Texas Department of Housing and Community Affairs

Summary of HOME First Minor Amendment to the 2025-2029 State of Texas Consolidated Plan

February 2026

TDHCA has determined that HOME Program Income is excluded from the requirements of its governing statute at Tex. Gov't Code 2306.111(c)(1) related to expenditure of HOME Funds within areas that receive funding under the Cranston-Gonzales National Affordable Housing Act directly from HUD. TDHCA has also determined that there is unmet need within these areas, and may utilize its HOME Program Income to help satisfy this unmet need.

The following amendment shows the necessary changes due to this reassessment of geographic availability of HOME Program Income. Changes are made to SP-10 and AP-50 reflecting this adjustment.

2025-2029 Consolidated Plan: One-year Action Plan

SP-10 Geographic Priorities – 91.315(a)(1)

Geographic Area

Table 1 - Geographic Priority Areas

1	Area Name:	State of Texas
	Area Type:	State Service Area
	Other Target Area Description:	State Service Area
	HUD Approval Date:	
	% of Low/ Mod:	
	Revital Type:	
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	State of Texas.
	Include specific housing and commercial characteristics of this target area.	Described in the Needs Assessment of the 2025-2029 State of Texas Consolidated Plan.
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	Described in the Process Chapter of the 2025-2029 State of Texas Consolidated Plan.
	Identify the needs in this target area.	Described in the Needs Assessment of the 2025-2029 State of Texas Consolidated Plan.
	What are the opportunities for improvement in this target area?	Described in the Needs Assessment and Market Analysis of the 2025-2029 State of Texas Consolidated Plan.
	Are there barriers to improvement in this target area?	Described in the Needs Assessment and Market Analysis of the 2025-2029 State of Texas Consolidated Plan.

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA

for HOPWA)

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

TDHCA and TDA do not provide priorities for allocating investment geographically to areas of minority concentration as described in 24 CFR §91.320(d).

HOME Program Geographic Priorities

Texas Government Code §2306.111(d) requires that TDHCA use a Regional Allocation Formula (RAF) to allocate its HOME funding received though its allocation from HUD. The RAF uses data from the Census Bureau to prioritize how to geographically allocate funding, such as: number of persons who live at or under 200% of the poverty line; number of households with rent or mortgage payments that exceed 30% of income; number of units with more than one person per room; and vacant units for rent or for sale. Both homeowner data and renter data are used in the RAF. This formula captures data on all Texas counties and accordingly helps promote funding in areas of geographic priorities.

Additionally, Texas Government Code §2306.111(c)(1) (except when waived by the Governor) specifies that TDHCA shall expend at least 95% of its HOME funds received though its allocation from HUD for the benefit of areas not in Participating Jurisdictions (PJs). Therefore, need and availability in the areas that are PJs are not prioritized in the RAF. The RAF is included in the distribution method for all HOME funds from the annual allocation, which excludes HOME Program Income, except for federal- and state-mandated activities, such as CHDO Operating Expenses, housing programs for persons with disabilities, and the Contract for Deed Conversion Program. The RAF is assessed, revised as appropriate, and published annually, after the public comment process, at https://www.tdhca.texas.gov/housing-resource-center-annual-or-biennial-plans-and-reports. Funds from the annual allocation which have previously been made available under the RAF are not required to utilize the RAF for future distribution.

ESG Geographic Priorities

Beginning with Federal Fiscal Year 2013, ESG funds have been prioritized for each of the HUD-designated Continuum of Care (CoC) Regions. The amount of funding to be allocated to each CoC Region is determined utilizing a formula that factors in data from a variety of sources, including the HUD Comprehensive Housing Affordability Strategy, the American Community Survey, and CoC Point in Time Counts. Factors utilized most recently included renter cost burden, population of persons in poverty, the total homeless population, and the amount of ESG funding made available to the CoC Region through direct HUD allocation.

CDBG Geographic Priorities

Texas CDBG Funds for projects under the Community Development (CD) Fund are allocated to 24 regions according to a formula included in the One-year Action Plan, similar to the methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs. In addition, 10% of the annual allocation is allocated to projects under the Colonia Fund categories, which must be expended within 150 miles of the Texas-Mexico border. In addition, 2.5% of the annual allocation is dedicated for Colonia Self-Help Centers, allocated by state statute among five Texas-Mexico border counties, as well as in other border counties that are determined to be economically distressed. The remaining CDBG programs are available to communities statewide.

HOPWA Geographic Priorities

DSHS contracts with AAs in six Ryan White Part B HIV Planning Areas encompassing 26 HIV Service Delivery Areas (HSDAs). AAs subcontract with Project Sponsors in each HSDA for statewide service delivery. The DSHS HOPWA Program serves all 254 counties in Texas, prioritizing those outside the six HOPWA-funded Metropolitan Statistical Areas: Austin, Dallas, El Paso, Fort Worth, Houston, and San Antonio. The program utilizes an allocation formula based on persons living with HIV (PLWH) in poverty, housing costs, prior-year performance data, and reported waitlists. During the program year, the program reallocates activity funds and adjusts household output goals within and between HSDAs to meet changing needs.

NHTF Geographic Priorities

Texas will distribute NHTF funds through a competitive NOFA process. For any year that the NHTF allocation (after subtracting the state's administrative percentage) is less than $20 million, the funds will initially be available geographically, based on the proportion of Extremely Low-Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen, and available competitively within each region prior to collapse into a statewide competition or otherwise prioritized in a NOFA. If the allocation received by the State exceeds $20 million, an Allocation Formula similar to that used for the State's allocation of HOME funds will be used to distribute NHTF funds, although statutory requirements regarding a priority for areas not in Participating Jurisdictions or any HOME-specific set asides will not apply. If the State implements a homeownership program component using NHTF, the homeownership program only may use a different allocation method, based on proportionate need. When distributing funds geographically, several State Service Regions may be combined to increase the amount of funding available to applicants, but in no case will fewer than four distinct geographic regions for initial funding distribution be used.

AP-50 Geographic Distribution – 91.320(f)

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

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

HOME/NHTF funds used for multifamily development are typically paired with tax-exempt bond and/or HTC. TDHCA rules that govern the HTC Program include incentives for developments utilizing the competitive 9% HTC in high opportunity areas, which are defined as high-income and low-poverty areas, with multiple community amenities in close proximity to the development. It also provides competitive incentive to develop in colonias or economically distressed areas. Developments using tax-exempt bond financing and 4% HTCs are more frequently located in qualified census tracts due to federal guidelines that cause these to be more financially viable.

ESG Addresses Geographic Areas for Assistance
Assistance provided by ESG funds will be directed statewide, according to the 12 HUD-designated CoC regions. TDHCA does not provide priorities for allocating investment geographically to areas of minority concentration, as described in 24 CFR §91.320(f).

HOPWA Addresses Geographic Areas for Assistance
The DSHS HOPWA Program serves all 254 counties in Texas, prioritizing those outside the six HOPWA-funded Metropolitan Statistical Areas: Austin, Dallas, El Paso, Fort Worth, Houston, and San Antonio. Therefore, the program targets less urbanized areas of Texas. DSHS contracts with AAs in six Ryan White Part B HIV planning areas encompassing 26 HSDAs. AAs subcontract with Project Sponsors in each HSDA for statewide service delivery.

CDBG Addresses Geographic Areas for Assistance

TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f). CDBG funds are allocated across the state in three ways.

1. The CD Fund assigns a percentage of the annual allocation to each of the 24 Regional COGs, ensuring that each region of the state receives a portion of the funds. The allocation formula is found in the

Texas Administrative Code, Title 4 Section 30.3.

2. The Colonia Fund directs funding to communities within 150 miles of the Texas-Mexico border. All remaining funds are distributed through state-wide competitions without geographic priorities.

3. The Colonia Self-Help Center (CSHC) Program is offered along the Texas-Mexico border in Cameron/Willacy, El Paso, Hidalgo, Maverick, Nueces, Starr, Val Verde, and Webb counties. The CSHC Program serves approximately 40 colonias in seven border counties, which are comprised of primarily Hispanic households and have concentrations of very low-income households.

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

Geographic Distribution

Target Area	Percentage of Funds
State of Texas	**100**

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

HOME Addresses Geographic Investments
HOME funds received in the annual allocation of funds from HUD, which excludes HOME Program Income, are allocated geographically using a regional allocation formula (RAF), as described in Strategic Plan Section 10, of the 2025-2029 State of Texas Consolidated Plan. This process directs funds to areas of the State that demonstrate high need. Unless waived by the Governor in the event of a disaster, at least 95% of TDHCA administered HOME funds from the annual allocation are used in areas that are not Participating Jurisdictions (PJs) per statute. This results in more HOME funds in smaller communities than in larger Metropolitan Statistical Areas (MSAs) that receive HOME funds directly from HUD. The current RAF is online at https://www.tdhca.texas.gov/housing-resource-center-annual-or-biennial-plans-and-reports

ESG Addresses Geographic Investments
ESG allocates ESG funds to each CoC region based on an allocation formula. This formula includes factors such as homeless population, people living in poverty, cost burden of renters, point in time counts and ESG funds available from federal and state sources.

HOPWA Addresses Geographic Investments
DSHS uses a formula to determine allocations by HSDA. The formula uses the number of PLWH by county with adjustments for overlapping HOPWA formula jurisdictions, poverty rates, and housing costs. DSHS reserves the right to adjust formula allocations when accounting for local factors, including unmet

need, prior performance and expenditures, and any other relevant metrics.

CDBG Addresses Geographic Investments

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

State statute mandates designation of six Colonia Self-Help Centers (Centers) along the Texas-Mexico border in Cameron/Willacy, El Paso, Hidalgo, Nueces, Starr, and Webb counties to address the long history of poverty and lack of institutional resources. In 2001, TDHCA added two additional Centers in Maverick and Val Verde counties. These eight counties collectively have approximately 35,979 colonia residents who may qualify to access Center services.

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

Discussion

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

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

NHTF Addresses Geographic Investments
NHTF funds are allocated geographically using a Regional Allocation Formula, as described in Strategic Plan Section 10. Acknowledging that all regions of the State have a need to create housing for ELI households, the formula provides opportunity for access to NHTF. This process directs funds to areas of the State that demonstrate high need. Regions may be grouped together for application and funding purposes. Any such grouping will be specified in the NOFA, but in no circumstance will fewer than four groups of regions be created.