

**Departments:**

Message from the Executive Director ..... 2  
Washington News ..... 2  
Program Updates ..... 3-8  
Calendar ..... 3

**Features:**

TDHCA adds Freddie Mac Products ..... 5  
Bootstrap Loans Creating Homeownership ..... 5

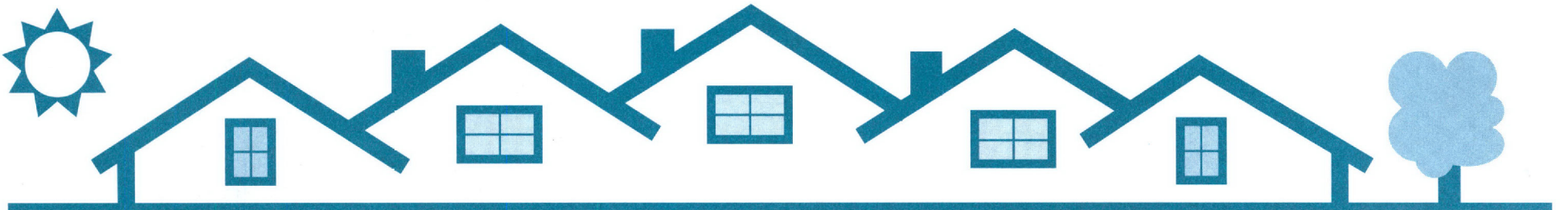
Voucher Holder Transitions from Nursing Facility  
to Independent Living ..... 6  
CEAP Making a Difference in Midland ..... 7  
TDHCA Awards Subject to Underwriting, Market  
Analysis Rules ..... 8



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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.

October - December 2002

## Sunset Staff Recommendation to Commission: Continue TDHCA for Another 12 Years

By Gordon Anderson

TDHCA Center for Housing Research, Planning, and Communications

In a draft report to the Sunset Advisory Commission, Sunset staff has recommended that the Texas Department of Housing and Community Affairs be continued for another 12 years.

The recommendation was one of several findings forwarded to Commission members that concluded the Department "has significantly improved since its last review, and has displayed commendable effort to implement the changes adopted by the Legislature."

The 77th Legislature in 2001 voted to continue the Department for a two-year

probationary period, requiring the Sunset Commission to evaluate TDHCA's implementation of numerous charges contained in SB 322, the Department's Sunset bill.

As of the end of October, the Department had implemented about 90 percent of the changes recommended in SB 322, and many others only await updated census data from the 2000 U.S. Census available this year.

"Needless to say, we are extremely pleased by this recommendation," said Edwina Carrington, TDHCA Executive Director. "The Department has made a sincere effort to satisfy the criteria

established by the Sunset Commission for TDHCA's continuation, and it is gratifying to know that Sunset staff recognizes this effort."

During its review of the Department in 1999-2000, the Sunset Advisory Commission found a strong need for TDHCA's role of funding affordable housing development and community support services for low-income households.

However, the 77th Legislature—in the form of SB 322—voted to continue the Department for two years, pending its ability to implement numerous program changes which essentially

revolved around public accountability and the allocation of housing funds to meet key needs.

(See "Sunset," page 2)

## Longaker Named New Deputy ED

By Gordon Anderson  
TDHCA Center for Housing  
Research, Planning, and  
Communications

The Texas Department of Housing and Community Affairs (TDHCA) in October announced the hiring of D. Gary Longaker as Deputy Executive Director for Programs. Longaker is responsible for the overall direction and guidance to the Community Affairs, Multifamily Finance Production, Single Family Finance Production, and Office of Colonia Initiatives divisions.

"Gary comes to TDHCA with an excellent background in housing programs, and we are most fortunate to have him fill this position so critical to the success of the Department," said Edwina Carrington, TDHCA Executive Director. "I am pleased and excited that Gary has agreed to come on board."

Longaker has 20 years of executive level experience in the housing industry

(See "Longaker," page 2)

## TDHCA Prepares for the 78th Legislature

By Roy Lopez

TDHCA Governmental Relations

The election winds have passed through the State of Texas and TDHCA begins its preparations for the 78th Legislative Session. The November 2002 elections brought with them many new leaders and numerous fresh faces to both the Texas Senate and to the Texas House of Representatives.

New leaders like David Dewhurst, the incoming Lieutenant Governor, and Tom Craddick, who many predict be the next Speaker of the House, will most likely appoint a variety of new members to TDHCA's oversight committees.

TDHCA's oversight committees will presumably continue to be the Senate Intergovernmental Relations Committee and the House Urban Affairs Committee; however, missing are long time Urban Affairs Chairman Bill Carter and Representative Harryette Ehrhardt. Together they represented a tremendous amount of institutional knowledge and real world passion for housing and community affairs matters.

The Department's top priority this session will be to demonstrate to the Sunset Advisory Commission and the Legislature that it has implemented the measures codified from Senate Bill 322,

TDHCA's Sunset legislation from the 77th Legislature. The Department is more than 90 percent complete in achieving tasks mandated through that legislation and expects to complete the remaining mandates by the end of May 2003 (see article above). The Commission heard testimony on the draft report in December. A bill is likely to be drafted in January 2003 that reflects the report and any additional measures suggested by Commission members.

Other developments this session may include watching how the expected \$5

(See "Session," page 2)



# Executive Message

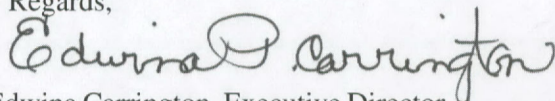
News from TDHCA's Executive Director

The Sunset Advisory Commission has issued its draft report on the Texas Department of Housing and Community Affairs and recommended that the Department be continued for 12 more years.

We are certainly gratified that the Commission staff has recognized the hard work and commitment that our governing board and staff have given over these last several years. Citizens in our state can know that their housing and community affairs agency is more efficient and effective than ever before.

Our reorganization efforts, due to be complete in the spring, also ensure that we will be wise stewards of the federal and state funding that we administer to benefit low- and moderate-income individuals in Texas. It is our intent to continue our dedication to excellence and integrity here at TDHCA and to become a model housing finance and community affairs agency. As always, I welcome your feedback and thoughts on our Department as we work together to help those who need it most.

Regards,



Edwina Carrington, Executive Director  
Texas Department of Housing and Community Affairs

## Session (from page 1)

to \$10 billion budget shortfall plays out and the implications this may have on the Department. Even with this expected budget shortfall, housing advocates may be asking for additional increases to the Housing Trust Fund and more colonias assistance funding. Whether this legislation is financed with general obligation bonds, general revenue dollars, associated fees, or not at all, Department staff will monitor all introduced legislation impacting affordable housing in Texas.

TDHCA will also be looking at how the Legislature responds to the CHDO (Community Housing Development Organizations) property tax exemption that was discussed and focused on during the Urban Affairs Interim Committee hearings. The role of the Department has been to certify CHDOs statewide; however, the new TDHCA policy currently allows only CHDOs located in non-participating jurisdictions to be certified with the state as long as they are applying for HOME funds. Testimony to Urban Affairs suggested great concern on the part of some legislators, as well as school districts and municipalities, regarding this exemption and it is very possible a bill

will be drafted to limit or strike this exemption.

Another priority during the session is to closely follow any developments associated with the multifamily and single family volume cap. Last session the multifamily bond cap for statewide issuance was increased significantly, however this session housing advocates plan on preserving the increases that were gained during the last session. This will have consequences for the Department and its programs if the volume cap is significantly decreased.

Other potential legislation during the session that will be followed closely include possible modifications to the Manufactured Housing Standards Act that allow manufactured homes on non-permanent foundation systems be considered real property and again, this session, rural initiatives may play a significant role for both the Office of Rural Community Affairs (ORCA) and TDHCA.

This next legislative session promises to be filled with excitement and suspense. Housing and community affairs legislation will no doubt impact residents of Texas this session. For more information on legislation impacting TDHCA, you can contact the Governmental Relations Division at (512) 475-3964.

## Longaker (from page 1)

and last served as Executive Director of the Southeast Texas Housing Finance Corporation from 1996 to 2001. He previously served as Special Projects Officer for the Oklahoma City Housing Authority and was one of the first employees of the Oklahoma Housing Finance Agency beginning in 1975, where he served as Executive Director from 1981 until 1989.

Over the course of his career, Longaker has gained experience in a wide range of housing programs and services, including single family and multifamily mortgage revenue bonds,

federal housing programs, Community Housing Development Organizations, Housing Trust Fund projects, and with several programs funded through the U.S. Department of Housing and Urban Development (HUD).

Longaker has also led the formation of a HOME Investment Partnerships (HOME) Program Consortium in Texas, and has extensive experience working with legislators on housing and housing finance issues. He is a graduate of Central State University in Edmund, Oklahoma, where he earned both a BBA and an MBA in Management. ❖

## Sunset (from page 1)

Along with its recommendation to continue TDHCA for a two-year period, the Commission also expected the Department to fulfill five criteria:

- Establishment of a functional governing board that values public input and enables board members to develop the expertise necessary to make informed decisions about and to ensure the accountability of the Department and the programs of the Department
- Establishment of an organizational structure to develop and implement a statewide need assessment and a corresponding allocation process
- Development of policies and procedures that clearly defined the appropriate roles of board members, the director, and Department staff
- Implementation of rules outlining a formal process to appeal board decisions
- Establishment of project compliance procedures that ensure that the programs of the Department provide fair access to housing and community support services in this state

In its initial conclusion of the Department's efforts, the Sunset staff reported that the magnitude of the changes within TDHCA over the past year should position the Department well to advance its mission to serve the state's low-income families.

The Sunset staff review reported that the Department's Governing Board has improved its responsiveness to public input, improving its capacity to make informed decisions and enhance the Department's accountability.

The report also pointed out that TDHCA is undergoing structural and procedural changes to "better align its housing finance programs with strategic planning and customer service needs."

The Department, in addition, received high marks for adopting compliance review procedures and rules to better ensure fair access to housing.

The Sunset staff recommendations specifically welcomed several key initiatives implemented by TDHCA, including:

- The development of a single application and allocation cycle, allowing applicants seeking funding

from various sources to complete multiple applications with separate deadlines, while providing the Department the flexibility of "layering" funds to better an applicant's project

- A thorough reorganization of Department staff and processes into single-family and multifamily housing production units, which will remove unnecessary barriers between programs and streamline the funding process

SB 322, as adopted by the Legislature in 2001, included a total of 81 provisions requiring actions on the part of TDHCA. As of October 2002, the Department had implemented 70 of these provisions and had partially implemented the remaining 11.

At least three of these were scheduled to be addressed at the November board meeting, which occurred after this newsletter went into production.

In making its recommendation to continue the Department for another 12 years, the Sunset staff report stated that "over the past year, the Department has displayed a commendable effort to implement the changes adopted by the Legislature. ...the Department appears to be on track towards having all of SB 322's provisions implemented by mid 2003.

"Given the magnitude of the reforms initiated by the Legislature," it continued, "coupled with the significant changes in the direction of the agency's leadership, the Department appears well positioned to serve Texas' housing needs into the future.

"The Governing Board and staff of TDHCA is extremely pleased with the Sunset staff recommendations," Carrington reiterated, "and we will continue to work toward our goal of making the Department a model housing finance and community affairs agency."



**Governor:** Rick Perry  
**TDHCA Governing Board:** Michael E. Jones, *Chair*  
 Elizabeth Anderson      Shadrick Bogany      C. Kent Conine  
 Vidal Gonzalez      Norberto Salinas  
**Executive Director:** Edwina Carrington  
**Director, Center for Housing Research, Planning, and Communications:** Sarah Dale Anderson  
**Editor:** Gordon Anderson

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**Web:** www.tdhca.state.tx.us

# Program Updates

A status report on agency programs and services

The following program updates briefly illustrate Department activities, and include preliminary fiscal year 2002 program data collected for the draft 2003 SLIHP.

## Community Food and Nutrition Program (CFNP)

By Mayela Medina

The CFNP coordinates statewide efforts to address hunger and related issues by distributing surplus commodities and game donated by hunters. CFNP funds are also used to support the expansion of child feeding programs to create farmers' markets that are designed to serve low-income neighborhoods.

Below are productivity reports for fiscal year 2003 (10/01/02 – 09/31/03) as of November 2002:

Funding for year 2003: ..... \$302,246  
 Funding currently obligated for year 2003: ..... \$302,246  
 Funding still available for year 2003: \$0

## Community Services Block Grant Program (CSBG)

By Mayela Medina

The CSBG program administers homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low-income persons throughout the state.

The program year runs from 01/01-12/31 and includes all Community Service programs (Community Food and Nutrition Program, Emergency Nutrition/Temporary Emergency Relief Program, and the Emergency Shelter Grants Program).

Below are productivity reports for state fiscal year 2002 (09/01/01 – 08/31/02) as of November 2002:

Number of persons assisted through homeless and poverty related funds\*:  
 Target 2002 performance: ..... 420,000  
 1st Qtr 2002 performance: ..... 112,249  
 2nd Qtr 2002 performance: ..... 91,693  
 3rd Qtr 2002 performance: ..... 109,113  
 4th Qtr 2002 performance: ..... 124,748  
 Year to date performance: ..... 437,803  
 % of performance: ..... 104

\* These numbers include all persons assisted under the Community Services Block Grant, Emergency Shelter Grant, and Emergency Nutrition/Temporary Emergency Relief programs.

## Compliance

By Gordon Anderson

TDHCA's Compliance Division addresses compliance responsibilities of the various programs administered by the Department. Compliance monitors review necessary records to assure adherence to program requirements and terms of deed restrictions on the single or multi-family affordable housing properties. The Compliance monitors verify that the income of tenants and the rent charged for housing is at or below limits established by programs such as the Low Income Housing Tax Credit, HOME,

Tax Exempt Multifamily, and Housing Trust Fund programs. In addition, Compliance has a contract with FDIC to monitor the affordability requirements of the Affordable Housing Disposition Program. Program monitors perform on-site and desk monitoring reviews and collect annual Housing Sponsor Reports.

Per Senate Bill 322 (SB322), the Compliance Division is expanding its monitoring responsibilities to include risk-based monitoring during the construction phase, expand reviews of on-site Section 8 housing, and work closely with Texas Commission on Human Rights. The Compliance Division is also involved in the development of a web-based system to collect Housing Sponsor Report information, an inventory of disability units, which has helped create an inventory of voluntarily reported vacant units currently available on the agency's website.

### 2003 Compliance Training

The 2003 Compliance training schedule has not been finalized. When the dates are set, the schedule and registration will be available on the TDHCA website. The training covers the following topics: Program overview, resident eligibility, rents, program rules (i.e., Next Available Unit rule, Unit Vacancy Rule) and reporting and record keeping requirements. Compliance offers training for the AHDP, LIHTC, HOME and Tax Exempt Bond program. There is a \$50 fee to attend.

Below are final fiscal year 2002 productivity reports for the Compliance Division:

**On-Site Reviews:**  
 Target number of on-site reviews: 597  
 Actual number of on-site review: . 661  
 % of annual performance: ..... 111

**Financial Reviews:**  
 Target number of finan. reviews: .. 664  
 Actual number: ..... 526  
 % of annual performance: ..... 82

**Single Audits:**  
 Single audit reviews completed: ..... 250  
 Actual audit reviews: ..... 332  
 % of performance: ..... 133

### Comprehensive Energy Assistance Program (CEAP)

By John Touchet

CEAP combines case management, education, and financial assistance to help very low- and extremely low-income consumers reduce their utility bills to an affordable level. Services include utility payment assistance, energy education and budget counseling.

Below are CEAP productivity reports for state fiscal year (FY) 2002 (09/01/01 – 08/31/02) as of October 22:

Number of households receiving energy assistance:  
 FY02 Targeted households\* ..... 46,404

(See "Updates," page 4)

# On the Calendar

A schedule of TDHCA events and more

For additional up-to-date information and details, check out TDHCA's "Calendar" on the Department's website at [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm).

## JANUARY 2003

- 9 TDHCA Governing Board meeting. Contact Gordon Anderson: 512-475-4743 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)
- 10 LIHTC Pre-Application Cycle closes. Contact Brooke Boston: 512-475-3296 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)
- 17 LIHTC Pre-Application Submission Log posted to TDHCA website. Contact Brooke Boston: 512-475-3296 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)

## FEBRUARY 2003

- 5 Application deadline for fiscal year 2003 ESGP funding cycle. Contact Dyna Lang: 512-475-3905 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)
- 3 Results of LIHTC Pre-Application Round Released. Contact Brooke Boston: 512-475-3296 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)
- 13 TDHCA Governing Board meeting. Contact Gordon Anderson: 512-475-4743 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)
- 17-19 Manufactured Housing Division Licensing School, Joe C. Thompson Conference Center, UT-Austin. Contact Joe Garcia: 800-500-7074 or 512-475-4999
- 21 Publication of LIHTC Application public hearing dates and times in Texas Register. Contact Brooke Boston: 512-475-3296 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)
- 26 Texas Association of Community Development Corporations Conference Training, Austin. Contact: [www.tacdc.org](http://www.tacdc.org)
- 28 Deadline for Application to 2003 LIHTC allocation round. Contact Brooke Boston: 512-475-3296 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)

## MARCH 2003

- 13 TDHCA Governing Board meeting. Contact Gordon Anderson: 512-475-4743 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)
- 14 Application Submission Log released. Contact Brooke Boston: 512-475-3296 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)
- 19-21 Texas Association of Community Action Agencies 2003 Legislative Conference, Austin. Contact: [www.tacaa.org](http://www.tacaa.org)
- 31/4-14 Public hearings on LIHTC Application Submission, some in conjunction with hearings on other TDHCA programs. Please visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)

## APRIL 2003

- Fair Housing month!**
- TBA Community Development Week
- TBA LIHTC Program staff and Underwriting review, approval of Draft List by EARAC. Contact Brooke Boston: 512-475-3296 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)

- 8 Texas Association of Community Development Corporations "Strategic Planning for CDCs" workshop, Lubbock. Contact: [www.tacdc.org](http://www.tacdc.org)
- 10 TDHCA Governing Board meeting. Contact Gordon Anderson: 512-475-4743 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)

## MAY 2003

- Community Action month!**
- TBA LIHTC Program staff and Underwriting review, approval of Draft List by EARAC; notification sent to applicants of any opposition received. Contact Brooke Boston: 512-475-3296 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)
- 8 TDHCA Governing Board meeting. Contact Gordon Anderson: 512-475-4743 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)
- 12-17 Texas Association of Community Development Corporations/National Development Council "HD420: Multifamily Housing Development Finance" course, San Antonio. Contact: [www.tacdc.org](http://www.tacdc.org)
- 19-21 Manufactured Housing Division Licensing School, Joe C. Thompson Conference Center, UT-Austin. Contact Joe Garcia: 800-500-7074 or 512-475-4999

## JUNE 2003

- National Homeownership month!**
- TBA Homeownership Week
- TBA Governing Board to review staff recommendations and approve list of applications for 2003 LIHTC allocation no later than June 30
- 3 Texas Association of Community Development Corporations "CDC 101" workshop, Corpus Christi. Contact: [www.tacdc.org](http://www.tacdc.org)
- 12 TDHCA Governing Board meeting. Contact Gordon Anderson: 512-475-4743 or visit [www.tdhca.state.tx.us/au\\_calendar.htm](http://www.tdhca.state.tx.us/au_calendar.htm)

## JULY 2003

- TBA Governing Board to approve final commitments for 2003 LIHTC allocation
- 15 Texas Association of Community Development Corporations "How to Develop a CDC Business Plan" workshop, San Antonio. Contact: [www.tacdc.org](http://www.tacdc.org)

## AUGUST 2003

- 18-20 Manufactured Housing Division Licensing School, Joe C. Thompson Conference Center, UT-Austin. Contact Joe Garcia: 800-500-7074 or 512-475-4999

### LEGEND:

- EARAC Executive Award Review and Advisory Committee
- ESGP Emergency Shelter Grants Program
- HOME HOME Investment Partnerships Program
- LIHTC Low Income Housing Tax Credit Program
- NOFA Notice of Funding Availability
- TBA Date to be announced

# Emergency Shelter Grants Program Helps Texas' Most Vulnerable Citizens

By Mayela Medina  
TDHCA Community Affairs

The Emergency Shelter Grants Program (ESGP) is authorized by the Stewart B. McKinney Homeless Assistance Act of 1987 and is

administered through the U.S. Department of Housing and Urban Development (HUD).

The Texas legislature has designated TDHCA as the administering agency for this program. ESGP is designed to be part of a continuum of assistance to enable homeless individuals and families to move toward independent living, as well as to prevent homelessness. TDHCA has not been

notified of the amount of ESGP for fiscal year 2003; however, the application is being made available in anticipation that the state will receive funds. If received, ESGP funds for FY 2003 will be made available to eligible applicants based on a statewide competitive application process. To be considered for funding, applicants must be a unit of general local government or a private nonprofit organization. ESGP funds may be used for:

- Rehabilitation, renovation or conversion of an existing facility
- Provision of essential services includes services concerned with health, drug abuse prevention and education, childcare, transportation, job training and placement, and staff salaries to provide such services
- Maintenance, operation and furnishing of a facility. Operation expenses may include client food, facility rent and

repair, security services, fuel, equipment, insurance, telephone, utilities, and salaries for administrative staff

- Homelessness prevention activities which may include short term subsidies to for rent and utility arrearages, security deposits or first month's rent, payments to prevent foreclosure, and other innovative programs and activities designed to prevent the incidence of homelessness.

ESGP applications are available on the internet at [www.tdhca.state.tx.us/pubs.htm#cs](http://www.tdhca.state.tx.us/pubs.htm#cs). Applications can also be mailed to interested parties by calling (512) 475-4576. The deadline for receipt of 2003 ESGP applications is Wednesday, February 5, 2003, at 5 p.m.



## Updates (from page 3)

Households assisted ..... 61,705  
% of annual performance: ..... 125

Those who wish to apply for energy utility assistance in Texas should contact the TDHCA Energy Assistance Hotline toll-free at **1-877-399-8939**. This number will refer the caller to their local service provider if they use their home phone. If the call is made using a cell phone, they will get the state office, which will then refer them to their local provider

\* Total is based conservatively on the maximum assistance allowed per household by the U.S. Department of Health & Human Services' LIHEAP grant.

## Contract for Deed Conversion Program

By Susana J. Garza

The intent of the Contract For Deed Conversion Program is to assist colonia residents become property owners by converting their contracts for deeds into traditional mortgages.

For FY 2002-2003, a total of 44 contracts for deeds have been converted to date, totaling over \$746,046. Approximately 30 applications are in process, totaling \$475,000.

Below are productivity reports for fiscal year 2002-2003:

For FY 2002-2003, the Department has set-aside \$2 million through the HOME Program and \$500,000 through the Bond Finance Division for the Contract For Deed Conversion Loan Guarantee Program. Another \$2 million through the HOME Program will be available in Spring 2003.

Total dollars remaining for deed

conversions available for calendar year 2002-2003: ..... \$2,975,000

Target number of successful deed conversions to be initiated for calendar year 2002/2003: ..... 400

Deed conversions for FY 2002-2003: ..... 44 (30 in loan processing)

## Down Payment Assistance Program (DPAP)

By Eric Pike

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 the program's inception in June 1999, 1,628 loans have been funded through this program, totaling over \$10.4 million as of August 2002.

The DPAP is only available to eligible applicants who participate in the First Time Homebuyer Program. Not all FTHB programs offer down payment assistance. For more information, call the FTHB toll free hotline at **1-800-792-1119**.

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

By Mayela Medina

ENTERP is a state program that provides emergency assistance to low-income persons. ENTERP funds may be used to provide emergency services such as utility assistance, housing, food, clothing, medical services, and transportation to individuals or families that meet program qualifications.

Below are productivity reports for fiscal year 2003 (09/01/02 - 08/31/03), as of November 2002:

Funding for year 2003: ..... \$376,000  
Funding currently obligated for 03: .. \$0  
Funding still available for 03: . \$376,000

## Emergency Shelter Grants Program (ESGP)

By Mayela Medina

ESGP funds are awarded through a competitive application process to eligible entities that provide shelter and related services for homeless persons, as well as intervention services for those threatened with homelessness.

Below are productivity reports for fiscal year 2003 (09/01/02 - 08/31/03), as of November 2002:

Funding for year 2003: ..... \$4,687,000  
Number of shelters assisted:  
2003 Targeted performance ..... 60  
Performance as of 11/02: ..... 74  
% of annual performance: ..... 123

## First Time Homebuyer Program (FTHB)

By JoAnn DePenning

The FTHB 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. Funding is provided through TDHCA's Mortgage Revenue Bond program.

Below are productivity reports for state fiscal year 2002 (09/01/01-08/31/02):

Number of very low/low income households that have received loans through the Mortgage Revenue Bond Program:  
Targeted 2002 Performance: ..... 1,700  
Actual Performance: ..... 1,710

Number of moderate income households that received loans through the MRB Program: ..... 158

Number of low-income households that received loans: ..... 533

Number of very low-income households that received loans: ..... 945  
Number of extremely low-income

households that received loans: ..... 74

State fiscal year 2002 Single Family Mortgage Revenue Bond Program performance by income category:

	Households	\$ Value
Ext. low income <sup>1</sup>	74	\$2,816,738
Very low income <sup>2</sup>	945	\$50,662,950
Low income <sup>3</sup>	533	\$26,616,936
Moderate income <sup>4</sup>	158	\$14,778,324
Total	1,710	\$94,874,948

## HOME Program

By Ann Gusman-MacBeth

The HOME Investment Partnerships (HOME) Program awards funding through a competitive application process to various municipalities, non profit agencies, for profit and public housing agencies around the state to administer program activities that provide safe, decent affordable housing to extremely low, very low and low incomes families. HOME allocates funds for four basic housing activities: Homebuyer Assistance (HBA), Rental Housing Development (RHD), Owner Occupied Housing Assistance (OCC) and Tenant Based Rental Assistance (TBRA).

HOME funds are subject to the state regulations and the federal HOME regulations that govern the HOME Investment Partnerships Program at 24 CFR Part 92.205 and are allocated to each Uniform State Service Region using a formula (developed by TDHCA,

(See "Updates," page 5)

<sup>1</sup> Extremely low income = 0-30% AMFI

<sup>2</sup> Very low income = 31-60% AMFI

<sup>3</sup> Low income = 61-80% AMFI

<sup>4</sup> Moderate income = > 80%

AMFI = Area Median Family Income; the point at which half the household incomes in a given geographical area are less and half are greater.

**Updates** (from page 4)

pursuant to Subchapter F, section 2306.111(d) of the Federal Government Code) based on need for housing assistance.

Under the HOME Program, the Department is required to administer at least 95 percent of HOME Program funds for the benefit of non-participating jurisdictions that do not receive funds directly from HUD. As defined in Subchapter F, section 2306.111(c) of the Federal Government Code, the remaining 5 percent may be awarded in participating jurisdiction areas but must be used for the benefit of persons with disabilities.

At least 15 percent of HOME funds must be set aside for specific activities to be undertaken by a special type of nonprofit called a Community Housing Development Organization (CHDO). Every participating jurisdiction must set aside a minimum of 15 percent of their HOME allocations for housing development activities where qualified CHDOs are the owners, developers and/or sponsors of the housing project. CHDO funds are not subject to the Department's Uniform State Service Region formula.

Effective September 15, 2002, the application process for becoming a certified CHDO with TDHCA changed. Organizations must now apply and be awarded HOME funds under the CHDO set-aside in order to be certified as a CHDO. A new application for CHDO certification must be submitted to the Department with each new application for HOME funds under the CHDO set-aside. The new CHDO rules and CHDO application may be viewed at <http://www.tdhca.state.tx.us/chdo.htm>.

Below are productivity statistics for state fiscal year 2002 (09/01/01 - 08/31/02). Included are the numbers of extremely low, very low and low income households benefiting from HOME Investment Partnerships loans/grants:

2002 Targeted performance .....	2,106
Year end performance: .....	2,080
Total funding for 2002: .....	\$41,517,415
Actual dollars committed: .....	\$43,583,659

State fiscal year 2002 performance by income category:

	Households	\$ Value
Ext. low income <sup>1</sup>	1,249	\$26,715,574
Very low income <sup>2</sup>	421	\$9,290,189
Low income <sup>3</sup>	410	\$7,577,896
Total	2,080	\$43,583,659

**Housing Trust Fund (HTF)**

By Keith Hoffpauir

The HTF provides state housing loans and grants to nonprofit organizations, units of local government public housing authorities, community housing development organizations (CHDOs), for profit entities, and income eligible individuals and families. Funds may be used for the acquisition, rehabilitation, and new development of affordable housing.

Below are quantitative performance measures for state fiscal year 2002 (09/01/01 - 08/31/02):

Funding for FY 2002 (all Housing Trust Fund programs): ..... \$8,942,182

Actual dollars committed: .. \$8,218,442  
 Number of very low / low income households that received loans/grants through Housing Trust Fund:

2002 Targeted performance .....	1,390
Year end performance: .....	1,670
% of annual performance: .....	120

State fiscal year 2002 performance by income category:

	Households	\$ Value
Ext. low income <sup>1</sup>	140	\$2,385,980
Very low income <sup>2</sup>	1,530	\$3,910,178
Low income <sup>3</sup>	0	\$0
Total	1,670	\$8,218,442

**Low Income Housing Tax Credit Program (LIHTC)**

By Brooke Boston

The LIHTC Program is the primary means of directing private capital towards the creation of affordable rental housing. Developers of low-income rental housing use the tax credit to offset a portion of their federal tax liability in exchange for the production of affordable rental housing.

The 2003 tax credit cycle is currently underway. The Department's available 2003 tax credit authority amount (approximately \$37.9 million) has been reduced by 2002 forward commitments totaling \$5.7 million, leaving approximately \$32.2 million for allocation under the 2003 Application Round.

The Pre-Application and Application Acceptance Periods opened on Wednesday, December 4, 2002. The Pre-Application Acceptance Period is set to close Friday, January 10, 2003, while the Application Acceptance Period will close Friday, February 28, 2003.

Once the Application Period closes, a schedule of hearings will be held in various locations around the state to receive public comment. Public comment will also be accepted in writing.

For more information, contact the LIHTC at **512-475-3340**.

Below are quantitative performance measures for state fiscal year 2002 (09/01/01 - 08/31/02):

Number of very low and low income units set aside:	
2002 Targeted performance .....	6,050
Year end performance: .....	14,471
% of annual performance: .....	239

State fiscal year 2002 performance by income category:

	Households
Extremely low income <sup>1</sup>	325
Very low income <sup>2</sup>	14,146
Low income <sup>3</sup>	0
Total	14,471

**Multifamily Mortgage Revenue Bond Program**

By Stephen Apple

The Multifamily Mortgage Revenue Bond Program issues mortgage revenue bonds to finance loans for qualified non-

(See "Updates," page 6)

1 Extremely low income = 0-30% AMFI

2 Very low income = 31-60% AMFI

3 Low income = 61-80% AMFI

4 Moderate income = > 80%

AMFI = Area Median Family Income; the point at which half the household incomes in a given geographical area are less and half are greater.

**TDHCA Adds Freddie Mac to List of Mortgage Products**

By Heather Hodnett  
 TDHCA Bond Finance

TDHCA is pleased to announce the addition of Freddie Mac to the Residential Mortgage Revenue Bond Indenture, a funding source for the *Texas First Time Homebuyer Program*. For over 30 years, Freddie Mac has opened the doors to homeownership for millions of America's families.

This new availability of Freddie Mac's Expanding Markets Products and Initiatives will broaden TDHCA's ability to reach a greater range of borrowers. Freddie Mac's products and services, such as their Affordable Gold® products, will expand TDHCA's market potential and permit TDHCA to reach more borrowers with varying underwriting profiles. At a later date, TDHCA may add Freddie Mac's Affordable Merit Rate<sup>SM</sup> Mortgage and A-Minus Offering products. These products would serve borrowers with previous credit difficulties or borrowers with credit blemishes and provide five percent in funds available for down payment.

Fannie Mae products are still available through the *First Time Homebuyer Program*, including Fannie Mae's Expanded Approval Mortgage Loans for borrowers with slight credit blemishes.

Bond Finance staff worked for three years to satisfy Indenture requirements to add Freddie Mac products. This addition will not impair the credit rating of the Residential Mortgage Revenue Bond Trust Indenture, which is currently assigned a AAA by Standard & Poor's and Aaa by Moody's. Both Freddie Mac and Fannie Mae have received each of the rating agencies' highest ratings.

Also, to minimize interest rate risk, Bond Finance anticipates coming to market with three to four bond issues in 2003, contingent upon market conditions, breaking away from TDHCA's traditional one deal per year. Bond Finance has been migrating to this strategy for the past several years, as evidenced by two bond issuances in 2002.

For more information regarding Freddie Mac and their Expanding Markets Products and Initiatives, please visit them on the web at [www.freddiemac.com](http://www.freddiemac.com).

**Ceremony Celebrates Success of Bootstrap Loan Program**

By Gordon Anderson  
 TDHCA Center for Housing Research, Planning, and Communications

State Senator Eddie Lucio and the Community Development Corporation of Brownsville (CDCB) this fall celebrated the completion of work on 20 affordable homes which the homeowners helped build themselves through TDHCA's *Texas Bootstrap Loan Program*.

Senator Lucio authored Senate Bill 1287 during the 76th Legislative session allowing TDHCA to provide 30-year mortgage loans of up to \$25,000 for very low-income Texas households who agree to "lift themselves up by their own bootstraps," and provide at least 60 percent of the labor required to build their home.

These individuals and families use funds allocated through the Department's Office of Colonia Initiatives (OCI) to finance new homes or rehabilitate existing homes through self-help labor. TDHCA's Housing Trust Fund and mortgage revenue bond program are the funding sources for the loan program.

"The *Bootstrap Program* encourages the self-help spirit of low-income Texas families who are willing

to help themselves build and own a home," remarked Senator Lucio at a welcoming ceremony for the new homeowners. "Rather than giving them a direct handout, this program provides individuals with the appropriate tools to help themselves. People who participate in this program are great examples of people who successfully acquire homeownership through their efforts."

Over the past two years, CDCB has used *Bootstrap Loan* funding to assist more than 45 families toward homeownership through the organization's Mutual Self-Help Program.

"The Texas Bootstrap Loan Program has allowed the CDC of Brownsville to expand its self-help housing efforts into the city of Brownsville," noted Don Currie, CDCB Executive Director. "It is an excellent vehicle to provide mortgage financing to families of limited incomes willing to invest their time and talents toward accomplishing the dream of homeownership through their own labor." ❖

# Voucher Program Helps First Client Transition from Nursing Facility into Community Living Environment

By Jorge Reyes  
 TDHCA Center for Housing Research, Planning, and Communications

Carolyn Russell was working as a waitress and attending graduate school to earn a masters degree in Film from the University of Texas at Austin. That all changed on July 21, 2000, when a car accident left Ms. Russell with a mobility impairment and the use of only one arm. It was also the start of her two year "incarceration," as she calls it, in various nursing facilities.

Ironically enough, before her car accident, Ms. Russell was in pre-production on a documentary focusing on nursing facilities. Ms. Russell now has firsthand knowledge of what it is like to live in one. Being forced to live in a nursing facility is an experience she quickly wants to forget.

"This type of life frightens me," she says. "They tell you when you can eat, when you can sleep, when you can bathe. I feel like a prisoner." Ms. Russell no longer feels like a prisoner because as of November 1, 2002, Ms. Russell is a "free" woman living in her own apartment in Austin.

Thanks to the combined efforts of the Texas Department of Housing and Community Affairs (TDHCA), the Texas Health and Human Services Commission (HHSC), and the Texas Department of Human Services (TDHS), Ms. Russell is the first Texas participant of the *Project Access* Housing Choice Voucher Program to successfully make the transition from a nursing facility into the community.

*Project Access* is a housing voucher pilot program developed by the U. S. Department of Housing and Urban Development (HUD), the U. S. Department of Health and Human Services (HHS), and the Institute on Disability at the University at New Hampshire that assists low-income non-elderly persons with disabilities to transition from nursing facilities into the community by providing access to affordable housing and necessary supportive services.

HUD provides Section 8 rental assistance and HHS provides supportive services through Nursing Home Transition Grants and Medicaid waivers. TDHCA received 35 Section 8 housing vouchers from HUD and on May 10, 2002, as a requirement to receive the vouchers; all three state agencies finalized a Memorandum of Understanding which describes the specific roles, responsibilities, and activities to be undertaken by each agency to ensure the successful implementation of *Project Access*.

HHSC, the lead agency in charge of responding to the *Olmstead v. L.C.* Supreme Court decision that required states to provide services to persons with disabilities in community settings rather than institutions, is responsible for coordinating efforts related to the implementation of *Project Access* with TDHCA and TDHS. TDHS is responsible for identifying individuals living in nursing facilities that are eligible to participate in *Project Access* and then referring them to TDHCA.

Eligible participants must reside in a nursing facility, be under the age of 62, express the desire to move out of the nursing facility and into the community, and have or will have the necessary services and supports available to him/her in the community. TDHS is also responsible for providing appropriate Community Care Services to eligible individuals. Finally, TDHCA is responsible for ensuring individuals are eligible to receive a housing voucher and then transferring the voucher to the Public Housing Authority of the city or county where the individual wishes to live.

In addition to the three state agencies, the successful implementation of *Project Access* also requires the cooperation and support of disability advocacy groups, other State agencies, and persons who provide services to the disabled. Without their support, *Project Access* would still be in the planning stages. Ms. Russell was made aware of *Project Access* by a TDHS caseworker who introduced her to Pamela Jones, a Community Awareness and Relocation Services Coordinator with the Austin Resource Center for Independent Living (ARCIL) in Austin.



Carolyn Russell gets her first glimpse of her new living quarters after two years in nursing facilities. Inset photo: Russell says farewell to a friend as she leaves the most recent facility. She transitioned into a community setting with the assistance of TDHCA and the *Project Access* Housing Choice Voucher Program.

Ms. Jones was instrumental in helping Ms. Russell make the move into her new apartment. Ms. Jones helped Ms. Russell secure a service provider, complete the housing voucher application, and coordinate the move to the new apartment.

Ms. Russell is happy and grateful to be given an opportunity to live on her own terms. As she puts it, "I feel so much less broken." A caregiver visits her everyday for up to seven hours and helps her with her medical needs, shopping, and life's other little chores we take for granted. And even though she still faces many challenges, Ms.

Russell is optimistic about the future. She hopes to go back to school and get her masters degree and possibly finish the documentary she never had a chance to complete.

For more information on the *Project Access* Housing Choice Voucher Program and voucher availability contact Jorge Reyes, Information Specialist with the Center for Housing Research, Planning, and Communications of TDHCA at [jreyes@tdhca.state.tx.us](mailto:jreyes@tdhca.state.tx.us); or (512) 475-4577. You can also write to: TDHCA, Attn: Jorge Reyes, PO Box 13941, Austin, TX 78711. ❖

## Updates (from page 5)

profit organizations and for-profit developers.

Below are quantitative performance measures for state fiscal year 2002 (09/01/01 - 08/31/02):

Number of very low/low income households that received loans through the MRB program:

2002 Targeted performance ..... 1,100  
 Year end performance: ..... 2,209

State fiscal year 2002 performance by income category:

	Households	\$ Value
Ext. low income <sup>1</sup>	0	0
Very low income <sup>2</sup>	2,209	\$112,675,000
Low income <sup>3</sup>	0	0
Unrestricted units	0	0
Total	2,209	\$112,675,000

## Office of Colonia Initiatives (OCI)

By Susana J. Garza

OCI was created and charged with the responsibility of coordinating Department and Legislative initiatives involving border issues and manage a portion of the Department's existing programs targeted for colonias.

OCI assists the Department's program divisions by coordinating activities in the colonias that provide consumer education on contract-for-deed issues and assistance with housing and infrastructure.

Since the creation of the OCI Division, more emphasis has been placed on the individual needs of colonia residents and a more comprehensive approach has been implemented towards improving living conditions in all colonias along the border region. Below are productivity reports for fiscal year 2002-2003 (09/01/01 - 08/31/02):

Target number of onsite technical assistance visits conducted from field offices for calendar year 2002: ..... 400

Number of onsite technical assistance visits conducted from field offices to date (since 1/1/02 - 8/31/02): ..... 747

Below are productivity reports for fiscal year 2002-2003 (09/01/01 - 08/31/02):

Target number of onsite technical assistance visits conducted from field

(See "Updates," page 8)



TDHCA toll free telephone numbers	
Compliance .....	800-643-8204
Energy Assistance .....	877-399-8939
Manufactured Housing .....	800-500-7074
Office of Colonia Initiatives .....	800-462-4251
Relay Texas (Service for the hearing impaired) .....	800-735-2988
Section 8 .....	800-237-6500
Texas Statewide Homebuyer Education Program .....	877-895-1093
Texas First Time Homebuyer Program .....	800-792-1119

# Governor, TDHCA Celebrate Weatherization Day 2002

By Gordon Anderson

TDHCA Center for Housing Research, Planning, and Communications

The Texas Department of Housing and Community Affairs joined Governor Rick Perry in recognizing October 30 as "Weatherization Day 2002" in Texas. The Department used the occasion as an opportunity to promote its Weatherization Assistance Program, a service provided to low-income Texans by the Energy Assistance Section of TDHCA's Community Affairs Division.

Governor Perry issued a proclamation in support of the national designation for "Weatherization Day 2002" by the U.S. Department of Energy (DOE). Throughout the country, state and local agencies administering DOE weatherization funds are celebrating weatherization and publicizing the benefits of an energy efficient home, particularly for low-income households, the elderly, and the very young.

"Extreme weather conditions are common occurrences in the Lone Star State, often increasing the energy costs of households," Governor Perry noted in his proclamation. "Low-income households are especially vulnerable. According to TDHCA, low-income Texans spend 14 percent of their annual income on heating and cooling costs compared with 3.5 percent for the average household."

The Governor urged all citizens to learn about the many benefits of weatherization. "By assisting all Texans in reducing energy costs and increasing efficiency, we are taking positive steps that benefit our great state."

The Weatherization Assistance Program provides income eligible households with a variety of services designed to lower their energy consumption and utility bills. Services range from the installation of weatherstripping, caulking and insulation, to the replacement of inefficient heating and cooling equipment, depending upon individual circumstances.

TDHCA provides these services through a network of 36 local contract agencies serving all 254 Texas counties. A complete list of these community based organizations and units of local government is available on the Internet at: [www.tdhca.state.tx.us/ea.htm#consumerWAP](http://www.tdhca.state.tx.us/ea.htm#consumerWAP); or call 1-888-606-8889. DOE, the U.S. Department of Health and Human Services, and the System Benefit Fund are the funding sources for the program.

Through August, more than 5,700 low-income households have received weatherization assistance this year from the Department through local contract service providers at an average cost of \$1,796 per home. An additional 61,700 households also received assistance with utility payments through TDHCA's Comprehensive Energy Assistance Program.

"The Weatherization Assistance Program reflects the Department's overall philosophy that one cannot have affordable housing where there is no energy efficiency," said Edwina Carrington, TDHCA Executive

Director. "If a low-income household cannot afford to heat or cool their home, they are not able to live in a safe, healthy manner. Through this program, the Department is providing real and meaningful benefits to thousands of low-income Texans each year."

In addition to paying a higher percentage of their annual income on energy costs, low-income households often find energy costs affecting their basic subsistence requirements. Nationally, local assistance agencies have had to address the relationship between medical and nutritional needs and energy costs. The elderly and persons with disabilities in particular will often pay for their utility bills while foregoing medication and food.

National studies have also shown that low-income households with young

children will pay for utility costs at the expense of their children's nutrition. This contributes to higher hospital admittance rates during high energy consumption seasons, developmental and learning disabilities in later years and, at worse, infant mortality.

More important, the Texas heat is a very real threat to the health of the elderly, persons with disabilities, and very young children. The Texas Department of Health reports that more individuals die due to heat related stress than exposure to excessive cold. Cooling costs are a special burden on low- and fixed-income households because of the state's long summer and because it is provided from electricity, an extremely expensive source of energy. ❖

## CEAP Making a Difference in Midland Couple's Life

By Paula Beck

CEAP Coordinator, West Texas Opportunities

Lawrence and Tammy Stanton (not their real names) came in to West Texas Opportunities' Midland Neighborhood Center needing help in paying their electricity bill. Tammy is disabled and receives an SSI check in the amount of \$540 a month, which is their only income. Lawrence has a mental condition that causes him to be unable to work, so he is attempting to get a disability check as well. He has been denied once, but has appealed.

The Stantons were placed on the *Comprehensive Energy Assistance Program (CEAP) Elderly/Disabled* component. The initial payment made for the household was made in February, and subsequent payments were made in June, July and August, for a total of \$394.67. These months were chosen after reviewing the electric billing history as being the months of greatest expenditure during the year.

Once the months are set for the payments during the program year, the Elderly/Disabled client does not have to come in for any other appointments; the agency requests billing information for the payment months from the utility vendor, and makes the payments automatically. This reduces the chances of falls during icy weather or any difficulties the client may have in coming in to the office. Appointments at the client's home may even be made in cases where the client is homebound, or an authorized representative may come in to the office and make an application on behalf of the client.

At the time of the Stanton's first appointment, the intake worker learned

that besides needing assistance with their utility bill, they were in need of help with their air conditioning. Since Tammy has such a serious case of rheumatoid arthritis, the moisture generated by the evaporative cooler they had caused her to experience a great deal of pain.

The intake worker helped the couple to get a statement from their doctor, stating that there was a medical need to change from the evaporative cooler to a refrigerated air conditioner. The installation of the new refrigerated air conditioner relieved much of the pain of the arthritis.

The intake worker also took an application for the *Weatherization Assistance Program*, as it was learned that they had quite a bit of air infiltration around their doors and windows. The home was to be assessed for weatherization measures in November. The measures provided will help lower their utility bills in the future. Budgeting has also been discussed to help them toward the time when the husband begins receiving his disability checks.

The couple is extremely grateful for the assistance they have received. In spite of going through bone density, muscle and CT scans, the wife endured a great deal less pain in the hot months than in previous years because of the changed cooling appliance.

The Stantons were also referred to other agencies for assistance in other areas of need. The utility assistance helped get them through a time when their income was very low. They have been advised to check with the agency office again in January 2003 to see if they are still eligible for assistance. ❖

## Weatherization Tips

from the TDHCA website

TDHCA encourages all Texans, regardless of their income level, to make their homes as energy efficient as possible. Here are some basic tips to follow when considering weatherizing your home:

- Install storm windows, or add caulking or sealant to existing windows to reduce the infiltration of cold air in the winter and warm air in the summer
- Close drapes or blinds and lock windows to ensure a tight seal
- Weatherstrip the perimeter of exterior doors
- Install insulation in your attic, walls (where accessible), and floors
- Set water heater to 120 degrees and add an insulation blanket to the unit (check the manufacturer's label for important information)
- Add insulation to water pipes
- Install low flow shower heads and faucet aerators
- Use conservation showerheads to eliminate hot water waste
- Install dampers in chimneys
- Replace filters in heating and cooling systems on a monthly basis
- Check the direction of ceiling fans: in the winter, set fans to move air downward (counterclockwise); in the summer, set fans to move air upward (clockwise)
- Close the damper on fireplaces (when not in use) or add glass doors
- Remove furniture and carpeting from heater vents to ensure proper circulation
- Adjust the thermostat to slightly lower temperatures in the winter and slightly higher temperatures in the summer when your family is sleeping or away from the home
- Replace old appliances with new energy efficient models. Look for the EnergyStar label
- Install Compact Florescent Light (CFL) bulbs

# TDHCA Funding Recommendations to be Based on Underwriting, Market Analysis Rules and Guidelines

By Tom Gouris  
TDHCA Underwriting

In 2003, feasibility conclusions and recommendations for funding of housing applications submitted to the Texas Department of Housing and Community Affairs will be based on analysis performed in accordance with the Underwriting, Market Analysis, Appraisal, and Environmental Site Assessment Rules and Guidelines.

In order to encompass all of the Department's housing activities, the market analysis, ESA and underwriting guidelines were removed from the Qualified Allocation Plan, which addresses only the Low Income Housing Tax Credit Program, and compiled into stand-alone rules in the Texas Administrative Code (TAC).

The appraisal portion of the rules were drawn primarily from the latest version of the Department's appraisal policy and modified and condensed to fit into the TAC rule format.

The following opportunities for public comment were utilized in contemplation of these rules:

- A 22 member diverse ad hoc industry group including developers, lenders, syndicators, investors, issuers, and consultants
- A day-long roundtable work session with 28 market analysts representing 21 firms

- Three QAP roundtable meetings sponsored by the LIHTC program
- Eight weekly open meetings with developers held during the application cycle
- Public hearings held in ten locations throughout Texas
- Written public comment

Significant changes to the underwriting process resulted from public comment. For instance, the rules incorporate a feedback process to allow opportunity for applicants to respond to and support significant differences between the application and underwriting conclusions.

In addition, adjustments were made to underwriting tolerance levels for specific operating expense and development cost items. Overall, the intent was to make the underwriting process itself more transparent.

The Underwriting Division will also be responsible for accepting and maintaining pre-submission of financial statements. The rules outline this process. The financial statements must arrive at the Department at least seven days prior to the application acceptance period in order for an acknowledgment of receipt to be provided.

The acknowledgement of receipt can then be substituted for the financial

statements in subsequent applications. Applicants should keep in mind that financial statements, and therefore acknowledgements of receipt, cannot be dated more than 90 days prior to the first day of the application acceptance period.

The rules also include a market analyst removal and reinstatement process for the approved market analyst list. As in the past, market analysts are required to submit a response to the Request for Qualifications to Provide Market Study/Analysis in order to be included on the approved list.

Moving forward, market analysts will also be required to submit a sample market study that conforms to the Department's Market Analysis Rules and Guidelines. Market analyses submitted by firms included on the approved list will also undergo periodic review. If it is found that the analysis does not conform to the rules, the firm will be removed from the approved list until the market analyst submits a sample analysis that conforms to the rules.

The 2003 Underwriting, Market Analysis, Appraisal, and Environmental Site Assessment Rules and Guidelines as well as other pertinent forms and documents can be accessed on the

Department's Internet website at [www.tdhca.state.tx.us/underwrite.html](http://www.tdhca.state.tx.us/underwrite.html). Specific questions can be directed to Lisa Vecchietti, Credit Underwriting, at [lvecchie@tdhca.state.tx.us](mailto:lvecchie@tdhca.state.tx.us), phone: (512) 475-3227, and FAX: (512) 475-4420. ❖

## TDHCA's Charity Efforts Pay Off

from TDHCA staff

TDHCA employees demonstrated once again that they are among the most caring and dedicated in state government. Department staff contributed \$14,692.50 toward the 2002 State Employee Charitable Contribution (SECC) campaign.

SECC funds raised by state employees go toward a vast array of charitable organizations, both local and national. The 2002 campaign ran from September through October 30, 2002.

TDHCA's 2002 goal was \$15,000, and staff collected 98 percent of that total goal. With funds raised on a by-floor basis in the Department's Austin headquarters, four floors reported a participation rate of greater than 50 percent.

In all, 113 of the Department's 303 Austin employees contributed to the 2002 SECC campaign.

### Updates (from page 7)

offices for calendar year 2002: ..... 400

Number of onsite technical assistance visits conducted from field offices to date (since 1/1/02 - 8/31/02): ..... 747

### Texas "Bootstrap" Loan Program

By Susana J. Garza

The Texas Bootstrap Loan Program is designed to promote and enhance homeownership for very low income Texans by providing loan funds up to \$30,000 to purchase or refinance real property on which to build new residential housing or improve existing residential housing throughout Texas.

Two-thirds of the total funds are used to help residents of impoverished border colonias and communities build new, better homes. The remaining one-third is available statewide to low-income families. The Department intends to make available \$6 million to implement this initiative for the biennium.

Below are productivity reports:

Target number of loans to be made for calendar year 2002/2003: ..... 247

Number of loans made for FY 2002-2003: \$3 million was recently awarded to seven nonprofits at the August 2002 Board Meeting; 147 units committed.

### Section 8

By Barbara Howard

The Department's Section 8 Program currently contracts with 18 small cities, 10 counties, four Community Action Agencies, and three small public housing authorities that administer the program on a local level. Since 1979, the program has grown from 100 certificates to more than 2,200 certificates and vouchers in 39 counties. More than \$10 million was allocated for the year 2002, and funding for the year 2003 is projected to be \$11.25 million.

Below are productivity reports for state fiscal year 2002 (09/01/01 - 08/31/02):

Number of very low income households receiving Section 8 certificates and vouchers:  
Funding for FY 2002: ..... \$10,121,000  
Actual dollars committed: .. \$7,431,264  
Targeted performance: ..... 2,200  
Year end performance: ..... 2,219  
% of annual performance: ..... 100.8

State fiscal year 2001 performance by income category:

	Households	\$ Value
Ext. low income <sup>1</sup>	1,664	\$5,573,448
Very low income <sup>2</sup>	555	\$1,857,816
Low income <sup>3</sup>	0	0
Total	2,219	\$7,431,264

### Weatherization Assistance Program (WAP)

By John Touchet

WAP funds the installation of weatherization materials such as attic, wall, and floor insulation; caulk around windows and doors; and repair or replacement of energy inefficient heating and cooling equipment. WAP also provides energy conservation education.

People who wish to apply for WAP assistance should call the Weatherization hotline toll free at **1-888-606-8889**. If they call from their home phone, rather than by cell phone, individuals will automatically be transferred to their local WAP service provider.

Funding for the Weatherization Assistance Program comes from U.S. Department of Energy (DOE) grants, the U.S. Department of Health and Human Services' Low Income Home Energy Assistance Program (LIHEAP), and from the System Benefit Fund (SBF). The SBF receives revenue from a mandatory fee on utility bills controlled by the Public Utility Commission. The Texas Legislature approved a budget for Program Year (PY) 2003 for energy efficiency programs in the amount of \$10.76 million.

Below are WAP productivity reports for fiscal year 2002 (09/01/01 - 08/31/02) as of October 2002:

Number of dwellings weatherized:  
Target number of dwellings weatherized in FY02\* ..... 4,621  
Total dwellings weatherized to date (DOE, LIHEAP) ..... 5,781  
Utility Partnership dwellings weatherized in FY02 ..... 1,777  
SBF dwellings weatherized ..... 2,040  
SBF refrigerators installed ..... 1,079  
\* Based on the maximum funding allowed per house by DOE of \$2,500.

- 1 Extremely low income = 0-30% AMFI
- 2 Very low income = 31-60% AMFI
- 3 Low income = 61-80% AMFI
- 4 Moderate income = > 80%

AMFI = Area Median Family Income; the point at which half the household incomes in a given geographical area are less and half are greater.

