The Texas Community Development Program (TCDP) provides grants to assist cities with populations of less than 50,000 and counties with populations of less than 200,000 with housing, infrastructure, and economic development needs. Assistance is provided through eight program funds.

For the Fiscal Year 2000, TCDP awarded \$81,691,440 in Community Development and Economic Development contracts. These awards were made from the following funds under the TCDP umbrella:

- Community Development fund,
- Colonia fund (as of March 9, 2001, \$1 million was available in the TCDP Economically Distressed Areas Program fund for hook up projects),
- Planning and Capacity Building fund,
- Disaster Relief/Urgent Need fund,
- Housing Infrastructure fund,
- Housing Rehabilitation fund, and
- Texas Small Towns Environment Program (Texas STEP) fund.

### Other important TCDP notes:

- A total of 347 contracts were awarded.
- The total number of persons benefiting through these Community Development awards is 546,084.
- The total number of proposed jobs to be created by the Economic Development awards is 1,371.
- The TCDP staff made a total of 566 technical assistance visits and 305 monitoring visits.
- The number of applications received and reviewed was 963.

## Energy Assistance Division

By *John Touchet*

### Important Energy Assistance notes:

- Energy Assistance (EA) staff accept and refer upwards of 100 applicant calls per day via the toll-free line (877) 399-8939.
- EA Planning staff have solicited comments from subgrantees and other interested parties for the U.S. Department of Energy Weatherization State Plan. EA will publish the completed plan via the TDHCA internet site.
- EA staff compiled a history of the Weatherization Piggyback Program. To the best of our knowledge and records, this utility-funded program has helped to weatherize 7,961 homes since its inception 1996 through August 2000.

### Comprehensive Energy Assistance Program (CEAP)

The Comprehensive Energy Assistance Program (CEAP) services include utility payment assistance, energy education and budget counseling.

Below are the quantitative performance measures reflected in program reports submitted in January 2001 for December 2000 activity.

FY2001 (09/01/00 - 08/31/01)	No. of households assisted
Year-End Goal*: .....	38,532
Monthly Performance: .....	8,505
Year-to-Date: .....	56,762
Percent of Goal: .....	147.31%

\* Legislative appropriations mandate yearly goal

### Weatherization Assistance Program (WAP)

The Weatherization Assistance Program (WAP) funds the installation of weatherization materials and provides energy conservation education.

Below are the quantitative performance measures reflected in program reports submitted in January 2001 for December 2000 activity.

FY2001 (09/01/00 - 08/31/01)	No. of dwellings weatherized
Year-End Goal: .....	2,732
Monthly Performance: .....	340
Year-to-Date: .....	1,510
Percent of Goal: .....	55.27%

## Housing Programs Division

By *Willie Tenorio*

### HOME Program

The HOME Investment Partnerships Program (HOME) provides grants and loans to help local governments, nonprofit agencies, for-profit entities, and public housing agencies provide safe, decent, affordable housing to extremely low-, very low- and low-income families. HOME allocates funds through four basic activities: Homebuyer Assistance, Rental Housing Development, Owner-Occupied Housing Assistance, and Tenant-Based Rental Assistance.

The HOME Investment Partnerships Program fiscal year 2001 Notice of Funding Availability (NOFA) was published on **March 30, 2001** in the Texas Register. Approximately \$39 million is available for Owner Occupied Rehabilitation, Homebuyer Assistance, Tenant Based Rental Assistance and Demonstration Fund activities for fiscal year 2001. Special set-asides for Special Needs populations and Community Housing Development Organizations (CHDO) are also available.

The 2001 HOME Program Application will be available on the TDHCA website (See "Programs", page 6)

## Foundations

### Moving up...

In February, **Matt Pogor** was promoted to TDHCA Bond Finance Manager. Pogor previously held the Compliance and Disclosure Manager position at the agency.

In March, **Robert Onion** was named to TDHCA's Multifamily Housing Finance Director post, which had been vacated by **Brent Stewart** in February. Stewart, who is missed by a staff that respected his leadership, left TDHCA for a position in the private sector.

### In remembrance...

Funeral services for the USDA Rural Development's director of single family housing in Texas, **Ronney Radle**, were held February 21 in Temple. Radle, who was 52, will be remembered for his dedication and contributions to improving the quality of life of the Texans he served. Memorials may be made to Christian College Sunday School Class, First United Methodist Church, 102 N. 2nd St., Temple, TX 76501.

## Resources

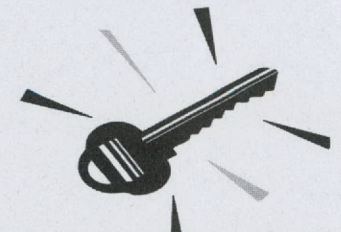
The **Texas Association of Community Development Corporations (TACDC)** is dedicated to enhancing community development in Texas. Ask them about their CDC Needs Analysis Study, and their research project and publication: "Building a Future: the Contributions of Community Development Corporations in Texas". Be sure to also inquire about their free quarterly newsletter, "Texas Community Developer".

**Mail:** TACDC  
700 Lavaca, Suite 120  
Austin, TX 78701  
**Phone:** (512) 457-8232  
**Fax:** (512) 479-4090  
**Web:** www.tacdc.org  
**E-mail:** info@tacdc.org

The **Housing Assistance Council (HAC)** is a national nonprofit corporation created to increase the availability of decent and affordable housing for low-income people in rural areas throughout the United States. Established in 1971, HAC provides many services for local, state, and national organizations including loans, publications, technical assistance, training, and special projects.

**Mail:** HAC  
125 Vermont Ave. NW, Suite 606,  
Washington, DC 20005  
**Phone:** (202) 842-8600  
**Fax:** (202) 347-3441  
**Web:** www.ruralhome.org  
**E-mail:** hacnews@ruralhome.org

## Here's your new key!



TDHCA invites you to open the door to our new site where you'll have complete access to all the available documents, data and information on every program and service we administer.

Click on us anytime.

You'll find us at:  
**www.tdhca.state.tx.us**

# Housing agency celebrates 27 years of community development

By Jill McFarren  
TDHCA Communications

The Texas Department of Housing and Community Affairs (TDHCA) is celebrating 27 years of the National Community Development Act by observing Community Development week. Governor Rick Perry noted the important contributions the state's community development programs and services have made to communities throughout the state by issuing an official Proclamation announcing April 16-20 as Community Development week.

TDHCA Executive Director, Daisy Stiner, confirmed the state's commitment to community development in Texas. "TDHCA's job is to ensure that community development opportunities are available to all Texas cities and counties," Stiner said. "We acknowledge, recognize and commend all of the communities and organizations who have partnered with us to achieve an improved quality of life through the development of their community."

When Congress passed the Community Development Act in 1974 - nearly 27 years ago - Title I of the Act created the Community Development Block Grant (CDBG) Program. The block grant model gives communities broad latitude in using funds for a variety of development activities, including providing for affordable and accessible housing, health care, senior citizen programs, and infrastructure improvements. Because of this program, more than 546,000 Texans were assisted in fiscal year 2000 by a wide range of Community Development programs administered by TDHCA.

In addition, more than \$85,352,000 was allocated to Texas during fiscal year 2000 from the U.S. Department of Housing and Urban Development (HUD) for CDBG programs.

In all, 347 projects were funded, for the development of community public facilities infrastructure-including water/wastewater systems, housing, roadway improvements and response to natural disasters. Of this amount more than \$12,623,400 million was allocated for economic development projects, and 1,371 jobs were either created or retained.

To read the complete text of the Community Development Week Proclamation, visit the TDHCA website. ■

## TDHCA Philosophy

ADVOCACY  
•  
SERVICE  
•  
PARTNERSHIP  
•  
EQUITY  
•  
RESPECT

**Programs** (Continued from page 5)  
on **April 16, 2001**, while hard-copies will be available from the Department on **April 30, 2001**.

**Award/funding distributions** are estimated for August, 2001.

Check the TDHCA website for a schedule of HOME Application **workshops**.

For more information regarding the **HOME NOFA**, including application submission deadlines and other important details, call HOME at (512) 475-3109 or visit the TDHCA website.

Interested Texans are encouraged to register on HOME's electronic mailing list, which is available on the TDHCA website. When HOME publishes its NOFAs, mailers are sent to everyone on the HOME mailing list, and emails go out to those on the electronic mailing list. Notices are also sent to individuals and organizations on TDHCA's Housing Resource Center's mailing list.

HOME program service update (TDHCA's allocation from HUD) for FY2000 (09/01/00-08/31/01) as of February 23, 2001:

HUD allocation for 2000 funding cycle: ..... \$37,823,000  
Number of applications received to date for 2000 funding cycle: ..... 288  
Number of awards distributed to date: ..... 86 awards

## Low Income Housing Tax Credits (LIHTC)

By Shannon Roth

Developers of low-income rental housing use the Low Income Housing Tax Credits, allocated by TDHCA, to offset a portion of their federal tax liability in exchange for the production of affordable rental housing.

**Applications** for the 2001 LIHTC cycle are available at this time on the TDHCA website free of charge. If you do not have access to our website, call (512) 475-3340 for details on how to purchase a hardcopy and diskette of the application directly from TDHCA's LIHTC Division for \$20.00. This price does not include the tab sets and binders which are an additional \$20.00. Those who choose to download the application off the website may also purchase the tab sets and binders from TDHCA's LIHTC Division. The application will only be accepted in the provided TDHCA binders and tab sets.

LIHTC will hold three **public hearings** to accept public comment on all applications received. These dates have not yet been determined as of press time. However, they will most likely be in mid May. Call the LIHTC Division at (512) 475-3340 or check the TDHCA website for updates.

**Written comments**, in support for or opposition to any application will be accepted by TDHCA from April 23, 2001, to July 18, 2001. Please be as specific as possible in the comment, i.e.: the city the proposed project is in, the project name, and or the project address (some projects may have the same name). The comments may be addressed to TDHCA LIHTC, P.O. Box 13941, Austin, TX 78711-3941. The allocations will be made at the July 18, 2001 TDHCA Board meeting.

The LIHTC Division expects to allocate

about \$31 million in credits this cycle.

For further information about the LIHTC application process, contact Brooke Boston at (512) 475-3340.

## Manufactured Housing

By Cindy Bocz

The Manufactured Housing Division ensures that manufactured homes are well-constructed and installed correctly; that consumers are provided fair and effective remedies; and that measures are taken to ensure economic stability for the Texas manufactured housing industry. The division also monitors manufacturers' performance in handling complaints; performs post-production monitoring; conducts training and issues licenses, state seals and titles; performs installation inspections; and investigates consumer complaints.

Below are the quantitative performance measures for fiscal year 2001 (09/01/00 - 08/31/01) as of February 26, 2001:

Number of manufactured housing titles issued to date: ..... **28,431**  
Number of licenses issued to date: . **2,634**  
Number of routine installation inspections conducted to date: ..... **5,032 (29.4%)**  
Target number of routine installation inspections to be conducted to date (target is per mandate): ..... **25%**  
Number of consumer complaints received to date: ..... **838**  
Number of consumer complaints resolved to date: ..... **301**  
Target number of consumer complaints resolved to date: ..... **All**

## Multifamily Housing Finance Division

By Stephen Apple

### Multifamily Mortgage Revenue Bond (MMRB) Program

The Multifamily Mortgage Revenue Bond Program issues mortgage revenue bonds to finance loans for qualified non-profit organizations and for-profit developers.

Below are productivity reports for program year 2000 (01/01/00 - 12/31/00), as of February 26, 2001.

#### Private Activity Bond Program:

Total multifamily bond transactions: .... 8  
Tax-exempt and taxable bonds issued (in dollars): ..... \$79,085,000  
Total number of housing units: .... 1,748\*

\* All units new construction for very low-income households.

### 501(c)3 Mortgage Revenue Bond Program:

Total multifamily properties financed: .. 3  
Tax-exempt and taxable bonds issued (in dollars): ..... \$53,420,000  
Total number of housing units: .... 1,150\*  
\* 898 units acquired; 252 units to be constructed. Of these, 863 will be reserved for low-income households, 413 of which will be reserved for very low-income households.

For 2001, TDHCA submitted 72 multifamily applications to the State's Private Activity Bond Lottery, and as of February

2001 the Division is working on six projects, which have received reservations. Including these six applications, and two 501(c)3 proposals, TDHCA's loan pipeline has a total of \$107,700,000 in issuance requests which would result in the new construction and acquisition and rehabilitation of 2,314 units throughout the state.

Pending approval from TDHCA's Governing Board, MMRB will transfer \$495,000 to the Department's Housing Trust Fund (HTF). The monies are provided through bond issuance fees collected throughout the year. Since 1999, the MMRB program has made two other such transactions, one for \$1,000,000, and another for \$500,000 totaling just under \$2,000,000 in transfers to the HTF. Overall, the MMRB program not only directly provides affordable housing, but also provides a significant source of income for the State's HTF.

## Single Family Housing Finance

By Jo Ann DePenning

### First-Time Homebuyer Mortgage Revenue Bond Program

The Texas First-Time Homebuyer Program channels below-market interest rate mortgage money through participating Texas lending institutions to eligible families who are purchasing their first home, or to those who have not owned a home in the past three years.

As of press time, current funds are available in active programs. The next bond issuance, Program 57, is projected to be available this summer.

### Down Payment Assistance Loan Program

The Down Payment Assistance Program (DPAP) helps very low- and low-income families purchase a home by providing an interest-free loan for down payment and eligible closing costs.

Since program's inception in June 1999, 733 loans have been funded through this program, totaling \$4,459,799.11.

Below are the quantitative performance measures for the DPAP as of February 23, 2001.

Number of very low / low income households that have received loans through the MRB Program SFY2001 (09/01/00-08/31/01):

Targeted 2001 Performance ..... 1260  
1st Quarter 2001 Performance ..... 297  
Year to Date Performance ..... 297  
% of Annual Target ..... 23.6%

Number of Moderate Income Households that received loans through the MRB Program, SFY2001 (09/01/00-08/31/01):

Targeted 2001 Performance ..... 600  
1st Quarter 2001 Performance ..... 65  
Year to Date Performance ..... 65  
% of Annual Target ..... 10.8%\*

\* Originations for moderate income households were lower than targeted as a result of marketing efforts over the past year that encouraged participating lenders to focus on lower income borrowers. ■

**Regional** (Continued from page 1)

- Facilitate partnerships, which will help to address housing and community development needs.

**Regions**

Currently, TDHCA divides the State into eleven Uniform State Service Regions, as defined by the Texas Comptrollers Office. Each Uniform State Service Region will have one Regional Development Coordinator to facilitate the activities outlined in the **Regional Planning Strategy** (see attachments for complete listing of counties and population represented within each region as well as the Regional Planning Strategy)

**Staffing**

TDHCA, through its Community Development Block Grant Program, currently has five local technical assistance field offices (Lubbock, Lufkin/Mt. Pleasant, El Paso, Laredo, and Edinburg). To keep the necessity of additional FTEs to a minimum, the personnel that currently staff these offices will serve as Regional Development Coordinators. TDHCA will need an additional six FTEs to ensure that each uniform State Service Region has a local representative to address the items identified in the Regional Planning Strategy and one Full Time Employee (FTE) to centrally manage the data collected in the field. Below is an outline of the personnel that will be needed:

- Six planners/researchers** – familiar with housing, housing related, and community development issues, as well as research methods. These planners will perform research pertaining to demand, supply, and available resources needed to

fill service gaps within their jurisdiction. Other duties will include working with local nonprofits, Public Housing Authorities (PHA), Rural Development, Housing Finance Corporations (HFC), and local governments to provide technical assistance. Additionally this staff will work to develop regional strategies and assistance plans.

- One database/information specialist** – trained in various database applications and web-based languages. In order to ef-

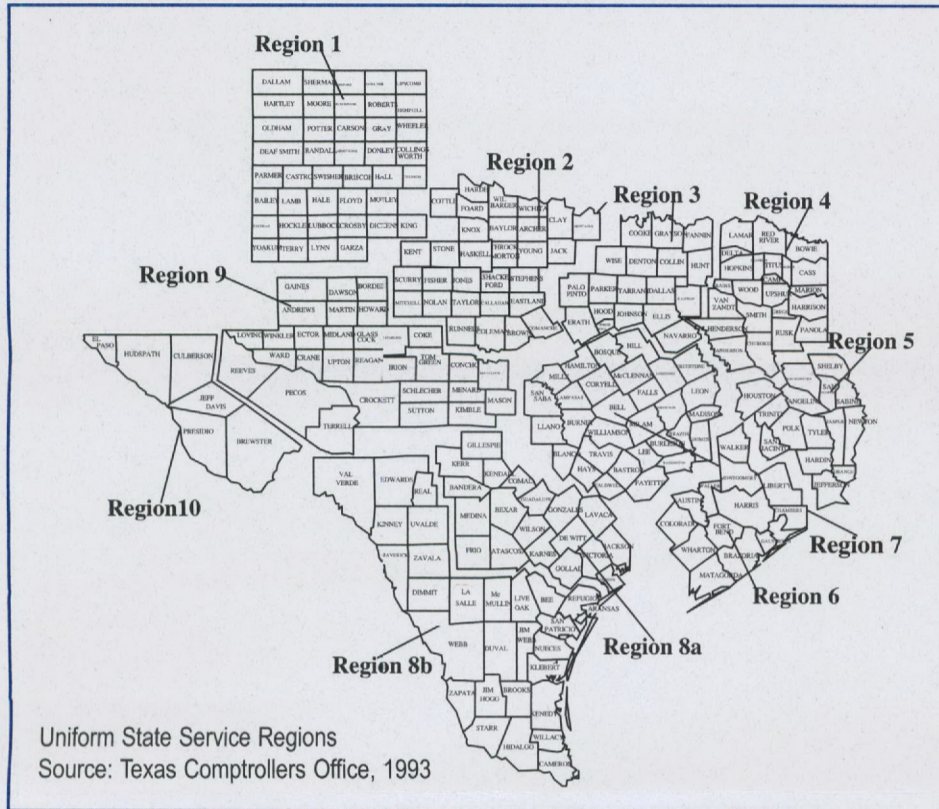
search methods. These planners will perform research pertaining to demand, supply, and available resources needed to fill service gaps within their jurisdiction. Other duties will include working with local nonprofits, PHAs, Rural Development, HFCs, and local governments to provide technical assistance. Additionally this staff will work to develop regional strategies and assistance plans.

- One database/information specialist** – trained in various database applications and web-based languages. In order to effectively and efficiently disseminate information to the public, it must be made accessible/widely available in a user-friendly format.

**Conclusion**

Funding for this exceptional item will allow TDHCA to implement effectively the Sunset Commission's Issue 3 – specifically 3.1 (developing a strategic plan, customized by region), 3.2 (allocate funds to meet regional housing and community service priorities), and Issue 10.1 (to establish a central housing and community services clearinghouse), and will affect all measures related to agency funding.

The activities of the Regional Development Coordinators will ultimately ensure that TDHCA is serving those most in need, while identifying additional resources and facilitating partnerships to address the housing and community development needs of Texans. ■



fectively and efficiently disseminate information to the public, it must be made accessible/widely available in a user-friendly format.

**CDBG Contingency**

If the Community Development Block Grant Program is moved to a separate agency, the existing five FTEs may not be available to TDHCA for the implementation of the Regional Planning Strategy. Below is a contingency outline of the personnel that will be needed:

- 11 planners/researchers** – familiar with housing, housing related, and community development issues, as well as re-

# Summer Food Service Program: Free meals for low-income children

By Jill McFarren  
TDHCA Communications

This summer, low-income children across Texas will have an opportunity to have access to free nutritious meals, thanks to a federal nutrition program. That is if they live in a community that has a Summer Food Service Program (SFSP) sponsor.

The SFSP is a reimbursement program that supports efforts to provide nutritious meals for low-income children during the summer months. Administered by the Texas Department of Human Services (TDHS) and funded by the U.S. Department of Agriculture (USDA), SFSP reimburses sponsors, such as, schools, nonprofit organizations, camps and local governments who provide feeding services on a local level.

According to the Texas Association of Community Action Agencies, Inc. (TACAA), the Food Research and Action Center recently released a report showing that Texas is missing out on at least 33.5 million dollars in federal funds due to low participation in SFSP. This money could be used to feed many young Texans throughout the state.

To learn more about SFSP, or to receive an application to become a sponsor, contact Ruth Whinton, Program Specialist, TACAA at (800) 992-9767, or visit the TACAA website at www.tacaa.org. Additional information may be found on the TDHS website at www.dhs.state.tx.us (select "Special Nutrition Program" from the scrolling list). ■

**QAP** (Continued from page 1)

The 2001 tax credit application period opened Monday, March 12 and closed on Friday March 23, 2001. TDHCA is anticipating as many as 200 applications, and the Department's Governing Board will award credits at their July meeting, tentatively scheduled for July 18, 2001. Below is a timeline for the balance of the 2001 allocation round:

**40 Day Application Acceptance Period**

Monday, March 12	Application acceptance period begins
Friday, March 23	Close of Bonus Period
Monday, April 23	Application acceptance period closes

**Application Review Period**

May	Release of Application Submission Log Conduct site inspections Public hearings (series of three)
July	Scoring Report release
Wednesday, July 18	Board meets to vote on initial allocation

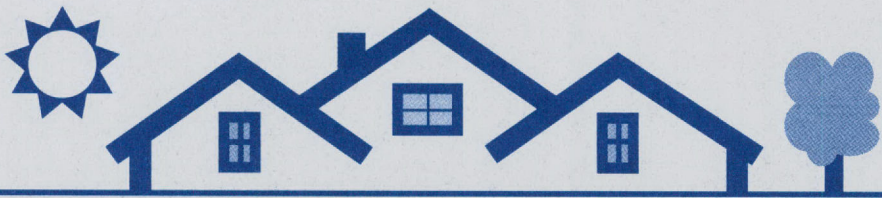
The following list highlights some of the amendments made to the QAP by the board. To download a complete copy of the 2001 Low Income Housing Tax Credit Program QAP, visit the Department's website at www.tdhca.state.tx.us:

- Language was integrated into the Compliance section of the QAP to prohibit property owners from using policies, practices or procedures that exclude holders of Sec-

tion 8 vouchers from housing opportunities.

- The Board added language to open applications for public viewing during the review process.
- Ex Parte rule requirements for developers were added to ensure that applicants cannot communicate with members of the Governing Board about a project while that project was being reviewed for a tax credit allocation.
- An elderly set-aside category was added to the Program so that at least 10 percent of the credit ceiling will be allocated to qualified elderly projects.
- The provision for units for persons with disabilities, previously a Selection Criteria, was made into a Threshold Criteria. The QAP now requires that for up to 5 percent of all LIHTC units, the owner will provide reasonable accommodations or modifications at the owner's expense.
- A non-exclusive preservation set-aside was added that ensures at least 10 percent of the credit ceiling will be allocated to preservation projects. Preservation projects can fall into any of the LIHTC Program's four set-aside categories (nonprofit, elderly, rural, and general).
- Market studies are now required under the 2001 QAP for all applications.
- Points will be awarded for projects located in cities with no tax credit developments and where there are no tax credit developments within a two-mile radius.
- The Department will now notify applicants when TDHCA receives letters of opposition prior to the allocation of credits.

For more information about the Low Income Housing Tax Credit Program in general, please call Brooke Boston, LIHTC Planner, at (512) 475-3296. ■



# Breaking Ground

The quarterly newsletter of the Texas Department of Housing and Community Affairs

Providing information about community resources and affordable housing in Texas. January-March 2001

## Small town taps into state funds for high tech water quality improvements

By Rachel May Kibbe  
Raymond K. Vann & Associates

In 1999, the lawns in the city of Tatum died *after* being watered. Back then, the city's water was not potable; it was not clean, sanitary, or drinkable. Local residents lined up five deep at the water dispenser outside the local grocery store to fill up jugs and bottles with clean water. Today, Tatum, a small northeast Texas community, is on the cutting edge of technology. The city of 1,403 residents is one of 66

cities in the state using a Reverse Osmosis (RO) System to purify its water.

Tatum's technological advancement evolved as the city became increasingly concerned with its water problems. The excessive Total Dissolved Solids (TDS) levels in the city's water was averaging over 1,100 milligrams per liter, which put the city at risk for noncompliance and possible fines from the Texas Natural Resource Conservation Commission (TNRCC). The city's Public Works Director, Joe Kelly, researched various options to address the local water issues, and recommended that the city install a Reverse Osmosis (RO) treatment system, a relatively new approach to the treat-

**Reverse osmosis is a process by which water is pumped from one side of a semi-permeable membrane to the other side, leaving behind bacteria, salts and other residue.**



Tatum's reverse osmosis system.

ment of water by municipalities. A more expensive option would be to use surface water, which would cost the city over \$4,000,000 with additional costs of building treatment facilities to make the surface

water suitable for drinking.

Although the cost of an RO system was significantly less than that of a traditional surface water system, it still exceeded the city's financial resources. The city turned to the Texas Department of Housing and Community Affairs' Texas Community Development Program (TCDP) for assistance. Working with Raymond K. Vann

& Associates and KSA Engineers, Inc., the city applied for and received a \$250,000 TCDP grant to assist in funding the project. With the TCDP monies and a local commitment

of \$338,100, the city of Tatum installed the new RO technology.

Throughout the process, Mayor Bob R. Harris repeatedly expressed his gratitude toward TNRCC and TDHCA for their cooperation. "The state was very gracious and confident in allowing us to proceed," he said.

By January 23, 2001, following the installation of the RO system, the water was 95-97% pure, having a TDS level of 300, and the citizens of Tatum began enjoying the luxury of using their tap water.

People expressing their gratitude for the new water consistently approach the mayor. Reflecting on the public comments regarding the new system, Mayor Harris reported, "Everyone is very happy with the water. They love the taste."

The bottled water machine outside the grocery store has been removed. ■



TEXAS DEPARTMENT OF HOUSING  
AND COMMUNITY AFFAIRS  
P.O. Box 13941  
Austin, Texas 78711-3941  
www.tdhca.state.tx.us

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## Tips for surviving Underwriting

By Jim Anderson  
TDHCA Underwriting

The primary purpose of the underwriting function is the identification of risk in a proposed transaction or development. There are several categories of risks associated with housing development, but in general risk may be defined as the probability that the financial return of a project will be less than expected, or that the project will not be completed or will fail following completion. As TDHCA underwriters we are responsible for analyzing and developing an understanding of all aspects of large proposed affordable housing developments, generally in only a day or two per project and only by reviewing the application package submitted by the applicant. As we approach the beginning of the application cycles for TDHCA's funding programs, let me suggest a few helpful tips for getting your application through the underwriting process as quickly and successfully as possible.

1. Provide a complete, consistent, and professional-looking application. Missing or contradictory information requires us to spend time contacting the applicant to resolve the issue, which slows down the process. A poorly-done application may also raise questions about the applicant's ability to execute the project in a quality manner.
2. Provide timely and thorough responses to requests for information. If you are requested to provide additional information, please provide it as soon as possible or explain to the underwriter why the answer may be delayed.
3. Document your reasons for exceeding TDHCA underwriting guidelines. Most of our guidelines are not hard and fast rules, and we understand that unusual project conditions or circumstances may result in unusually high (or low) development costs and/or operating income or expenses. We evaluate everything on a case-by-case basis, and respect your experience. Just tell us why upfront and save us asking you the question.
4. Read and consider third party reports

to make sure you are being consistent. Don't let an unread market study or environmental assessment report sneak by containing a big surprise for us both.

5. The year 1 proforma should use today's rents. We will use current rents in our analysis, so don't try and anticipate future rent limits. Sources of information are constantly changing and we always strive to use the most up to date information available without hedging one way or the other for uncertain future expectations.
6. Commitments (funding, utility, etc.) should be as firm as possible and identify all terms and conditions. More information is better when it comes to helping us understand and develop a comfort level with your project.
7. Funding sources should match and add up. The amounts shown on the sources and uses of funds statement should match those in the funding commitments, and of course all arithmetic should be right. Finding numbers that don't add up can make us look a little closer at everything else in the application.
8. Make sure construction specifications match application information. This is especially important if a project changes late in the application preparation process (number of units, site size, etc.).
9. Use actual anticipated costs and expenses, and plan to do what you say in the application. Don't just tell us what you think we want to hear, but explain to us what is really anticipated to happen.
10. One last request: please don't ask us how your application scored or how it's looking. It's against agency policy for us to discuss these subjects with anyone outside the agency before awards are announced. Thanks for your understanding.

We're looking forward to underwriting everyone's 2001 applications. Please call me at (512) 475-3915 if I can be of assistance.

### Useful TDHCA toll-free telephone numbers

Statewide Homebuyer Education Program: (877) 895-1093  
Texas First-Time Homebuyer Program: (800) 792-1119  
Local Government Services: (800) 544-2042 • Office of Colonia Initiatives: (800) 462-4251  
Manufactured Housing: (800) 500-7074 • Relay Texas: (800) 735-2988  
Compliance: (800) 643-8204