

2026 State of Texas Consolidated Plan

One-Year Action Plan



Prepared by:

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

1. Introduction

This One-Year Action Plan (OYAP) identifies the contemplated possible use of funds received by the State of Texas from the U.S. Department of Housing and Urban Development (HUD) for Program Year (PY) 2026. This PY 2026 OYAP applies to those actions of the Texas Department of Housing and Community Affairs (TDHCA), the Texas Department of Agriculture (TDA), and the Texas Department of State Health Services (DSHS), relating to the activities of those three state agencies involving the administration of ongoing HUD Community Planning and Development (CPD) programs. Those agencies, being all of the agencies that administer HUD CPD programs for the state of Texas (other than Community Development Block Grant Disaster Recovery funds designated specifically by HUD for disaster recovery efforts), are collectively referred to herein as the "State." This OYAP is for the HOME Investment Partnerships (HOME) Program, the Emergency Solutions Grant (ESG) Program, the Community Development Block Grant (CDBG) Program, the Housing Opportunities for Persons with AIDS (HOPWA) Program, and the National Housing Trust Fund (NHTF). This OYAP does not include CDBG-CV, which was part of the 2019 OYAP. The 2026 PY for HUD program activity begins on September 1, 2025, and ends on August 31, 2026. The performance report on PY 2024 funds was submitted to HUD in November 2025 and approved by HUD in December 2025.

The CPD programs include the Emergency Solutions Grant Program, the HOME Investment Partnerships Program, and the National Housing Trust Fund Program administered by the Texas Department of Housing and Community Affairs; the Community Development Block Grant Program administered by the Texas Department of Agriculture; and the Housing Opportunities for Persons with AIDS Program administered by the Department of State Health Services.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The 2026 OYAP:

1. Reports on the intended use of funds received by the State from HUD for PY 2026;
2. Explains the State's method for distributing CDBG, ESG, HOME, HOPWA, and NHTF program funds; and,
3. Provides opportunity for public input on the development of this OYAP.

The State's progress in achieving the goals put forth in the OYAP will be measured according to HUD guidelines (24 CFR §91.520) and outlined in the Consolidated Annual Performance and Evaluation Report (CAPER), submitted to HUD by November 30 each year.

In accordance with the guidelines from HUD, the State utilizes the CPD Outcome Performance Measurement System through the use of HUD's Integrated Disbursement and Information System (IDIS) to develop the OYAP and CAPER each year. Program activities are categorized into the objectives and outcomes listed throughout the OYAP. The estimated performance figures are based on planned performance during the PY (September 1st through August 31st) of contracts committed and projected households to be served based on estimated availability of funds. In contrast, the performance measures reported to the Texas Legislative Budget Board for the State Fiscal Year (SFY), which is September 1st through August 31st, are based on anticipated units and households at time of award.

The objectives, outcomes, and activity budgets in this OYAP are based on official and unofficial notices of allocations.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The information below is for HOME, ESG, NHTF, CDBG, and HOPWA for PY 2026 (September 1, 2025 to August 31, 2026), and excludes any activity during that period from CDBG-CV, or HOPWA-CV.

HOME Evaluation of Past Performance

TDHCA's HOME program expended \$32,255,460.55 in program funds through five different HOME Program activities in PY 2024, representing completed assistance to 844 households.

ESG Evaluation of Past Performance

During PY 2024, TDHCA's ESG Program expended \$9,483,057.63. With the expended funding, ESG served 496 households with rapid re-housing, 18,495 persons with overnight shelter assistance, and 816 persons with homelessness prevention.

NHTF Evaluation of Past Performance

During PY 2024, NHTF expended \$121,436. With the expended funding 128 rental units were constructed.

CDBG Evaluation of Past Performance

During PY 2024, the Texas CDBG Program committed approximately \$70 million, which includes the PY 2024 allocation, any remaining funds from the 2023 allocation, deobligated funds, and program income.

HOPWA Evaluation of Past Performance

In the HOPWA 2024 program year, Project Sponsors served 645 households with Tenant-Based Rental Assistance (TBRA) out of the 575 OYAP goal (112 percent); 462 households with Short-Term Rent, Mortgage, Utility (STRMU) out of the 295 OYAP goal (157 percent); 102 households with Facility-Based Housing Assistance (FBHA) out of the 136 OYAP goal (75 percent); 182 households with Permanent

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Housing Placement (PHP) out of the 132 OYAP goal (115 percent); 1,101 households with Housing Case Management (HCM) out of the 1,031 OYAP goal (107 percent); and 19 households with Housing Information Services (HIS) out of the 7 OYAP goal (271 percent). In total, Project Sponsors served 1,259 unduplicated households and provided housing assistance services to 1,184 unduplicated households.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

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

The 2025-2029 Consolidated Plan (as adopted) substantial amendments, the OYAP, and the Consolidated Plan Annual Performance and Evaluation Reports (CAPER) are available to the public online at <https://www.tdhca.texas.gov/> and materials are accessible to persons with disabilities, upon request. The State recognizes that public participation and consultation are ongoing processes. During the development of the 2025-2029 Consolidated Plan, comprehensive outreach was conducted to gather input. This outreach continues through the development of each Annual Action Plan within the 5-year consolidated planning process.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

No public comment was received for the 2026 One-Year Action Plan

6. Summary of comments or views not accepted and the reasons for not accepting them

No public comment was received for the 2026 One-Year Action Plan

7. Summary

The consolidated planning process occurs once every five years, so creating a comprehensive 2025-2029 Consolidated Plan was vital for CDBG, HOME, ESG, HOPWA, and NHTF. Because of the Consolidated Plan's authority to govern these programs, research from multiple sources, including other government plans, peer-reviewed journals, news sources, and fact sheets were used. Valuable public input was gathered through roundtable meetings, council/workgroup meetings, public hearings, and online formats. An expansive public input process was included in the development of the Consolidated Plan.

The 2025-2029 Consolidated Plan is now carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that the State plans to use each year to address the priority needs and specific goals identified by the Consolidated Plan.

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

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

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

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

Table 1 – Responsible Agencies

Narrative

The Texas Department of Housing and Community Affairs (TDHCA) administers the Emergency Solutions Grants (ESG) Program, the HOME Investment Partnerships (HOME) Program and the National Housing Trust Fund (NHTF) Program; the Texas Department of Agriculture (TDA) administers the Community Development Block Grant (CDBG) Program; and the Texas Department of State Health Services (DSHS) administers the Housing Opportunities for Persons with AIDS (HOPWA) Program. All these programs, known collectively as Community Planning and Development (CPD) Programs, are covered in the 2025-2029 State of Texas Consolidated Plan (Plan). TDHCA is the entity responsible for overseeing the development of the Plan.

Key Organizational Events

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

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

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

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

Consolidated Plan Public Contact Information

ESG, HOME, and NHTF Contact Information:

Texas Department of Housing and Community Affairs,
PO Box 13941, Austin, TX 78711-3941. (800) 525-0657.
<https://www.tdhca.texas.gov/>

CDBG Contact Information:

Texas Department of Agriculture, Office of Rural Affairs,
PO Box 12847, Austin, TX 78711-2847. (800) 835-5832.
<http://texasagriculture.gov/Home/ContactUs.aspx>

HOPWA Contact Information:

DSHS HIV/STD Section, HIV Care Services Group, HOPWA Program,
PO Box 149347, Mail Code 1873, Austin, TX 78714-9347. (737) 255-4300.
<https://www.dshs.texas.gov/hivstd/hopwa/>

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

In an effort to gather information from as many diverse audiences as possible, TDHCA uses different forms of technology to communicate efficiently, including online surveys, digital roundtables, social media, and email distribution. Online surveys foster an increased response rate of participants as well as facilitating data analysis. In addition, digital roundtables are used in the development of program rules and distribution methods. The availability of all these methods is communicated primarily via the TDHCA website, opt-in email distribution lists, social media, and through announcements at meetings and conferences.

An online presence allows TDHCA to reach out to encourage participation and consultation. TDHCA has a social media presence, specifically through Twitter, Facebook, Instagram, and YouTube. Furthermore, TDHCA sends out notices via voluntary email lists, where subscribed individuals and entities can receive email updates on TDHCA information, announcements, and trainings. Use of technology allows fast communication to a large audience and allows TDHCA to reach people across the state of Texas efficiently.

In the consolidated planning process, the State encourages the participation of public and private organizations, including broadband internet service providers, organizations engaged in narrowing the digital divide, agencies whose primary responsibilities include the management of flood prone areas, public land or water resources, and emergency management agencies in the process of developing the consolidated plan.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The State worked to enhance coordination between public and assisted housing providers, and private and governmental health, mental health and service agencies for the Plan in various ways. For example, TDHCA staff routinely attends inter- and intra-agency meetings to educate and coordinate on the intersection between housing and services, as described in Strategic Plan Section 35, Anticipated Resources, and Action Plan Section 65, Homeless and Other Special Needs. The opportunity to submit input was also on the agenda for several of these meetings and input was sometimes received after the meetings were concluded.

DSHS contracts with AAs in six Ryan White Part B HIV Planning Areas to administer the DSHS HOPWA Program. AAs ensure that a comprehensive continuum of care exists throughout their funded areas. To that end, AAs routinely consult with a variety of organizations and stakeholders, including persons living with HIV (PLWH) and local HIV Planning Councils. Additionally, AAs complete periodic needs assessments to inventory available resources and identify service needs, barriers, and gaps within their planning areas. With this information, AAs develop and implement a regional HIV core medical and supportive services plan. When developing this plan, AAs establish multiple mechanisms for obtaining stakeholder input (e.g., dissemination of written copies of the plans, postings to the Internet, town hall

meetings, advisory groups, etc.). Where possible, Project Sponsors coordinate with local Housing Choice Voucher Programs (HCVPs) and other affordable housing programs to support HOPWA program delivery. TDHCA operates 27 distinct Listservs so that the agency can disseminate information easily on different topics to interested groups. All these groups are sent updates for the topic they selected as well as cross cutting topics like TDHCA news, event information and announcements. All 27 of these groups were used to send out requests for consultation on the 2025-2029 Consolidated Plan. TDHCA continues to use its fair housing email list to share fair housing-related news, event information, and announcements with interested persons and organizations. TDA consulted with local governments both in person and through web-based meetings as part of its evaluation of the TxCDBG program. In 2024, TDA engaged in a series of public meetings to discuss the program and solicit feedback from stakeholders. The primary purpose of the meetings was to identify areas where program changes were needed to ensure that the program was able to best assist rural communities, or to ensure the sustainability of the program long term.

Provide a concise summary of the state’s activities to enhance coordination with local jurisdictions serving Colonias and organizations working within Colonias communities.

TDHCA coordinates its work with other colonia-serving entities through the implementation of the Colonia Self-Help Center Program. The Colonia Self Help Center (CSHC) Program is funded by the U.S. Department of Housing and Urban Development through the Texas Community Development Block Grant (CDBG) Program. The CDBG funds are transferred to TDHCA through a memorandum of understanding with the Texas Department of Agriculture, and together TDHCA and TDA co-manage the administration of the funds, with TDHCA providing the day-to-day oversight of the Colonia SHC Program and subrecipients.

The Colonia SHC funds specific Texas border county governments with four-year contracts. Requests for funding are reviewed and recommended by a Colonia Resident Advisory Group (C-RAC), a group of colonia residents who live in the specific colonias served by the centers.

On a very frequent basis—weekly or more often—TDHCA provides guidance and oversight to the county governments with which TDHCA has executed a CSHC contract. As needed, TDHCA provides guidance and technical assistance to the housing subgrantees with whom each respective county has contracted to achieve specific deliverables per their individualized CSHC subcontract. Every one to two years, TDHCA organizes and implements a workshop for all eligible counties and their subgrantees to review rules, best practices, and exchange other program updates. As needed but on an average of one to two times per year, TDHCA convenes a meeting with the C-RAC. This grass-roots-style committee approves contracts, evaluates county recommendations, and provides TDHCA and the counties guidance on programming and activities in the colonias. Lastly, approximately every two years, TDHCA updates its CSHC Program rules, and initiates this process by first soliciting comment from the public at large for critiques of the current rules and suggestions for changes.

As a part of the process discussed above, TDA meets with elected officials from counties serving colonia areas. The local leaders discuss funding priorities for the Community Development Fund and other fund categories, including projects that could serve colonia areas.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Texas Interagency Council for the Homeless (TICH) was created in 1989 to coordinate the State's homeless resources and services. The TICH consists of representatives from eleven state agencies that serve persons experiencing or at risk of homelessness. Membership also includes representatives appointed by the office of the governor, the lieutenant governor, and the speaker of the house. The council is not appropriated funding and has no full-time staff but receives facilitation and advisory support from TDHCA. TICH's major mandates include:

- evaluating and helping coordinate the delivery of services for the homeless in Texas;
- increasing the flow of information among service providers and appropriate authorities;
- providing technical assistance to TDHCA in assessing the need for housing for people with special needs;
- developing, in coordination with TDHCA and the Health and Human Services Commission (HHSC), a strategic plan to address the needs of the homeless; and
- maintaining a central resource and information center for the homeless.

The Texas Interagency Council for the Homeless has been meeting during 2026 with the CoCs to coordinate homeless services. These efforts are reinforced by 24 Code of Federal Regulation (CFR) Part 91 that require ESG recipients to expand consultation with community partners and CoCs in the formation of consolidated planning documents. The consultation must address the allocation of resources; development of performance standards and evaluation; and development of funding, policy, and procurements for operating state-required Homeless Management Information Systems (HMIS). The TICH held three meetings during the development of the draft Plan and TDHCA solicited input from the TICH on housing and community development needs at all three meetings.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

TDHCA coordinates with Continuums of Care (CoCs) and their member agencies regarding allocation of ESG funds, development of performance standards and outcomes evaluation, and development of funding, policies through the TDHCA rulemaking process.

TDHCA presents its draft ESG rules, which include the formula by which funds are allocated to each CoC region, to CoCs and other interested parties prior to presentation of the proposed rule to the TDHCA Board. The allocation formula includes weights for point-in-time counts conducted by the CoC. TDHCA staff conducts public hearings to garner feedback and accepts comment via email, mail and in person. Input received at public hearings is incorporated into the administrative rules, which are ultimately adopted by the Board.

TDHCA requires subrecipients, through its administrative rules, to utilize HMIS or an HMIS comparable

database (for domestic violence or legal service providers only) and to submit HMIS exports as required by HUD.

TDHCA further consults with CoCs through involvement in the TICH, which is described in the prior question.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	CARITAS OF AUSTIN
	Agency/Group/Organization Type	Housing Services-homeless Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
2	Agency/Group/Organization	Front Steps, Inc.
	Agency/Group/Organization Type	Services - Housing Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.

3	Agency/Group/Organization	THE GULF COAST CENTER
	Agency/Group/Organization Type	Services-Children Services-Persons with Disabilities Services-Victims of Domestic Violence Services-Health
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
4	Agency/Group/Organization	Aliviane
	Agency/Group/Organization Type	Services-Health
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.

5	Agency/Group/Organization	Texas Council on Family Violence
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services - Victims
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
6	Agency/Group/Organization	The Harris Center for Mental Health & IDD
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Health
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy Non-Homeless Special Needs

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
7	Agency/Group/Organization	San Angelo Police Department
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
8	Agency/Group/Organization	Comal County Family Violence Shelter Inc dba Crisis Center of Comal County
	Agency/Group/Organization Type	Services-Victims of Domestic Violence Services-homeless Services - Victims
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy Non-Homeless Special Needs

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
9	Agency/Group/Organization	City of Plano
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
10	Agency/Group/Organization	VETSTAR
	Agency/Group/Organization Type	Services - Housing Services-Children Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homelessness Needs - Veterans Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.

11	Agency/Group/Organization	CITY OF EL PASO - COMMUNITY & HUMAN DEVELOPMENT
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
12	Agency/Group/Organization	Lifeline for Families Inc
	Agency/Group/Organization Type	Services-Children Services-homeless Services-Education
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.

13	Agency/Group/Organization	Haven for Hope
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services - Victims
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
14	Agency/Group/Organization	City of San Antonio
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
15	Agency/Group/Organization	Texas Health and Human Services Commission
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Child Welfare Agency Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Market Analysis Anti-poverty Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
16	Agency/Group/Organization	Texas State Affordable Housing Corporation (TSAHC)
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Strategy Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.

17	Agency/Group/Organization	CORNERSTONE ASSISTANCE NETWORK
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Strategy Market Analysis Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.

18	Agency/Group/Organization	TEXAS DEPARTMENT OF STATE HEALTH SERVICES
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-homeless Services-Health Health Agency Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.

19	Agency/Group/Organization	Texas Department of Family and Protective Services
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Health Agency Child Welfare Agency Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
20	Agency/Group/Organization	Texas Education Agency
	Agency/Group/Organization Type	Services-Children Services-Education Other government - State

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy Market Analysis Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
21	Agency/Group/Organization	Texas Department of Criminal Justice
	Agency/Group/Organization Type	Services - Housing Services-Persons with Disabilities Services-homeless Services-Education Services-Employment Services - Victims Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.

22	Agency/Group/Organization	HOPWA Project Sponsors
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS engages in ongoing consultation with HOPWA stakeholders by collecting qualitative data from HOPWA Project Sponsors and using it for planning and evaluation. Project Sponsors provide narrative performance output and outcome data; offer program strategies for improved performance and strategies that contributed to successes; describe efforts to coordinate resources and efforts; assess housing barriers and make recommendations; request technical assistance; and supply other discussion items (i.e., feedback, ideas, other recommendations).
23	Agency/Group/Organization	HIV Administrative Agencies
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS engages in ongoing consultation with HOPWA stakeholders by collecting qualitative data from HIV Administrative Agencies (AAs) and using it for planning and evaluation. AAs work with HIV planning councils in major metropolitan areas and other organizations and stakeholders outside those areas to develop comprehensive HIV service plans and needs assessments. AAs consult with clients and other stakeholders through interviews, surveys, focus groups, and public hearings. AAs disseminate written copies of service plans, sharing them online, at town hall meetings, and with advisory groups. AA contact information and planning area maps are located at https://www.dshs.texas.gov/hivstd/services/aa.shtm
24	Agency/Group/Organization	Central Texas Council of Government
	Agency/Group/Organization Type	Regional organization Planning organization

	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
25	Agency/Group/Organization	Brazos Valley Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
26	Agency/Group/Organization	Middle Rio Grande Development Council
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
27	Agency/Group/Organization	Coastal Bend Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
28	Agency/Group/Organization	LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.

29	Agency/Group/Organization	South Texas Development Council
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
30	Agency/Group/Organization	Houston-Galveston Area Council
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
31	Agency/Group/Organization	ARK TEX COUNCIL OF GOVERNMENTS
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
32	Agency/Group/Organization	Alamo Area Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
33	Agency/Group/Organization	East Texas Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.

34	Agency/Group/Organization	Deep East Texas Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
35	Agency/Group/Organization	HEART OF TEXAS COUNCIL OF GOVERNMENTS
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
36	Agency/Group/Organization	South East Texas Regional Planning Commission
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
37	Agency/Group/Organization	Concho Valley Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
38	Agency/Group/Organization	Capital Area Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.

39	Agency/Group/Organization	West Central Texas Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
40	Agency/Group/Organization	Texoma Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
41	Agency/Group/Organization	North Central Texas Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
42	Agency/Group/Organization	PANHANDLE REGIONAL PLANNING COMMISSION
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
43	Agency/Group/Organization	South Plains Association of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.

44	Agency/Group/Organization	Permian Basin Regional Planning Commission
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
45	Agency/Group/Organization	HIV Planning Councils
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS Administrative Agencies (AAs) consulted with HIV Planning Councils to guide grant funding decisions. Councils conducted needs assessments to identify service gaps and barriers, including housing challenges. AAs and councils held regional meetings in HIV Service Delivery Areas (HSDAs) to gather feedback on HIV housing services. They engaged underserved populations, rural communities, and consumers to address critical housing needs amid rising rents, such as expanded service options and integrated service models. AAs presented HOPWA program updates during council meetings and worked on strategies to improve housing services, elevating stakeholder voices and centering planning around affected communities.
46	Agency/Group/Organization	Persons Living with HIV
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS

	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS Administrative Agencies (AAs) consulted with persons living with HIV (PLWH) to inform grant funding decisions. AAs collected consumer input through needs assessments and consumer satisfaction surveys, focusing on housing needs, barriers, and service gaps. Community Advisory Boards held meetings to gather feedback and address housing accessibility, service quality, and program improvements. AAs hosted public forums, focus groups, and outreach events to discuss housing services, share updates, and gather input on program effectiveness. Workshops provided PLWH with a supportive space to discuss housing challenges and service needs. In some cases, AAs conducted direct interviews with PLWH to assess housing service satisfaction and gather personal insights, ensuring their lived experiences informed planning decisions.
47	Agency/Group/Organization	Ryan White Service Providers
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS Administrative Agencies (AAs) consulted with Ryan White service providers to enhance housing services. Regular care coordination meetings with case managers, navigators, and frontline staff included housing discussions to address ongoing issues. AAs and providers collaborated on needs assessments and surveys to identify housing needs, service gaps, and barriers. AAs trained service providers on the HOPWA program and provided updates. Providers participated in strategic planning, discussing housing's role within the HIV continuum of care. They also shared recommendations during public forums, community advisory board meetings, and consultations with AAs, integrating their insights into housing program planning and implementation.

48	Agency/Group/Organization	Texas Homeless Network
	Agency/Group/Organization Type	Services - Housing Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the September 17, 2025 TICH meeting and discussion on Homeless program regulation concerns and state of homeless delivery system in Texas.
49	Agency/Group/Organization	Langford Community Management Services
	Agency/Group/Organization Type	Housing Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended three HOME program roundtables in relation to Energy efficiency rules and HOME program construction cost limits. Information provided and comments made at these roundtables was used to guide program staff in adjustment of HOME program rules.
50	Agency/Group/Organization	GrantWorks, Inc.
	Agency/Group/Organization Type	Housing

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended three HOME program roundtables in relation to Energy efficiency rules and HOME program construction cost limits. Information provided and comments made at these roundtables was used to guide program staff in adjustment of HOME program rules.
51	Agency/Group/Organization	COASTAL BEND CENTER FOR INDEPENDENT LIVING
	Agency/Group/Organization Type	Housing Services-Elderly Persons Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended a HOME program roundtable in relation to HOME program construction cost limits. Information provided and comments made at roundtables were used to guide program staff in adjustment of HOME program rules.
52	Agency/Group/Organization	Trinity Habitat for Humanity
	Agency/Group/Organization Type	Housing Services - Housing Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended a HOME program roundtable in relation to HOME program construction cost limits. Information provided and comments made at roundtables were used to guide program staff in adjustment of HOME program rules.
53	Agency/Group/Organization	Lazarus House Initiative, Inc.
	Agency/Group/Organization Type	Services - Housing Services-Persons with Disabilities Services-homeless Services-Health Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended a HOME program roundtable in relation to HOME program construction cost limits. Information provided and comments made at roundtables were used to guide program staff in adjustment of HOME program rules.
54	Agency/Group/Organization	Galilee CDC
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended a HOME program roundtable in relation to HOME program construction cost limits. Information provided and comments made at roundtables were used to guide program staff in adjustment of HOME program rules.
55	Agency/Group/Organization	Rio Grande Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.
56	Agency/Group/Organization	NORTEX Regional Planning Commission
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.

57	Agency/Group/Organization	Golden Crescent Regional Planning Commission
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	CDBG Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency hosted Stakeholder Feedback Session to coordinate opportunities for local governments and other stakeholders to discuss program changes and program priorities with TDA.

Identify any Agency Types not consulted and provide rationale for not consulting

As indicated in the Introduction, during the ongoing consultation and public participation process, Texas seeks input from the widest possible range of agency types.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Texas Homeless Network	Texas Homeless Network (THN) is a non-profit membership-based organization helping Texas communities prevent and end homelessness. THN provides training and technical assistance around the state of Texas helping service providers and communities better serve the homeless population with the end goal of preventing and ending homelessness. THN also serves as the CoC for the Balance of State.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Pathways Home	TICH	Pathways Home presents findings, which indicate that greater coordination of employment and health service resources with local housing programs would expand the State's capacity to prevent and end episodes of homelessness. In response to the study findings, Pathways Home proposes a framework to help more of the State's most vulnerable citizens to enter and remain in safe housing.

Table 3 – Other local / regional / federal planning efforts

Narrative

Since the consolidated planning process is an ongoing effort, the State continues to consult with agencies, groups, and organizations through the program year cycles for CDBG, ESG, HOME, NHTF, and HOPWA, and the development of HUD required fair housing documents.

If a material amendment of a HUD required fair housing document is needed as described in 24 CFR §5.164, reasonable notice by publication on TDHCA’s website will be given, comments will be received for no less than 30 days after notice is given, and any public hearing(s) held (although optional) will be held at a board meeting, or within the public comment period.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Comprehensive outreach was conducted to gather input on the Plan. The consultations conducted before the creation of the draft Plan, as well as discussion of the participation of local, regional, and statewide institutions, CoCs, and other organizations affected by the Plan are listed in Process Section 10. The Plan, as adopted, any future substantial amendments, and the Consolidated Plan Annual Performance and Evaluation Report (CAPER) will be available to the public online at <https://www.tdhca.texas.gov/> and will have materials accessible to persons with disabilities, upon request.

Public hearings

The Draft Plan was released for a 31-day public comment period from April 17, 2026, to May 17, 2026. One Public Hearing was held, May 6, 2026, in doing so, the State met HUDs requirement of holding, at minimum, one Public Hearing during the comment period. The Department will inform stakeholders of the hearing through a notification on its website, by sending a listserv announcement, and posting in the Texas Register. Constituents were encouraged to provide input regarding all programs in writing or at a public hearing.

Public hearing schedules were published in the Texas Register, on TDHCA's website at <https://www.tdhca.texas.gov/>, advertised by opt-in email distribution and during various workgroups and committee meetings. During the public comment period, printed copies of the draft plans were available from TDHCA, and electronic copies were available for download from TDHCA's website. Constituents were encouraged to provide input regarding all programs in writing or at the public hearings. See the Citizen Participation Outreach table below for details of annual outreach. In the case of extenuating circumstances, when there are concerns of public health and safety, TDHCA may host virtual public hearings to allow stakeholders and the public to provide oral comment on Plans and Reports.

Criteria for Amendment to the Consolidated Plan

Substantial amendments will be considered, if needed, when a new activity is developed for any of the funding sources or there is a change in method of distribution. If a substantial amendment is needed, reasonable notice by publication on TDHCA's website at <https://www.tdhca.texas.gov/> will be given, and if a substantial amendment, comments will be received for no less than 30 days after notice is given. A public hearing will be optional.

Performance Report

The CAPER will analyze the results of the Plan annually after the end of the state's HUD Program Year. Due to the short 90-day turnaround time between the end of The State of Texas' HUD Program Year (8/31) and the due date of the CAPER (11/30), the public will be given reasonable notice by publication on TDHCA's website at <https://www.tdhca.texas.gov/>. Comment will be accepted for a minimum of 15

days. A public hearing will be optional.

One-Year Action Plan

The draft 2026 One Year Action Plan (OYAP) was released for public comment prior to HUD's release of actual annual allocation amounts, and the draft 2026 OYAP reflected estimated allocation amounts.

Complaints related to the Consolidated planning process follow the TDHCA complaint process, as defined by 10 Texas Administrative Code §1.2.

For details on the development of or amendments to HUD required Fair Housing document, see the PR-10 Narrative section located in the 2025-2026 State of Texas Consolidated Plan.

2. Summary citizen participation process and efforts made to broaden citizen participation in Colonias

The Colonia Self-Help Center (CSHC) Program subgrants funds to Cameron/Willacy, El Paso, Hidalgo, Maverick, Nueces, Starr, Val Verde, and Webb counties, and each written agreement includes a four-year term for expenditures and performance. Awards and funding associated with this program are reviewed and recommended by a Colonia Resident Advisory Group (C-RAC), which is a group of colonia residents who live in the specific service area served by the centers. The C-RAC members prioritize housing rehabilitation, reconstruction and new construction development in the targeted colonias served.

TDHCA provides guidance, technical assistance and oversight to the units of local government with which TDHCA has executed CSHC Program contracts. Technical assistance areas include program administration, guidelines, and best practices needed to fulfill contractual requirements in serving colonia residents with CDBG funding. Periodically, TDHCA convenes a meeting with the C-RAC. This grass-roots-style committee considers contract proposals, recommends approval of and amendments to contracts, evaluates county recommendations, and provides TDHCA and the counties guidance on programming and activities in the colonias. Texas colonias have a great need for assistance. The CSHC program focuses primarily in improving the housing stock through rehabilitation, reconstruction, and new construction in the targeted colonias. A percentage of funding is earmarked for public service activities that have a direct and colonia wide impact. Lastly, approximately every two years, TDHCA updates its CSHC Program rules, and initiates this process by first soliciting comment from the public at large.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Non-targeted/broad community	TDHCA's board agenda and information is filed with the Texas Office of the Secretary of State (SOS) in advance of each meeting, in accordance with the Texas Open Meetings Act. The Draft 2026 OYAP was presented at the TDHCA Board meeting.	No comment was received	n/a	https://www.tdhca.texas.gov/tdhca-board-meeting-information-center
2	Public Comment Period	Non-targeted/broad community	The Draft 2026 OYAP was released for a 31-day public comment period from April 17, 2026 to May 17, 2026.	No comment was received	n/a	https://www.tdhca.texas.gov/tdhca-public-comment-center

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Hearing	Non-targeted/broad community	A public hearing was held on May 6, 2026 Barbara Jordan State Office Building Room 2.0061601 Congress Ave, Austin, TX 78711.	No public comment was received	n/a	https://www.tdhca.texas.gov/tdhca-public-comment-center
4	Internet Outreach	Non-targeted/broad community	TDHCA has a centralized webpage for public comment on all plans, reports, and program rules.	No public comment was received	n/a	https://www.tdhca.texas.gov/tdhca-public-comment-center

Table 4 – Citizen Participation Outreach

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

Introduction

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

These include:

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

For the programs above, the expected future funding amounts, to the extent known, are in the planning documents governing those programs. These documents are online at <https://www.tdhca.texas.gov/>. The anticipated resources below focus on CPD Programs.

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

TDHCA is the lead agency for the following workgroups:

C-RAC: C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board. It advises TDHCA regarding the needs of colonia residents and the types of programs and activities, which should be undertaken by the Colonia Self-Help Centers.

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

Housing and Health Services Coordination Council (HHSCC): HHSCC is established by Texas Government Code §2306.1091. Its duties include promoting coordination of efforts to offer Service-Enriched Housing

and focusing on other cross-agency efforts.

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

Weatherization Assistance Program Planning Advisory Committee (WAP PAC): The WAP PAC is comprised of a broad representation of organizations and agencies and provides balance and background related to the weatherization and energy conservation programs at TDHCA.

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

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	64,835,368.20	250,000.00	4,932,722.00	70,018,090.20	259,341,472.80	TDA's CDBG Program funds community and economic development, including program income collected by the state, and program income retained by local subgrantees, excluding the colonia set-aside. Program Income will be allocated to TDA's State Revolving Loan Fund, which supports economic development. TDHCA administers a portion of the CDBG funding through its Colonia SHCs. Prior year resources are allocated across AP-20 activities associated with this source of funds, including unobligated Program Year 2025 funds and previously obligated funds reprogrammed to new projects through the Action Plan process. CDBG allocation: \$64,835,368.20

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG Colonias Set-aside	public - federal	Acquisition Admin and Planning Homeowner rehab Public Improvements Public Services	7,203,930.00	0.00	9,136,977	7,203,930.00	30,136,997.00	The Colonia Set-Aside is used for goals described in the Strategic Plan Section 45. The Colonia Economically Distressed Areas Program (CEDAP) Legislative Set - Aside leverages funding other federal and state funding programs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	34,892,270.78	19,798,157.11	0.00	54,690,427.89	139,569,080.00	TDHCA's HOME Program goals are described in the Strategic Plan Section 45 for multifamily and single-family activities. Single-family HOME activities may be coordinated with State Housing Trust Fund resources, including Bootstrap Loans and the Amy Young Barrier Removal Program. HOME Multifamily Development Funds can be layered with 4% and 9% HTC's and TDHCA Multifamily Direct Loan funds, including NHTF, TCAP Repayment Funds, and NSP Program Income. TDHCA also develops rules that govern all multifamily programs, including the Multifamily Direct Loan (MFDL) Program Rule and Housing Tax Credit Program Qualified Allocation Plan (QAP). The Annual Allocation field doesn't accept cents, therefore numbers in the table below have been entered as whole numbers. Prior year resources are allocated across AP-20 activities associated with this source of funds.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	8,661,855.00	0.00	981,206.00	9,643,061.00	26,585,176.00	DSHS will reserve \$500,000 from the latest allocation for use in the next annual plan and include this amount under Prior Year Resources. DSHS will only use \$9,143,061 during this annual plan. Tenant-Based Rental Assistance; Short-Term Rent, Mortgage, and Utility; Facility-Based Housing Assistance; Permanent Housing Placement; Housing Case Management; Housing Information Services; Resource Identification; Project Sponsor Administration; and Grantee Administration. Prior year resources are allocated across AP-20 activities associated with this source of funds. the \$981,206 consists of funding from two prior grants:HOPWA 2024: \$481,206 (unspent grant balance; must liquidate in 2026)HOPWA 2025: \$500,000 (amount reserved for year two of prior grant; must liquidate in 2026). HOPWA intends to reprogram the 2024 grant balance and commit the 2025 reserved amount to the 2026 annual plan's projects and activities.

Annual Action Plan

2026

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	10,262,662.00	0.00	0.00	10,262,662.00	41,050,648.00	TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems (HMIS) activities. HHSP is Texas state general revenue funding for the nine largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees. A set-aside of ESG funds was awarded under the RUSH (ESG RUSH), these funds have been awarded via contract to subrecipients to provide ESG eligible activities under ESG RUSH in the disaster declared areas, as defined in the award letter for the ESG RUSH allocation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	12,100,536.00	0.00	0.00	12,100,536.00	48,402,145.00	TDHCA's NHTF Program goals are described in the Strategic Plan Section 45 for multifamily and single-family activities. NHTF Multifamily Development Funds may be layered with 4% HTC's and 9% HTC's, and TDHCA Multifamily Direct Loan funds, including HOME, HOME-CHDO, NSP Program Income and TCAP Loan Repayment. TDHCA also develops rules that govern all multifamily programs, including the Multifamily Direct Loan (MFDL) Program Rule specifically for the MFDL Program and the Housing Tax Credit Program Qualified Allocation Plan (QAP). NHTF received an allocation amount of \$12,100,536.40. The Annual Allocation field doesn't accept cents, therefore numbers in the table have been entered as whole numbers

Table 5 - Expected Resources – Priority Table

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

HOME

HOME multifamily development is often used to leverage with the HTC Program, which authorizes 9% low-income housing tax credits of \$3.42 per capita for each state, and 4% HTC in amounts linked to the usage of the state's cap for issuance of tax-exempt PABs to finance affordable housing development. In Texas, this equates to approximately \$105,000,000 in 9% tax credits available to be awarded annually. These credits may be claimed each year for ten years and represents potential tax credit value on the magnitude of \$1,050,000,000. The credits are usually syndicated to limited partner investors to yield cash for use in eligible development activities. In recent years the syndication rates have dropped significantly to a range between 75-80%. TDHCA's Qualified Allocation Plan (QAP) identifies the criteria used for selection of eligible developments to provide housing for low-income tenants. HOME provides increased leverage, allowing property owners to utilize fewer tax credits and less private debt and local funding, thus providing more efficient use of resources. In addition, HOME is used as a source to fill funding gaps that have occurred in previously-awarded HTC developments due to increased materials costs or interest rates. Other leveraging sources may include United States Department of Agriculture (USDA) operating subsidies and loans, and conventional and FHA-insured loans. Match requirements for the HOME Multifamily Direct Loan Program will in part be met through Rules and NOFAs that establish awardees' requirement to provide up to 7.5% of the award amount, or a higher, or lower amount as reflected in the NOFA. In addition to match provided as part of the developer's obligation, TCAP RF may be utilized as HOME match, and TDHCA calculates to below market interest rates on eligible loans provided to the HOME development which is included in the match funds reported in the CAPER. TDHCA will also use eligible multifamily bonds that are used to finance developments that also receive 4% HTC financing as HOME match. TDHCA requires Subrecipients and state recipients to provide match of up to 15% of the project hard costs for some single-family activities.

ESG

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

HOPWA

Texas HOPWA does not have a match requirement but leverages funds whenever possible. Project Sponsors leverage available funds from Ryan White and State Services grants, private funding sources, foundations, and local assistance to help clients. DSHS shares grantee administrative costs with AAs. However, AAs leverage much of their administrative expenditures from other funding sources.

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

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

CDBG Leverages

Community Development Fund applications award points to encourage local match; a sliding scale allows smaller communities to contribute less match funding than larger communities. The Rural Economic Development Fund requires matching funds for each application. Match funds may be provided by the applicant, by a water or sewer utility benefiting from the project, or other project partner.

NHTF Program Leveraging

NHTF multifamily development may be used to leverage with the HTC Program, which was created by the Tax Reform Act of 1986 and authorizes 9% low-income housing tax credits in the amount of \$3.42 per capita for each state, and 4% low-income housing tax credits in amounts linked to the usage of the state's cap for issuance of tax-exempt bond to finance affordable housing development. In Texas, this equates to approximately \$105,000,000 in 9% tax credits available to be awarded by TDHCA annually.

These credits may be claimed each year for ten years and this represents potential tax credit value on the magnitude of \$1,050,000,000. The tax credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 80% and 85%. TDHCA must develop a Qualified Allocation Plan (QAP) each year for the selection of eligible developments to provide housing for the low-income tenants. NHTF provides increased leverage, allowing the property owners to utilize fewer tax credits and less private debt and local funding, therefore providing more efficient use of resources. In addition, NHTF is used as a source to fill funding gaps that have occurred in previously-awarded HTC developments due to increased materials costs or interest rates.

State Owned Land

The Texas General Land Office manages state owned lands and mineral rights totaling approximately 13 million acres. Much of this is leased for the benefit of the Permanent School Fund, an endowment fund established in 1876 for the benefit of Texas public school education. Generally, state owned land is not utilized for affordable housing or community development goals; however, local jurisdictions occasionally donate land or property in support of activities designed to address the needs identified in the plan as part of their contribution to locally administered programs.

Discussion

HOPWA

Continuing with the discussion of collaboration begun in the introduction of this section, DSHS HIV initiatives strive to reduce the number of undiagnosed persons and increase the number of virally suppressed PLWH. DSHS works with community partners, stakeholders, and health care providers

statewide to strengthen services that prevent HIV transmission, improve diagnosis rates, and fill gaps in clinical treatment and related support services. The Texas HIV Syndicate serves as the Texas integrated HIV prevention and care planning group and facilitates this collaboration. The Syndicate includes representation from PLWH, HIV prevention and care organizational leaders, and other community stakeholders, many of which provide HOPWA services. The Texas HIV Syndicate produced Achieving Together, a community plan to end the HIV epidemic in Texas. This plan reflects the ideas, recommendations, and guidance of the Texas HIV Syndicate and Achieving Together Partners, as well as statewide community engagement efforts with PLWH, people impacted by HIV, clinicians, and researchers. The plan has six focus areas, one of which addresses mental health, substance use, housing, and criminal justice. Within DSHS, the HIV/STD/HCV Epidemiology and Surveillance Unit collects and reports data on HIV in Texas, which includes data submission to the Centers for Disease Control and Prevention (CDC). Subsequently, HUD uses this data to determine HOPWA formula allocations, while other federal agencies use it to plan, develop, implement, and evaluate HIV service programs, including HOPWA.

Finally, TDA and/or TDHCA participate in the following workgroups:

Texas Water Infrastructure Coordination Committee (TWICC): TWICC is a voluntary organization of federal and state funding agencies and technical assistance providers that address water and wastewater needs throughout the State. TDA participates in TWICC to coordinate efforts to leverage funds.

Drought Preparedness Council; The Council was authorized and established by the 76th Texas Legislature in 1999, and is responsible for assessment and public reporting of drought monitoring and water supply conditions, along with other duties.

Texas Joint Housing Solutions Workgroup. The Texas Joint Housing Solutions Workgroup is a collection of state and federal agencies and organizations who work to identify resources that can address temporary unmet housing needs and solutions that allow disaster survivors to transition to permanent housing.

These workgroups, committees, and councils help to strengthen communication between state agencies as well as provide opportunities to layer or combine funding sources.

With the block grants and the layering resources listed above, there are also CDBG Disaster Recovery (DR) funds for disasters that have affected that State of Texas. More details and action plans for the various disasters CDBG-DR have been awarded for can be found at <https://www.glo.texas.gov/disaster-recovery/action-plan>

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless goals	2025	2029	Homeless	State of Texas	Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	ESG: \$10,262,662.00	Tenant-based rental assistance / Rapid Rehousing: 1223 Households Assisted Homeless Person Overnight Shelter: 17552 Persons Assisted Homelessness Prevention: 2758 Persons Assisted
2	Acquisition/Construction of Single-Family Housing	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of New Units	HOME: \$3,000,000.00	Homeowner Housing Added: 12 Household Housing Unit
3	Reconstruction of Single-Family Housing	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Rehabilitation of Housing	HOME: \$22,852,355.25	Homeowner Housing Rehabilitated: 113 Household Housing Unit
4	Tenant Based Rental Assistance with HOME Funding	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance	HOME: \$18,391,215.56	Tenant-based rental assistance / Rapid Rehousing: 783 Households Assisted
5	Households in New/Rehabilitated Multifamily Units	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of New Units Rehabilitation of Housing	HOME: \$5,383,840.62	Rental units constructed: 27 Household Housing Unit Rental units rehabilitated: 3 Household Housing Unit
6	NHTF Households in New/Rehabbed Multifamily Units	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of New Units Rehabilitation of Housing	HTF: \$10,890,482.76	Rental units constructed: 40 Household Housing Unit Rental units rehabilitated: 15 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	HOPWA Tenant-Based Rental Assistance	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance Homeless Prevention	HOPWA: \$5,762,219.00	Tenant-based rental assistance / Rapid Rehousing: 702 Households Assisted
8	HOPWA Short-Term Rent, Mortgage & Utilities Asst.	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Homeless Prevention	HOPWA: \$1,019,398.00	Homelessness Prevention: 442 Persons Assisted
9	HOPWA Facility-Based Housing Subsidy Assistance	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	HOPWA: \$200,524.00	Homelessness Prevention: 93 Persons Assisted
10	HOPWA Permanent Housing Placement Assistance	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance Rapid Re-housing Homeless Prevention	HOPWA: \$259,023.00	Public service activities other than Low/Moderate Income Housing Benefit: 175 Persons Assisted
11	HOPWA Funded Supportive Services	2025	2029	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$1,605,534.00	Public service activities other than Low/Moderate Income Housing Benefit: 0 Persons Assisted
12	HOPWA Housing Information Services	2025	2029	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$2,964.00	Public service activities other than Low/Moderate Income Housing Benefit: 23 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
13	HOPWA Resource Identification	2025	2029	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Rental Assistance Supportive Services for Persons with HIV/AIDS Emergency Shelter and Transitional Housing Homeless Prevention	HOPWA: \$96,096.00	Other: 0 Other
14	CDBG Public Improvements and Facilities	2025	2029	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public Facilities Public Services	CDBG: \$55,373,207.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 0 Persons Assisted
15	CDBG Economic Development	2025	2029	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Economic Development Public Facilities Public Services	CDBG: \$10,388,363.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 100000 Persons Assisted
16	CDBG Urgent Need	2025	2029	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public Facilities	CDBG: \$.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 2175 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
17	CDBG Colonia Set-Aside	2025	2029		State of Texas	Production of New Units Acquisition of existing units Rehabilitation of Housing Public Improvements and Infrastructure Public Facilities Public Services	CDBG Colonias Set-aside: \$9,136,997.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 2175 Persons Assisted
18	CDBG Colonia Self-Help Centers	2025	2029	Self Help centers	State of Texas	Production of New Units Acquisition of existing units Rehabilitation of Housing Public Services	CDBG: \$1,995,342.00	Other: 4533 Other
19	CDBG Administration	2025	2029	Administrative/technical assistance	State of Texas	Rehabilitation of Housing Public Improvements and Infrastructure Economic Development Public Facilities Public Services	CDBG: \$2,261,179.00	Other: 0 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
20	HOME Administration	2025	2029	HOME administration	State of Texas	Rental Assistance Production of New Units Acquisition of existing units Rehabilitation of Housing	HOME: \$5,063,016.46	Other: 0 Other
21	NHTF Administration	2025	2029		State of Texas	Production of New Units Rehabilitation of Housing	HTF: \$1,210,053.64	Other: 0 Other
22	HOPWA Project Sponsor Administration	2025	2029	Non-Homeless Special Needs	State of Texas	Rental Assistance Supportive Services for Persons with HIV/AIDS Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	HOPWA: \$431,107.00	Other: 0 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
23	HOPWA Grantee Administration	2025	2029	Non-Homeless Special Needs	State of Texas	Rental Assistance Supportive Services for Persons with HIV/AIDS Emergency Shelter and Transitional Housing Rapid Re-housing Homeless Prevention	HOPWA: \$266,196.00	Other: 0 Other

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Homeless goals
	Goal Description	Funds will be utilized to provide Administration, HMIS services, emergency shelter, rapid re-housing, homeless prevention and street outreach to eligible persons who are experiencing homelessness or at-risk of homelessness. Actual funding amounts will be determined based on the requested funds by component. The estimates for the funding amount per activity type and number of persons served are extrapolated from data collected over the prior three years. TDHCA limits the amount of funding available for street outreach and emergency shelter to not more than 60% of the total ESG funding available. Likewise, funds for administration and HMIS are limited proportionate to the funds made available in each service component to ensure that the regulatory caps for these expenditures are not exceeded. Special allocations under the ESG Program, such as the ESG RUSH funding, will be utilized to provide short-term disaster response assistance for the needs of persons who are experiencing homelessness or at-risk of homelessness residing in disaster areas, and will be subject to the limitations set forth for the funding source, including restrictions on use of funds or flexibilities offered by the funds.
2	Goal Name	Acquisition/Construction of Single-Family Housing
	Goal Description	TDHCA will utilize a portion of its HOME funds for the implementation of Homebuyer Assistance with New Construction (HANC) and/or Single Family Development (SFD). HANC allows homebuyers to work with Subrecipients to select lots for purchase and provide financing for construction of a new unit of housing on the selected lot. SFD allows for development of single family housing for homeownership, and may be performed under the CHDO set-aside if the developer is eligible for CHDO certification. SFD may otherwise be performed by non-profit or for-profit developers in accordance with the priorities established in its funding announcement for SFD. TDHCA may utilize its program income, or use deobligated funding or other available HOME funding for these activities. The goal for the HOME Program is to add 12 new units of homeowner housing.
3	Goal Name	Reconstruction of Single-Family Housing
	Goal Description	The goal for HOME Program reconstruction activities is to provide assistance to a minimum of 95 households through units of general local governments, and nonprofit organizations. These entities qualify applicants to receive assistance for the repairs and reconstruction necessary to make their homes decent, safe, sanitary, and accessible.

4	Goal Name	Tenant Based Rental Assistance with HOME Funding
	Goal Description	The goal for HOME Program TBRA activity is to provide on-going rental assistance or stand-alone rental security deposit assistance (which may include utility deposit assistance) to an estimated 1,401 households.
5	Goal Name	Households in New/Rehabilitated Multifamily Units
	Goal Description	The 2026 goal for HOME Multifamily Program is creating/rehabilitating over 60 multifamily rental units. TDHCA's HOME Multifamily Development Programs awards HOME funds as low-interest loans to CHDOs, for-profit, and nonprofit developers. These loans leverage other public and private financing including housing tax credits, United States Department of Agriculture (USDA) operating subsidies and loans, and conventional and Federal Housing Administration-insured loans. The result is safe, decent, and affordable multifamily rental housing.
6	Goal Name	NHTF Households in New/Rehabbed Multifamily Units
	Goal Description	The 2026 goal for Housing Trust Fund is creating and/or rehabilitating 55 multifamily rental units based on the performance period of the previous Program Year, September 1, 2026 – August 31, 2027.
7	Goal Name	HOPWA Tenant-Based Rental Assistance
	Goal Description	DSHS will reserve \$298,775 from the latest allocation for use in the next annual plan and include this amount under Funding. The number of households that received TBRA services during the program year. TBRA provides an ongoing and portable rental subsidy that helps households obtain or maintain permanent housing, including assistance for shared housing arrangements, in the private rental housing market until they can enroll in the Housing Choice Voucher Program (HCVP) or other affordable housing programs. DSHS set an annual goal of assisting 702 households. The estimated funding and number of individuals served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
8	Goal Name	HOPWA Short-Term Rent, Mortgage & Utilities Asst.
	Goal Description	DSHS will reserve \$52,857 from the latest allocation for use in the next annual plan and include this amount under Funding. The number of households that received STRMU services during the program year. STRMU provides short-term, rent, mortgage, and utility payments for households experiencing a financial crisis related to their HIV health condition or a change in their economic circumstances. STRMU helps prevent homelessness by enabling households to remain in their own homes DSHS set an annual goal of assisting 442 persons. The estimated funding and number of individuals served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.

9	Goal Name	HOPWA Facility-Based Housing Subsidy Assistance
	Goal Description	DSHS will reserve \$10,397 from the latest allocation for use in the next annual plan and include this amount under Funding. The number of households that received FBHA services during the program year. HOPWA Facility-Based Housing Assistance (FBHA) activities include Short-Term Supportive Housing (STSH) and Transitional Supportive Housing (TSH). STSH provides temporary shelter for households experiencing homelessness. Services allow households to develop individualized housing plans that address both short- and long-term needs and culminate in permanent housing. TSH provides up to 24 cumulative months of non-portable facility-based rental assistance to households that are homeless or at risk of homelessness, including assistance for shared housing arrangements. Services allow households to prepare for permanent housing and develop individualized housing plans that culminate in permanent housing. DSHS set an annual goal of assisting 93 households. The estimated funding and number of individuals served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
10	Goal Name	HOPWA Permanent Housing Placement Assistance
	Goal Description	DSHS will reserve \$13,431 from the latest allocation for use in the next annual plan and include this amount under Funding. The number of households that received PHP services during the program year. PHP helps households access, secure, and establish a permanent residence, maintained either on their own or with the help of ongoing rental assistance. Eligible costs include application fees, related credit checks, utility hookup fees and deposits, and reasonable security deposits necessary to move persons into permanent housing. DSHS set an annual goal of assisting 175 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.

11	Goal Name	HOPWA Funded Supportive Services
	Goal Description	DSHS will reserve \$83,248 from the latest allocation for use in the next annual plan and include this amount under Funding. The number of households that received Housing Case Management services during the program year. The DSHS HOPWA Program currently limits the use of Supportive Service funds to Housing Case Management. Project Sponsors may provide Supportive Services with HOPWA housing assistance services or as a standalone service. The core functions of Housing Case Management include engagement, assessment, goal-setting, service coordination, and discharge planning. The intensity or level of housing case management that a Project Sponsor provides will depend upon the household's assessed level of need. DSHS set an annual goal of assisting 1,215 persons. The estimated funding and number of households served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
12	Goal Name	HOPWA Housing Information Services
	Goal Description	DSHS will reserve \$154 from the latest allocation for use in the next annual plan and include this amount under Funding. The number of households that received Housing Information Services during the program year. Housing Information Services include, but are not limited to, counseling, information, and referral services to assist households with locating, acquiring, financing, and maintaining housing. This may also include fair housing guidance for households that have encountered discrimination based on race, color, religion, sex, age, national origin, familial status, or disability. DSHS set an annual goal of assisting 20 persons. The estimated funding and number of households served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
13	Goal Name	HOPWA Resource Identification
	Goal Description	Activities that establish, coordinate, and develop housing assistance resources for eligible households (including preliminary research and expenditures necessary to determine the feasibility of specific housing-related initiatives). DSHS will reserve \$4,983 from the latest allocation for use in the next annual plan and include this amount under Funding. The work products, deliverables, and other activities of projects that used Resource Identification funds. Resource Identification encompasses activities that establish, coordinate, and develop housing assistance resources for eligible households (including preliminary research and expenditures necessary to determine the feasibility of specific housing-related initiatives). The estimated funding may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.

14	Goal Name	CDBG Public Improvements and Facilities
	Goal Description	Public Improvements and Facilities includes community grants for basic infrastructure, public facilities, planning activities, public services, and other community needs. The Texas CDBG encourages the use of funds not only to improve existing locations but to provide facilities in other areas to accommodate residential opportunities that will benefit low- and moderate-income persons. Funding allocated includes annual allocation in addition to previously deobligated funds. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
15	Goal Name	CDBG Economic Development
	Goal Description	This economic development funding is used for projects that will create or retain permanent employment opportunities, primarily for low to moderate income persons, for downtown revitalization activities, and for other economic development activities for rural communities. Funding allocated includes annual allocation in addition to previously deobligated funds and program income. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
16	Goal Name	CDBG Urgent Need
	Goal Description	Urgent Need assistance is available through the SUN fund as needed for eligible activities in relief of natural disasters and other emergency situations. Funding allocated includes previously deobligated funds. The estimated funding and number of persons served may fluctuate depending on actual natural disaster events, HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
17	Goal Name	CDBG Colonia Set-Aside
	Goal Description	This fund is available to eligible county applicants for projects in severely distressed unincorporated areas which meet the definition of a "colonia" under this fund. Funding allocated includes annual allocation. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
18	Goal Name	CDBG Colonia Self-Help Centers
	Goal Description	Colonia residents receiving direct assistance through Colonia Self-Help Centers. Assistance includes residential rehabilitation, reconstruction, new construction, utility connections, solid waste removal, and access to a technology center, tool lending library, and educational classes.

19	Goal Name	CDBG Administration
	Goal Description	CDBG Administrative costs including Technical Assistance and indirect costs.
20	Goal Name	HOME Administration
	Goal Description	HOME Administrative expenses based on HOME allocation and program income received in PY 2025 that is being programmed in the 2026 Action Plan.
21	Goal Name	NHTF Administration
	Goal Description	NHTF Administrative funds for PY 2026.
22	Goal Name	HOPWA Project Sponsor Administration
	Goal Description	DSHS will reserve \$22,353 from the latest allocation for use in the next annual plan and include this amount under Funding. Funds for Project Sponsor Administration.
23	Goal Name	HOPWA Grantee Administration
	Goal Description	DSHS will reserve \$13,802 from the latest allocation for use in the next annual plan and include this amount under Funding. Funds for Grantee Administration

AP-25 Allocation Priorities – 91.320(d)

Introduction:

The CPD Programs serve special needs populations and meet the 13 Priority Needs found in Strategic Plan (SP) 25 of the 2025-2029 Consolidated Plan. These Needs in SP 25 are correlated with Goals in Action Plan(AP) 20 to show which activities will serve which priority needs. The goals from AP 20 are listed below with allocation percentages. Percentages in the chart below are estimated and may change depending on funding received from HUD, legislative priorities, and funding requests from administrators or subrecipients. Due to restrictions, allocations are rounded to the nearest whole number.

For the other programs listed in the anticipated resources (AP 15) that could be used to leverage funds (including 4% HTC, 9% HTC, HHSP, State Housing Trust Fund, TX MCC, My First Texas Home Program, NSP PI, Section 8 HCV programs, and Section 811 PRA), goals are tailored to each program in the planning documents governing those programs. These documents can be found at <https://www.tdhca.texas.gov/>. The CPD Programs work to meet priority needs and serve special needs populations as described in this section.

For administrators with programs that are designed to limit assistance to certain populations, TDHCA will only approve program designs that limit assistance to households that include a member within the following populations if necessary to provide as effective housing, aid, benefit, or services as those provided to others in accordance with 24 CFR §8.4(b)(1)(iv): PLWH, mental illness, substance use disorders, or households that would qualify under the TDHCA's Project Access program as defined in 10 TAC §5.801. Otherwise, administrators may only request a preference for populations described in the special needs section. TDHCA may limit assistance of directly administered HOME funds for TBRA for security and utility deposits to persons that have been issued vouchers through its PHA, so long as the assistance is not duplicative. TDHCA may also limit TBRA assistance administered directly through TDHCA to any population for which an administrator may establish a preference, so long as the limitation has been evaluated for compliance with fair housing requirements. TDHCA may initiate a set-aside of funds for direct administration of TBRA by the Department for persons transitioning out of jail or incarceration.

For HOME or NHTF rental housing, TDHCA will allow development of housing that meets requirements under the Housing for Older Persons Act. TDHCA may also consider permitting rental housing owners to give a preference or limitation as indicated in this section and may allow a preference or limitation that is not described in this section to encourage leveraging of federal or state funding, provided that another federal or state funding source for the rental housing requires a limitation or preference. The Department may also consider allowing a preference for families that are Homeless or At-Risk of Homelessness, as defined in 24 CFR §576.2. For Developments with 100% Single Room Occupancy Units, the Department may also allow a preference for Single Adult households that are Homeless or At-Risk of

Homelessness, as defined in 24 CFR§576.2. TDHCA may put further guidelines on development of specific types of rental housing by rule or NOFA. In order to have consistent requirements for Developments with 100% Single Room Occupancy Units, the Department will utilize the HOME definition in 24 CFR §92.2 for HOME and NHTF, in addition to the Department's definition of Single Room.

Funding Allocation Priorities

	Homeless goals (%)	Acquisition/Construction of Single-Family Housing (%)	Reconstruction of Single-Family Housing (%)	Tenant Based Rental Assistance with HOME Funding (%)	Households in New/Rehabilitated Multifamily Units (%)	NHTF Households in New/Rehabbed Multifamily Units (%)	HOPWA Tenant-Based Rental Assistance (%)	HOPWA Short-Term Rent, Mortgage & Utilities Asst. (%)	HOPWA Facility-Based Housing Subsidy Assistance (%)	HOPWA Permanent Housing Placement Assistance (%)	HOPWA Funded Supportive Services (%)	HOPWA Housing Information Services (%)	HOPWA Resource Identification (%)	CDBG Public Improvements and Facilities (%)	CDBG Economic Development (%)	CDBG Urgent Need (%)	CDBG Colonia Set-Aside (%)	CDBG Colonia Self-Help Centers (%)	CDBG Administration (%)	HOME Administration (%)	NHTF Administration (%)	HOPWA Project Sponsor Administration (%)	HOPWA Grantee Administration (%)	Colonias Set-Aside (%)	Total (%)
CDBG	0	0	0	0	0	0	0	0	0	0	0	0	0	79	15	0	0	3	3	0	0	0	0	0	100
CDBG Colonias Set-aside	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	100
HOME	0	6	45	24	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0	0	0	0	100
HOPWA	0	0	0	0	0	0	59	11	2	3	17	0	1	0	0	0	0	0	0	0	4	3	0	0	100
ESG	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100
HTF	0	0	0	0	0	90	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0	0	0	100

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

Disaster Recovery

With the block grants and the layering resources listed above, there are also CDBG Disaster Recovery (DR) funds for disasters that have affected that State of Texas. More details and action plans for the various disasters CDBG-DR have been awarded for can be found at <https://www.glo.texas.gov/disaster-recovery/action-plans>

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

HOME Serves Special Needs

TDHCA has determined that it and its administrators may have and request to establish a preference to serve the following special needs populations: persons with disabilities, persons with substance use disorders, persons living with HIV/AIDS (PLWH), persons with Violence Against Woman Act (VAWA) protections, colonia residents, farmworkers, homeless populations, veterans, (including wounded warriors as defined by the Caring for Wounded Warriors Act of 2008), public housing residents, persons transitioning out of incarceration, persons impacted by a state or federally declared disaster, and persons transitioning out of foster care and nursing facilities.

ESG Serves Special Needs

ESG does not have funding allocation priorities for special needs populations, but the Department's subrecipient selection criteria include prioritization for homeless subpopulations as defined in the most recent Point in Time data collection guidance. ESG RUSH funding, a special allocation under the ESG Program, is limited to serving populations residing within disaster declared areas. ESG RUSH assistance to individuals and organizations will be evaluated for duplication of benefits as required by 42 U.S.C. 11364a and the ESG RUSH implementation guidelines and regulations prior to provision of assistance. These resources may include private insurance, other federal resources, such as FEMA Transitional Shelter Assistance (TSA), Shelter and Services Program (SSP), Emergency Non-Congregate Shelter (NCS) or CDBG-DR funds. The Department may prioritize RUSH funding to areas with proportionately fewer resources to respond to the disaster.

TDHCA requires ESG subrecipients to comply with the Violence Against Women Reauthorization Act of 2022 (VAWA). Forms and information are required to be distributed to applicants and program participants for short- and medium-term rental assistance in accordance with 24 CFR §5.2005(e). Also pursuant to 24 CFR §5.2005(e), ESG Subrecipients are required to develop and follow an Emergency Transfer Plan.

HOPWA Serves Special Needs

HOPWA serves as the only federal program dedicated to addressing the housing needs of low-income PLWH and their households. It helps them establish or maintain affordable and stable housing, reduce

their risk of homelessness, and improve their access to healthcare and supportive services. Stable housing helps PLWH adhere to HIV treatment and achieve viral suppression. The proposed distribution of funds by HOPWA activity category reflects local needs with historical expenditure outputs. The program reallocates funding within and between HIV Service Delivery Areas (HSDAs) throughout the program year to meet changing needs

CDBG Serves Special Needs

CDBG provides over 90% of available funds for projects that primarily benefit low-to moderate-income persons through basic infrastructure, housing, job creation and other activities as identified at the local level. Among those projects, CDBG sets aside 12.5% of funds to benefit colonia residents through planning activities, infrastructure and housing construction, self-help center services, construction activities, and public services. Funding for community development projects in colonias and other LMI communities is a critical element in the well-being of these communities.

The Office of Colonia Initiative (OCI) at TDHCA is charged with the responsibility of administering the Colonia Self-Help Center (CSHC) Program, with the goal of improving the living conditions and lives of border and colonia residents. As part of its plan to improve the living conditions in colonias, OCI assigns specific employees to focus on supporting and providing technical assistance to border counties which maintain Colonia Self-Help Centers funded under the CSHC Program.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

Given that Texas is the second largest state in the nation by total area, the method of distribution of its funds takes into account a very large area. To serve this large area it is necessary for the State to use subrecipients to administer the programs funded under CPD. The selection processes for these entities are generally described below.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	Colonia Economically Distressed Areas Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	Colonia Economically Distressed Areas Program (CEDAP) Legislative Set-Aside fund provides funding to eligible cities and counties to assist colonia residents that cannot afford the cost of service lines, sevrvice connections, and plumbing improvements associated with being connected to a TWDB Economically Distressed Area Program or similar water or sewer system improvement project.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The TDA will evaluate the following factors prior to awarding CEDAP funds: • The proposed use of the CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through Economically Distressed Area Program or similar program; • The ability of the applicant to utilize the grant funds in a timely manner; • The availability of funds to the applicant for project financing from other sources; • The applicant's past performance on previously awarded CDBG contracts; • Cost per beneficiary or household; and • Proximity of project site to entitlement cities or metropolitan statistical areas (MSAs).

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation are available upon request once mainline construction has been confirmed.
	Describe how resources will be allocated among funding categories.	The Texas Legislature has set aside 3.5% of the State CDBG allocation for the CEDAP program. The allocation is distributed on an as-needed basis. In order to fully obligate the annual Colonia Funds to benefit colonia residents, funds not requested for the CEDAP activities may be transferred to other Colonia Fund programs.
	Describe threshold factors and grant size limits.	Maximum \$1,000,000/Minimum \$250,000

	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons
2	State Program Name:	Colonia Fund and Construction Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	The goal of the Colonia Fund: Construction (CFC) program is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons residing within a community or area that meets the definition of a colonia. An eligible county applicant may submit an application for eligible construction activities, prioritizing access to public utilities and other basic human needs for colonia residents.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	While the Colonia Planning and Needs Assessment is underway, the selection criteria for the Colonia Fund: and Construction Program will focus upon the following factors: number of colonia communities identified in the county, and previous funding.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	Of the State CDBG allocation 6.5% (approximately) is allocated to the Colonia Fund Construction Program. After the initial awarding of funds, any portion of the CFC allocation that is unable to be awarded may be used to fund additional eligible applications under any other Colonia Fund Set-aside program.
	Describe threshold factors and grant size limits.	Maximum \$1,000,000/Minimum \$250,000

	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
3	State Program Name:	Colonia Fund Planning & Needs Assessment Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	The Colonia Fund Planning Program is designed to provide needs assessments for colonia communities on a county-by county basis.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The Colonia Fund Planning Program funds assess the conditions and current needs of colonia communities in to each county within 150 miles of the Texas-Mexico border on a rotating basis. All counties eligible to participate in the colonia set-aside have been offered an opportunity to receive planning and needs assessment services coordinated through a CFP grant to a designated Planning Zone.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	As planning activities are currently funded for all eligible counties, no funds are allocated to the Colonia Fund Planning Program for this Program Year.
	Describe threshold factors and grant size limits.	Not applicable for Program Year 2026

	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
4	State Program Name:	Colonia SHC Legislative Set-Aside (administered by TDHCA)
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	Administered by TDHCA and funded through CDBG, the Colonia Self-Help Center (CSHC) Program serves colonias along the Texas-Mexico border. Colonia Self-Help Centers (Centers) provide concentrated on-site technical assistance to low- and very low-income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach and education. Key services include: housing rehabilitation; reconstruction; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; grant writing; infrastructure construction and access; contract-for-deed conversions; and capital access for mortgages.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Approximately 35,979 residents live in the targeted colonias served by the CSHC Program. The Centers process applications from income eligible households using a selection criteria established by each Center. Eligible households must reside in a targeted colonia, which has been preselected by each county and approved by C-RAC. Households must earn less than 80% of AMI.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	The CSHC Program is statutorily required to be provided in Cameron/Willacy, El Paso, Hidalgo, Nueces, Starr, and Webb counties. Statute allows for additional Centers to be established in any other county if TDHCA deems it necessary and appropriate and if the county is designated an economically distressed area under statute. TDHCA established additional Centers in Maverick and Val Verde counties. Each Center must serve five targeted colonias within the county it serves. The Centers conduct outreach activities throughout the contract period to inform colonia residents of program benefits and eligibility criteria and to provide application assistance.
	Describe how resources will be allocated among funding categories.	The Texas Legislature has set aside 2.5% of the State CDBG allocation for the CSHC program. Resources are allocated after analysis and input from each community. Counties that are statutorily designated to participate in the CSHC Program conduct a needs assessment before proposing which target colonias should receive concentrated attention and the scope of program activities and funding. Each county designs a proposal unique to the needs of a specific community. After the C-RAC, composed of colonia residents, reviews and discusses the proposals from the counties, the proposals are then reviewed and approved by the TDHCA Governing Board for implementation. Funds deobligated from prior CSHC Program grant years and any program income recovered from CSHC funds shall be used by TDHCA for the CSHC Program.

	Describe threshold factors and grant size limits.	Maximum \$1,000,000/Minimum \$500,000 If there are insufficient funds available to fully fund an application, the Administrator may accept the amount available and wait for remaining funds to be committed the next program year. Each program activity, such as new construction, rehabilitation, and tool library operation, for example, are limited to specific dollar amounts. TDHCA, at its discretion and in coordination with the county, may amend a contract to increase the budget amount based on performance and other factors.
	What are the outcome measures expected as a result of the method of distribution?	Outcomes include the number of colonia residents assisted and housing units assisted or created. In general, these are Activities Benefiting LMI Persons.
5	State Program Name:	Colonias to Cities Initiative Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	The Colonia to Cities Initiative (CCIP) provides funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority is given to colonias that have received prior CDBG funding. The city's application must include documentation that annexation procedures have begun and a firm commitment from the city to annex the colonia upon completion of the project. Failure to annex the colonia may result in a requirement to repay the CDBG funding to TDA.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The TDA will evaluate the following factors prior to awarding CCIP funds: • the proposed use of the TxCDBG funds including the eligibility of the proposed activities; • the ability of the community to utilize the grant funds in a timely manner; • the availability of funds to the community for project financing from other sources; • The support of colonia residents for the proposed annexation; • the applicant's past performance on previously awarded TxCDBG contracts, if applicable; • cost per beneficiary or household; and • commitment by the city to annex the colonia area within one year of project completion. If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation are available upon request.
	Describe how resources will be allocated among funding categories.	If there are an insufficient number of projects ready for CEDAP or CFC funding, the available Colonia funds may be transferred to the Colonias to Cities Initiative.

	Describe threshold factors and grant size limits.	Maximum \$1,000,000/Minimum \$250,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting Low and Moderate Income (LMI) Persons
6	State Program Name:	Community Development Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Community Development (CD) Fund is available on a biennial basis through a competition based on of the State's 24 planning regions. The goal of the CD Fund is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons of low to moderate income. Applicants are encouraged to provide for infrastructure and housing activities that will improve opportunities for LMI persons. When considering and designing projects, applicants must continue to consider project activities that will affirmatively further fair housing, which includes project activities that provide basic infrastructure (such as water, sewer, and roads) that will benefit residential housing and other housing activities. Planning activities, fire protection and emergency response activities, and all other eligible CDBG activities are available under this program.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	CD applicants are scored using a shared system with 25% of the final score determined by regional project priorities; 65% of the final score determined scoring factors identified by the Unified Scoring Committee, and 10% of the final score determined by state scoring factors. The USC is made up of one representative from each of the 24 geographic regions. The USC is responsible for determining objective scoring criteria for all regions for the CD Fund in accordance with the requirements in this Action Plan, including the numerical value of the points assigned to each scoring factor, during a public meeting. The USC may not adopt scoring factors that directly negate or offset the State's scoring factors. The state scoring will be based on past performance– including timely submission of closeout reports, timeliness of environmental clearance, maximum utilization of funds, and timeliness of completing projects
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	72.35% (approximately) of the State CDBG allocation is allocated to this fund. In addition, deobligated funds may be allocated to the CD Fund according to the procedures described in the Additional Detail on Method of Distribution section following this table.

	Describe threshold factors and grant size limits.	Maximum \$750,000/Minimum \$350,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
7	State Program Name:	Downtown Revitalization Programs
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Downtown Revitalization awards grant funds for public infrastructure to foster and stimulate economic development in rural downtown areas. This program is considered one of the Rural Economic Development (RED) programs.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The selection criteria for the Downtown will focus upon the following factors: a. Applicant Need criteria, including median income, previous funding, and benefit to LMI persons. b. Project criteria, including match ratio, , consistency with Main Street program or other community strategic plan (if applicable), and other HUD or TDA programmatic priorities; and c. Past performance on previously awarded TxCDBG contracts, if applicable. The department may set aside funds within this Downtown Revitalization Program specifically for Main Street communities.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	Approximately 12% of the State CDBG allocation is allocated to the Downtown Revitalization Program;; in addition, deobligated funds, program income funds, and other RED program funds may be allocated for the DRP programs if such funds have not been utilized by other RED programs (if available).

	Describe threshold factors and grant size limits.	Maximum \$1,000,000/Minimum \$350,000
	What are the outcome measures expected as a result of the method of distribution?	Eliminate or prevent slum and blight conditions.
8	State Program Name:	Fire, Ambulance, & Services Truck (FAST) Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Fire, Ambulance, & Services Truck (FAST) Fund provides funds for eligible vehicles to provide emergency response and special services to rural communities.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Funding for the FAST Fund is dependent on availability of deobligated funds that can be awarded and expended prior to the grant origin year expiration date. TDA may announce limited funding opportunities developed in coordination with the State Office of Rural Health as funds allow. Selection criteria will be based on the limited purpose identified in the application guide for each funding opportunity.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	Funding for the FAST Fund is dependent on availability of deobligated funds that can be awarded and expended prior to the grant origin year expiration date. No funds will be made available for the FAST Fund on the first day of the program year; if additional funds are deobligated during the program year, funds may be made available according to the procedures described in the Additional Detail on Method of Distribution section following this table.

	Describe threshold factors and grant size limits.	Maximum \$1,000,000/Minimum \$100,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
9	State Program Name:	General HOME Funds for Single-Family Activities
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	TDHCA awards single-family activity funds as grants and loans through a network of local administrators for Homeowner Reconstruction Assistance (HRA), Tenant Based Rental Assistance (TBRA), Homebuyer Assistance with New Construction (HANC), and Single Family Development (SFD). Assistance length and term depends on the type of activity. Non set-aside funds are initially made available on a regional basis in accordance with state statute (unless waived by the Governor in response to a state of federally declared disaster or is program income). Remaining funds are made available statewide through a first-come, first-served Reservation System, a contract-based system or some combination of these two methods. The method will be described in NOFAs and is informed by needs analysis, oversubscription for the activities, and public input.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Applicants must comply with requirements stated in NOFAs, the Single-Family Programs Umbrella Rule, and State HOME Program Rules in effect at the time they receive their award. Review of Applications: All programs will be operated through direct administration by TDHCA, reallocation of deobligated funding and program income, or through the release of a NOFA with an emphasis on geographic dispersion of funds, particularly in rural areas of the state, using a Regional Allocation Formula (RAF) which uses objective measures to determine rural housing needs such as poverty and substandard housing. For NOFAs, applicants must submit a complete application to be considered for funding or eligibility to access the Reservation System. Applications received by TDHCA will be reviewed for applicable threshold, eligibility and/or scoring criteria in accordance with the Department’s rules and application review procedures published in the NOFA and/or application materials. Information related to NOFAs, application requirements and fees, and application review procedures and materials is available at https://www.tdhca.texas.gov/home-application-materials Selection Process: Qualifying applications for funding are recommended to TDHCA’s Board based on the Department’s rules and any additional requirements established in the NOFA. Applications for participation in the Reservation System are not submitted to the TDHCA Board for approval but are subject to all other review requirements. Should TDHCA reprogram unutilized HOME funds for development activities, applications submitted for development activities will also receive a review for financial feasibility, underwriting, and compliance under the HOME Final Rule as well as the Department’s existing previous participation review process. The state may select subrecipients or state recipients as described in program rules and NOFAs, or may conduct a portion of HOME activities directly in accordance with §92.201. When administrators have not successfully expended the HOME funds within their contract period, TDHCA de-obligates the funds and pools the dollars for redistribution according to TDHCA’s Reallocation of Financial Assistance rule at 10 TAC §1.19, and consistent with the reservation system and any open NOFAs. TDHCA may also reallocate these funds through a competitive NOFA process resulting in an award of funds.
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	Describe how resources will be allocated among funding categories.	TDHCA announces the annual allocation of HOME Single-Family funds through a NOFA and specifies that an amount at least equal to the annual allocation will initially be made available using a Regional Allocation Formula (RAF) which divides funds among 26 sub-regions as required by state statute. The allocation method is developed based on a formula which considers need and funding availability. After a period of time established in the NOFA, regional allocations collapse. Following the release of the annual allocation through the RAF, TDHCA periodically adds HOME program income and de-obligated funds to the funds available via the Reservation System and either allocates a specific amount of funds per activity based on funding priorities or may allow HOME administrator's requests for funding through the system to determine how the funds are finally allocated among fund categories. TDHCA may specify the maximum amount of funds that will be released for each activity type and may allocate funds via a first come, first served Reservation System or alternate method based on public comment. All NOFAs can be found on TDHCA's NOFA page on the website at https://www.tdhca.texas.gov/notices-funding-availability-nofas.
	Describe threshold factors and grant size limits.	Applicants must comply with requirements stated in the HOME NOFA and State HOME Program Rules in effect the year they receive their award. These sources provide threshold limits and grant size limits per activity type.

	What are the outcome measures expected as a result of the method of distribution?	Assistance to LMI households.
10	State Program Name:	HOME Multifamily Development
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	The Multifamily Direct Loan Program awards HOME loans to for-profit and nonprofit multifamily developers to construct and rehabilitate affordable rental housing. These loans typically carry a 3% interest rate (or higher/lower if reflected in the NOFA) and have terms ranging from 15 years to 40 years. The vast majority of the loans are made to developments that also have awards of 4% or 9% HTC's.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	TDHCA's Texas Administrative Code Chapters 10, 11, and 13 set forth the minimum requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, appropriate zoning for the site, and a market and environmental study. Additionally, the development must also meet financial feasibility and subsidy layering requirements. After a period of Regional Allocation, HOME funds are typically awarded on a first-come, first-served basis, as long as the criteria above are met, although the NOFA may specify other priorities used to rank applications, such as giving priority to requests for larger amounts of funding. After a certain date, for HOME Multifamily Development applications layered with 9% HTC's, the highest scoring applications in the 9% cycle that also request HOME funds are prioritized according to 9% criteria.

	Describe how resources will be allocated among funding categories.	A maximum of 85% of HOME Multifamily Funds, are available for general activities and at least 15% for Community Housing Development Organizations (CHDOs). The HOME Multifamily Direct Loan Program may make funds available annually or through a special purpose NOFA under the General, Supportive Housing/Soft Repayment, or CHDO Set-Asides, or specifically to previously-awarded developments that have experienced cost increases since initial award.
	Describe threshold factors and grant size limits.	TDHCA's Qualified Allocation Plan set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. The development must also meet financial feasibility and subsidy layering requirements. Awards of HOME Multifamily Direct Loan Program funds range from approximately \$4,000,000 to \$8,197,611.50 per application typically in the form of a loan, but these amounts may change, and the caps may be lower or higher if so reflected in a published NOFA.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to LMI households.
11	State Program Name:	Local Revolving Loan Funds
	Funding Sources:	CDBG

	Describe the state program addressed by the Method of Distribution.	TxCDBG allows communities that received Texas Capital Fund awards to support job creation or retention, and that created a local revolving loan fund, prior to implementation of the interim rule published November 12, 2015, to retain the program income generated by the economic development activities and to reinvest the funds to support job creation/retention activities.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Criteria are established by local subrecipients, with guidance from the TxCDBG Revolving Loan Fund Information Guide provided by TDA.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	The TxCDBG Revolving Loan Fund Information Guide is provided directly to subrecipients that have established revolving loan funds

	Describe how resources will be allocated among funding categories.	Program Income generated by a local RLF is retained by that community or returned to TDA for distribution according to the Action Plan. See "Grantee Unique Appendices" for table of local revolving loan funds.
	Describe threshold factors and grant size limits.	Parameters for minimum or maximum loan amounts may be established by the subrecipient.
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons Activities Benefitting LMI Persons through Job Creation/Retention
12	State Program Name:	National Housing Trust Fund
	Funding Sources:	HTF

	Describe the state program addressed by the Method of Distribution.	The NHTF Program awards loans to for-profit and nonprofit multifamily developers to construct/rehabilitate multifamily affordable housing. Because the NHTF is required to benefit ELI households at or below the greater of 30% of AMI or the poverty rate, the units will likely not be able to service a debt payment. The constraints on NHTF dictate that the funds typically be available as construction only loans, generally up to 2% interest rate permanent loans with fixed monthly payments, deferred payment, deferred forgivable permanent loans, partially amortizing loans (with the amount not in a fixed payment due at sale, refinance, or at the end of the loan term), or 75% cash flow loans (FHA only) if required, to leverage with tax credits or other financing mechanisms. Loan types may be further limited by NOFA.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	TDHCA's Texas Administrative Code Chapters 11 and 13 set forth a minimum set of requirements that document a project owner's readiness to proceed with the development. The Development must also meet financial feasibility requirements. After an applied period of regional distribution, the funds are awarded on a first-come, first-served basis, as long as the criteria above are met, although the NOFA may specify other priorities used to rank applications, such as giving priority to requests for larger amounts of funding. In the event that multiple qualifying applications are submitted on the same date and insufficient funding exists to award all of them, applications will be scored according to the criteria specified in the NOFA. 10 TAC §13.6 establishes criteria that may be used for scoring; however, staff may identify within a given NOFA that additional scoring criteria are necessary to meet current needs. Remaining NHTF may then be made available statewide in the annual NOFA in other set-asides, or transferred to a special purpose NOFA.
	Describe how resources will be allocated among funding categories.	NHTF will not be allocated among funding categories. The NHTF funds are provided for multiple uses, to meet the requirement to serve ELI households.

	Describe threshold factors and grant size limits.	TDHCA's Texas Administrative Code Chapters 10, 11, and 13 set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. Additionally, the development must have certain unit amenities and common development amenities. Developments must also meet financial feasibility requirements. Award funds typically range from \$4,000,000 to \$8,197,611.50 per application in the form of a loan for this program, but which may be capped at a lower or higher amount in the NOFA.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to ELI households.
13	State Program Name:	State Mandated Contract for Deed Set-Aside
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	Rider 6 of the TDHCA bill pattern within the General Appropriations Act for Fiscal Years 2024-2025 requires TDHCA to identify funding sources and estimated funding levels for contract for deed conversions and other activities for families that reside in a colonia and earn 60 percent or less of the applicable area median family income (AMFI) and the home converted must be their primary residence. Funds are set-aside for households at or below 60 percent AMFI and who reside in a colonia for a period of not less than 60 days before being made available statewide, excluding Participating Jurisdictions, to those at or below 80% AMFI.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Administrators must meet HOME Program threshold requirements to access funding. Funding is made available to contract for deed administrators on a first-come, first-served basis, in addition to threshold requirements outlined in the State HOME Program Rule, through the Reservation System.
	Describe how resources will be allocated among funding categories.	TDHCA will set aside \$1,000,000 for Contract for Deed activities annually and will release the funds through the reservation system as a method of distribution.
	Describe threshold factors and grant size limits.	Applicants must meet the thresholds provided in the NOFA and State HOME Program Rules in effect the year in which they receive their award. Administrators are not awarded a grant following a successful application. Rather funds are awarded on a household by household basis.

	What are the outcome measures expected as a result of the method of distribution?	Assistance to households with incomes at or below 60% AMFI.
14	State Program Name:	State Revolving Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	TxCDBG retains the program income generated by economic development activities and reinvests the funds to continue supporting economic development activities. In accordance with 24 CFR 570.479(e)(ii), the State has determined that program income generated by TCF beginning PY 2017 must be returned to the State for redistribution to new economic development activities. TCF awards are made for a specific project, based on the minimum necessary work to support the creation or retention of specific jobs, which must be completed prior to close out of the TCF contract. Therefore the community is unlikely to continue funding the same activity in the near future as described in the regulation.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Application Guides for the Rural Economic Development programs can be found on the TDA website.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Application Guides for the Rural Economic Development programs can be found on the TDA website.
	Describe how resources will be allocated among funding categories.	Program Income generated by the State Revolving Fund in prior Program Years will be allocated to the Rural Economic Development programs. Program Income collected during the current Program Year will be made available through the State Revolving Fund in subsequent Program Year(s).

	Describe threshold factors and grant size limits.	The amount of program income generated will determine the amount of funds available.
	What are the outcome measures expected as a result of the method of distribution?	Activities benefitting LMI Persons and the elimination of slum and blight conditions.
15	State Program Name:	State Urgent Need Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The State Urgent Need Fund is available following natural disasters and events that are not eligible for federal disaster assistance. The SUN program provides financial assistance to address disaster-related damage to public infrastructure and utilities, including repair, replacement, and mitigation measures.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The State Urgent Need Fund is available as needed following events that receive a proclamation or other formal request for state agency assistance from the Governor (or designee), for which the Governor has not requested federal assistance. • Priority will be given to projects that address safe drinking water, clearance of debris creating unsafe conditions, and other priorities as announced by the Commissioner of Agriculture. • The situation addressed by the applicant must be both unanticipated and beyond the control of the local government. • The problem being addressed must be of recent origin. For SUN APP assistance, this means that the application for assistance must be submitted no later than six months from the date of the state disaster declaration. • The applicant must demonstrate that adequate local funds are not available. For SUN assistance, this generally means the applicant has less than twelve months of unencumbered general operations funds available in its balance as evidenced by the last available audit required by state statute, and funds from other state or federal sources are not available to completely address the problem. TDA may consider whether funds under an existing CDBG contract are available to be reallocated to address the situation.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.

	Describe how resources will be allocated among funding categories.	Of the State CDBG allocation, \$0 is allocated initially. However, a maximum \$3 million may be transferred from other fund categories for either State Urgent Need Fund or Water Crisis Assistance Fund projects as needed.
	Describe threshold factors and grant size limits.	Maximum: \$500,000 for projects benefitting a single jurisdiction. For projects benefitting multiple counties, up to \$500,000 per county with a maximum total award of \$2 million per project. Minimum: \$100,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons Activities Addressing an Urgent Need
16	State Program Name:	Texas ESG Program
	Funding Sources:	ESG

	Describe the state program addressed by the Method of Distribution.	The ESG Program awarded contracts in PY2025 by making a portion of the funds available to prior subrecipients who have demonstrated effective performance under their prior award, with the remainder of funds offered under a competitive funding application. This process will carry over to the PY2026 funds, and some portion of the allocation may be set aside for direct awards to Subrecipients receiving funds for development of non-congregate shelter under HOME-ARP or awarded to nonprofit legal services providers who will accept referrals from subrecipients of ESG funds. ESG funds are awarded to private nonprofit organizations, cities, and counties in the State of Texas to provide the services necessary to help persons who are experiencing or at-risk of homelessness quickly regain stability in permanent housing. To prioritize geographic dispersion of funds, funding is allocated to each CoC based on an allocation formula that includes population and other data as described in the State ESG rules. Special allocations made under the ESG Program, such as ESG RUSH funding, may be awarded to existing Subrecipients whose record demonstrates high performance of their ESG award, or under a competitive Notice of Funding Availability. ESG RUSH funding is geographically restricted for use within disaster declared areas, therefore ESG RUSH is exempt from the regional distribution formula noted in 10 TAC §7.33. Award authority for all ESG funds remains with TDHCA's Board, and TDHCA contracts directly with all subrecipients. Any funds returned to the Department from prior year ESG allocations will be redistributed in accordance with the 10 TAC §7.41, or as otherwise approved by the TDHCA Board or as required by HUD.
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	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	TDHCA will review the performance of existing subrecipients to determine whether they meet criteria, including timely expenditure of funds and acceptable monitoring history, prior to making a determination about the suitability of the subrecipient to be offered a new award of funding. In a competitive process with TDHCA, applications will be selected for an award based on requirements stated in the ESG NOFA and State ESG Program Rules in effect the year they receive their award. These sources provide threshold requirements, which must be met prior to an application being considered for an award, and selection criteria, which are utilized to rank applications and determine the order in which applications may be funded. ESG Subrecipients that are awarded ESG funds will be required to maintain the terms of the contract under which they were competitively awarded, including the performance targets that were a condition of the award. Threshold requirements: information necessary to conduct a previous participation review (including review of single audit compliance), and documentation sufficient to determine that the subrecipient has adequate capacity to administer the ESG funds, including but not limited to timely reporting. Selection criteria include items related to program design, including the type and quality of services offered and performance outcomes. Selection criteria is not applicable for ESG RUSH funding directly awarded to existing ESG subrecipients, however TDHCA will review the prior performance of existing Subrecipients prior to making an award recommendation. In addition to the scoring criteria for the regular ESG awards, ESG RUSH that is competitively awarded will consider other available resources in the service area of the application to assist with evaluation of unmet need.
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Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	TDHCA may retain some portion of the allocation of funds and offer this portion for direct awards to certain subrecipients that have either successfully administered a prior ESG award or have an existing HOME-ARP funded non-congregate shelter, or will provide legal services to clients referred by other ESG subrecipients. In addition, TDHCA will provide special allocations, such as ESG RUSH funding, as direct awards to existing Subrecipients who show high performance in their existing ESG award. For a competitive process, TDHCA will release a NOFA prior to receipt of ESG funding. The NOFA will include both threshold and selection criteria, and awards will be made to eligible applicants based on the application rank within their CoC region. Eligible applicant organizations are Units of General-Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may be eligible and should seek guidance from TDHCA to determine if they may apply. Governmental organizations such as Public Housing Authorities (PHAs) and housing finance agencies are not eligible and cannot apply directly for ESG funds. Eligible applicants also include private nonprofit organizations that are secular or religious organizations described in section 501(c) of the Internal Revenue Code of 1986, are exempt from taxation under subtitle A of the Code, have an acceptable accounting system and a voluntary board, and practice non-discrimination in the provision of assistance. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.
Describe how resources will be allocated among funding categories.	ESG funds, inclusive of special allocations, may be used for four service components: street outreach, emergency shelter, homelessness prevention, and rapid re-housing assistance. Funds may also be utilized for HMIS/HMIS comparable database and administration in proportion to funding utilized for service components. In order for TDHCA to meet the requirement of no more than 60% of funds expended in street outreach and emergency shelter per 24 CFR §576.100(b), TDHCA reserves the right to remove applications proposing street outreach and emergency shelter from competition when 60% of ESG funds have been awarded to higher ranking applications proposing these activities.

	Describe threshold factors and grant size limits.	While applications for TDHCA ESG funds may request funds for multiple service components, each service type proposed in an application is individually considered for an award of funds. Applicants will be awarded an amount not to exceed an amount set forth in the program rules or NOFA for street outreach activities, rapid re-housing, homeless prevention, and emergency shelter activities. Funds for HMIS are limited to 12% of the amount awarded for Street Outreach, Emergency Shelter, Rapid Rehousing, and Homeless Prevention, and funds for administration are limited to 3% of these amounts. Threshold requirements: information necessary to conduct a previous participation review (inclusive of single audit requirements), and documentation sufficient to determine that the subrecipient has adequate capacity to administer the ESG funds, including but not limited to timely reporting.
	What are the outcome measures expected as a result of the method of distribution?	The expected outcome is that funds will be awarded to organizations that have the administrative and performance capacity to provide the services needed in their communities, with a broad distribution of funding to reach as many areas of the state with quality services as possible.
17	State Program Name:	Texas HOPWA Program
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	The DSHS HIV Care and Medications Unit administers the State of Texas HOPWA formula grant from HUD. 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.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Visit the DSHS website for information on grant applications, available funding opportunities, application criteria, etc. http://www.dshs.texas.gov/fic/default.shtm. The Texas Health and Human Services Procurement and Contracting Services (PCS) Division oversees procurement and contracting services for DSHS. This division handles solicitations, contract development, contract execution, and serves as the office of record for DSHS' contracting needs.
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	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. DSHS selects AAs through a combination of competitive requests for applications (RFAs) and intergovernmental contracts. AAs act as an administrative arm for DSHS, with DSHS oversight, by administering the HOPWA program locally for a five-year project period. A Project Sponsor is a nonprofit organization or governmental housing agency that receives funds under a contract with the AA to provide eligible housing and other support services or administrative services. Historically, many of the nonprofit Project Sponsors that provide HOPWA services have met the definitions of grassroots, faith-based, or community-based organizations
	Describe how resources will be allocated among funding categories.	Project Sponsors propose funding allocations and submit them to their respective AA and DSHS for approval. Project Sponsors base allocations on many factors, including but not limited to, number of households projected to continue into the next year, local unmet need, housing costs, prior number of households served, average expenditures per household, changes in the number of PLWH in poverty, etc. During the program year, DSHS reallocates funds within and between HSDAs throughout each planning region as needed. DSHS will reserve \$500,00 from the latest allocation for use in the next annual plan and include this amount under Prior Year Resources. DSHS will only use \$9,143,061 during this annual plan.

	Describe threshold factors and grant size limits.	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. The formula does not provide a minimum or maximum grant size limit.
	What are the outcome measures expected as a result of the method of distribution?	PLWH and their households will establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. Stable housing helps PLWH adhere to HIV treatment and achieve viral suppression.
18	State Program Name:	Utility U Job Training Program
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	Utility U provides funds to cities and counties, in coordination with water and wastewater utilities, to provide job training opportunities in the utility field. Both classroom and on-site training methods provided by a community based development organization (CBDO) or similar organization shall provide critical utility industry skills to current and newly hired employees to create or enhance job opportunity.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The Utility U Program will be available to cities and counties only upon recommendation by two or more state or federal regulatory or funding agencies. These agencies are expected to evaluate the need for job training for a specific utility or group of utilities prior to making a recommendation to TDA. The utility must agree to employ the trainee for a minimum of two years following completion of the training.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation are available upon request.
	Describe how resources will be allocated among funding categories.	\$0 of allocation is made available for the Utility U Program on the first day of the program year. If an eligible project is recommended for funding, up to \$200,000 may be transferred from other fund categories as needed.

	Describe threshold factors and grant size limits.	Maximum \$100,000/Minimum \$30,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
19	State Program Name:	Water Crisis Assistance Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Water Crisis Assistance Fund is available to assist communities where the utility system has been placed under alternative management by state regulators. The WCA Fund provides financial assistance following appointment of a Receiver and/or temporary Manager, and may be used to address system deficiencies needed to return the system to regular operations.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The Water Crisis Assistance Fund is available as needed following state appointment of a utility district or other political subdivision to serve as a Receiver or Temporary Manager, pursuant to Texas Water Code §13.412. Projects must address critical system deficiencies, such as those identified in a Notice of Violation issued by the Texas Commission on Environmental Quality (TCEQ). Once a utility receives a Water Crisis Assistance Fund project, that utility is no longer eligible to apply for future WCA funding.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.
	Describe how resources will be allocated among funding categories.	Of the State CDBG allocation, \$0 is allocated initially. However, a maximum \$3 million may be transferred from other fund categories for either State Urgent Need Fund or Water Crisis Assistance Fund projects as needed.

	Describe threshold factors and grant size limits.	Maximum \$500,000/Minimum \$50,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons

Discussion:

The distribution process for 4% HTC Program, 9% HTC Program, HHSP, State Housing Trust Fund Program, MCC Program, My First Texas Home Program, NSP PI Program, Section 8 HCV Program, Section 811 PRA Program, and TCAP RF can be found in the documents that govern these programs, all available at <https://www.tdhca.texas.gov> The CDBG Colonia Set-Aside Methods of Distribution will be included in Action Plan Section 48, which is specifically about colonias.

Along with selecting appropriate entities to administer funding, the State must ensure that these entities appropriately expend their funds. For example, in addition to tracking the number of households supported by HOPWA, AAs routinely monitor Project Sponsors for compliance and performance. DSHS annually compiles program progress reports, reviewing household and expenditure outputs as well as housing stability outcomes. Strategic Plan Section 80, Monitoring, provides additional information on CPD Programs monitoring efforts.

Additional information for Allocation of CDBG program income and deobligated funds has been provided as an attachment.

AP-35 Projects – (Optional)

Introduction:

Per the IDIS Desk Guide, Project-level detail is not required for a state grantee's Annual Action Plan. Once a state grantee has allocated funding via its Method of Distribution, the state grantee will use the Projects sub-menu in IDIS Online to add its projects for the program year.

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Because no projects have been entered to date in this section, this section is not applicable. Allocation priorities are discussed in Action Plan Section 25, which also includes meeting special needs. Actions to meeting underserved needs are found in Action Plan Section 85. CDBG-DR allocation priorities can be found in the CDBG-DR Action Plans at: <https://www.glo.texas.gov/disaster-recovery/action-plans>

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

Not applicable

Acceptance process of applications

Not applicable

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

Yes

State's Process and Criteria for approving local government revitalization strategies

TDA's CDBG program operates with a principle of “local control” – supporting locally identified projects that primarily benefit LMI persons, prevent/eliminate slum and blight conditions, and support community planning efforts.

The Community Development Fund provides funds to meet needs identified at both the local and regional level, including utility infrastructure, road reconstruction, community facilities, fire protection, and community or utility planning activities.

The Downtown Revitalization Program is intended to stimulate economic growth through the funding of pedestrian-center public infrastructure improvements to aid in the elimination of slum and blight conditions in the historic downtown areas of rural communities; the Main Street set aside is available to communities designated as an official Texas Main Street City by the Texas Historical Commission. Awarded cities receive funds to make public infrastructure improvements in the designated historic, downtown business district. TDA consistently receives more applications than can be funded through this popular program.

The Colonia Fund offers housing and utility infrastructure improvements to disadvantaged communities near the Texas-Mexico border that have been identified by the county as colonia communities.

AP-48 Method of Distribution for Colonias Set-aside – 91.320(d)&(k)

Introduction

Distribution Methods

1	State Program Name:	Colonia Economically Distressed Areas Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	Colonia Economically Distressed Areas Program (CEDAP) Legislative Set-Aside fund provides funding to eligible cities and counties to assist colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB Economically Distressed Area Program or similar water or sewer system improvement project.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The TDA will evaluate the following factors prior to awarding CEDAP funds: • The proposed use of the CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through Economically Distressed Area Program or similar program; • The ability of the applicant to utilize the grant funds in a timely manner; • The availability of funds to the applicant for project financing from other sources; • The applicant's past performance on previously awarded CDBG contracts; • Cost per beneficiary or household; and • Proximity of project site to entitlement cities or metropolitan statistical areas (MSAs).
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation are available upon request once mainline construction has been confirmed.

	Describe how resources will be allocated among funding categories.	The Texas Legislature has set aside 3.5% of the State CDBG allocation for the CEDAP program. The allocation is distributed on an as-needed basis. In order to fully obligate the annual Colonia Funds to benefit colonia residents, funds not requested for the CEDAP activities may be transferred to other Colonia Fund programs.
	Describe threshold factors and grant size limits.	Maximum \$1,000,000/Minimum \$75,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons
2	State Program Name:	Colonia Fund Construction Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	The goal of the Colonia Fund: Construction (CFC) program is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons residing within a community or area that meets the definition of a colonia. An eligible county applicant may submit an application for eligible construction activities, prioritizing access to public utilities and other basic human needs for colonia residents.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	While the Colonia Planning and Needs Assessment is underway, the selection criteria for the Colonia Fund: Construction will focus upon the following factors: number of colonia communities identified in the county, and previous funding.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .
	Describe how resources will be allocated among funding categories.	Of the State CDBG allocation 6.5% (approximately) is allocated to the Colonia Fund Construction Program. Subsequent to awarding funds, any portion of the CFP allocation that is unable to be awarded may be used to fund additional eligible applications under any other Colonia Fund Set-aside program.
	Describe threshold factors and grant size limits.	Maximum \$1,000,000/Minimum \$150,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
3	State Program Name:	Colonia Fund Planning & Needs Assessment Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	The Colonia Fund Planning Program is designed to provide needs assessments for colonia communities on a county-by county basis.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The Colonia Fund Planning Program funds assess the conditions and current needs of colonia communities in each county within 150 miles of the Texas-Mexico border on a rotating basis. All counties eligible to participate in the colonia set-aside have been offered an opportunity to receive planning and needs assessment services coordinated through a CFP grant to a designated Planning Zone.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .
	Describe how resources will be allocated among funding categories.	As planning activities are currently funded for all eligible counties, no funds are allocated to the Colonia Fund Planning Program for this Program Year.
	Describe threshold factors and grant size limits.	Not applicable for Program year 2026.
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
.4	State Program Name:	Colonia Self-Help Center Legislative Set-Aside (administered by TDHCA)
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	Administered by TDHCA and funded through CDBG, the Colonia Self-Help Center (CSHC) Program serves colonias along the Texas-Mexico border. Colonia Self-Help Centers (Centers) provide concentrated on-site technical assistance to low- and very low-income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach and education. Key services include: housing rehabilitation; reconstruction; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; grant writing; infrastructure construction and access; contract for deed conversions; and capital access for mortgages.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Approximately 35,979 residents live in the targeted colonias served by the CSHC Program. The Centers process applications from income eligible households using a selection criterion established by each Center. Eligible households must reside in a targeted colonia, which has been preselected by each county and approved by C-RAC. Households must earn less than 80% of AMI.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	The CSHC Program is statutorily required to be provided in Cameron/Willacy, El Paso, Hidalgo, Nueces, Starr, and Webb counties. Statute allows for additional Centers to be established in any other county if TDHCA deems it necessary and appropriate and if the county is designated an economically distressed area under statute. TDHCA established additional Centers in Maverick and Val Verde counties. Each Center must serve five targeted colonias within the county it serves. The Centers conduct outreach activities throughout the contract period to inform colonia residents of program benefits and eligibility criteria and to provide application assistance.
Describe how resources will be allocated among funding categories.	The Texas Legislature has set aside 2.5% of the State CDBG allocation for the Colonia SHC program. Resources are allocated after analysis and input from each community. Counties that are statutorily designated to participate in the CSHC Program conduct a needs assessment before proposing which target colonias should receive concentrated attention and the scope of program activities and funding. Each county designs a proposal unique to the needs of a specific community. After the C-RAC, composed of colonia residents, review and discuss the proposals from the counties, the proposals are then reviewed and approved by the TDHCA Governing Board for implementation. Funds de-obligated from prior CSHC Program grant years and any program income recovered from CSHC Program funds shall be used by TDHCA for the CSHC Program.

	Describe threshold factors and grant size limits.	Maximum \$1,000,000/Minimum \$500,000 CSHC program rules limit the assistance to up to \$1,000,000 per CSHC per contract period. If there are insufficient funds available to fully fund an application, the Administrator may accept the amount available and wait for remaining funds to be committed the next program year. Each program activity, such as new construction, rehabilitation, reconstruction, and tool library operation, for example, are limited to specific dollar amounts. TDHCA, at its discretion and in coordination with the county, may amend a contract to increase the budget amount, based on performance and other factors.
	What are the outcome measures expected as a result of the method of distribution?	Outcomes include: colonia residents assisted; housing units assisted or created; instances of technical assistance provided; and instances of information delivered. In general, these are Activities Benefiting LMI Persons.
5	State Program Name:	Colonias to Cities Initiative Program
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	The Colonia to Cities Initiative (CCIP) provides funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority is given to colonias that have received prior CDBG funding. The city's application must include documentation that annexation procedures have begun and a firm commitment from the city to annex the colonia upon completion of the project. Failure to annex the colonia may result in a requirement to repay the CDBG funding to TDA.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The TDA will evaluate the following factors prior to awarding CCIP funds: • the proposed use of the TxCDBG funds including the eligibility of the proposed activities; • the ability of the community to utilize the grant funds in a timely manner; • the availability of funds to the community for project financing from other sources; • The support of colonia residents for the proposed annexation; • The applicant's past performance on previously awarded TxCDBG contracts, if applicable; • cost per beneficiary; and • commitment by the city to annex the colonia area within one year of project completion. If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation are available upon request.
Describe how resources will be allocated among funding categories.	If there are an insufficient number of projects ready for CEDAP or CFC funding, the available Colonia funds may be transferred to the Colonias to Cities Initiative.
Describe threshold factors and grant size limits.	Minimum \$100,000/Maximum \$1,000,000
What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting Low and Moderate Income (LMI) Persons

Table 9 - Distribution Methods by State Program for Colonias Set-aside

Outcome Measures expected as results of Distribution Method

Activities Benefitting LMI Persons

Discussion

Texas has the largest number of colonias and the largest colonia population of all the Border States. The method of distribution for funds set aside to serve colonias relies on subgrantees along the Texas-Mexico border as well as interagency cooperation between TDHCA, TDA, TWDB, the Office of the Attorney General, and others. The majority of the funding that assists colonias is through infrastructure development, but funds are also available to address housing, community planning, economic revitalization and disaster relief. TDA administers the 10% CDBG colonia set-aside. TDHCA's role in administering colonia funding is limited to the Colonia Self-Help Center (CSHC) Program (2.5% set-aside of all Texas' CDBG funds, in addition to the 10% federal set aside) and HOME Contract for Deed set-aside. TDHCA focuses efforts of the OCI to counties along the Texas-Mexico Border that include a Colonia Self-Help Center (Center) funded by the Colonia SHC Program and support Center staff and counties with problem solving and training.

The majority of the funding that assists colonias is through the CDBG Program. However, HOME and ESG have a scoring prioritization for colonias. In addition, HOPWA may also provide funding in that area, as described in Action Plan Section 30.

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). Assistance provided by ESG RUSH funds will be directed to areas within the declared disaster areas.

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 eight 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 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> Program income does not have this geographic limitation and may be used anywhere in the state.

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. ESG RUSH funds and funds that have been deobligated from a prior ESG award are not subject to the allocation formula. ESG-RUSH funds have a geographic restriction as a condition of the grant, and ESG funds that have been deobligated from a prior year allocation will be awarded as described in the method of distribution, regardless of geography.

HOPWA Addresses Geographic Investments

DSHS uses a formula to determine HSDA allocations. 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 to account for local factors, including unmet need, prior performance and expenditures, and 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 the grouping described in the NOFA, at least four groups of regions will be created prior to collapse into a statewide competition, unless the state's annual allocation is \$4 million or less, in which case there may be fewer regions to allow each region to have at least \$1 million in its initial allocation.

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.

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

Affordable Housing goals for PY 2026 are indicated in the table below for the number of homeless, non-homeless, and special needs households, and for the number of affordable housing units that will be provided by program type, including rental assistance, production of new units, reconstruction of existing units, or acquisition of existing units. Note that goals entered for ESG are only for Rapid Re-housing. The HOME goals include multifamily and single-family activities.

One Year Goals for the Number of Households to be Supported	
Homeless	1,223
Non-Homeless	993
Special-Needs	702
Total	2,918

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	2,708
The Production of New Units	79
Rehab of Existing Units	131
Acquisition of Existing Units	0
Total	2,918

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

The one-year goals for TDHCA's HOME Program include TBRA, homeowner reconstruction assistance, and rehabilitation and construction of single-family and multifamily units.

The one-year goals for TDHCA's NHTF program include construction of new/rehabilitated multifamily units.

TDHCA's ESG Program provides Rapid Re-housing assistance to help homeless individuals and households quickly regain stability in housing. Homelessness Prevention and Emergency Shelter outcome indicators are counted as persons, not households, so is not added into the chart above. ESG also provides street outreach, but as this does not directly equate to affordable housing, it is not counted above.

DSHS' HOPWA Program provides TBRA, STRMU, FBHA, PHP, HCM, and HIS to assist eligible PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. Stable housing helps PLWH adhere to

HIV treatment and achieve viral suppression.

Currently, Texas CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides cost savings for housing when used to install water and sewer yard lines and pay impact and connection fees for qualifying residents. Housing rehabilitation projects are prioritized in several fund categories. CDBG funds also help communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. CDBG provides approximately 100 to 200 utility connections per year, which are not reflected in the chart above, but could prove essential to obtaining or maintaining housing.

Colonia residents are considered “Special Needs” households who are supported through the production, rehab or acquisition of units. The Colonia Self-Help Center (CSHC) Program continues to address affordable housing needs in border counties by assisting qualifying colonia residents in improvement or maintenance of a safe home in suitable areas, with the contribution of the residents’ self-help construction. In addition, the CSHC Program provides other development opportunities that support the creation of affordable housing for beneficiaries, such as tool lending and training in home construction and repair, financial literacy, and homeownership skills.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

TDHCA believes that the future success of PHAs will center on ingenuity in program design, emphasis on resident participation towards economic self-sufficiency, and partnerships with other organizations to address the needs of this population. While TDHCA does not have any direct or indirect jurisdiction over the management or operations of PHAs, it is important to maintain a relationship with these service providers.

Actions planned during the next year to address the needs to public housing

TDHCA, acting as a small PHA itself, works with other PHAs around the State to port vouchers when necessary. This is especially true for Project Access (PA), a TDHCA program that uses Section 8 HCV vouchers to serve people with disabilities living in certain institutions by transitioning them into residences in the community, described fully in Action Plan Section 65. For the PA Program, an applicant is issued a voucher from TDHCA. In most cases, TDHCA works with the Receiving Public Housing Authority (RPHA) to transfer the documents and the voucher. The voucher holder is briefed and given an introduction on the RPHAs program rules. The RPHA can decide to absorb the voucher or bill the Initial PHA (IPHA). If the RPHA absorbs the voucher, the RPHA will send notice to the IPHA for documentation. This allows TDHCA to use another HCV for another applicant on the PA waiting list. If the RPHA bills the IPHA, the RPHA is required to submit a billing notice within an allotted time to the IPHA so payment can be received. In this way, TDHCA and local PHAs work closely together. TDHCA is also an administrator of Emergency Housing Vouchers and is coordinating, as needed, with local PHAs and CoCs for service delivery and referrals.

HOME/NHTF Addresses PHA Needs

TDHCA provides NOFAs under the HOME Program to interested parties around the State, including PHAs. TDHCA may utilize HOME funds through Tenant-Based Rental Assistance to pay security and utility deposits for Section 8 voucher holders, when other sources are not available. Furthermore, staff of PHAs, especially those receiving HOME funds and those with Section 8 Homeownership programs, are targeted by TDHCA's Texas Statewide Homebuyer Education Program for training to provide homebuyer education opportunities and self-sufficiency tools for PHA residents. PHAs may also administer HOME TBRA funds, for either on-going rental assistance or as a stand-alone program which provides security deposits with TBRA funds, enabling them to provide households with rental assistance and services to increase self-sufficiency.

Regarding HOME/NHTF Multifamily Developments that are financed with the HTC Program, PHAs are incentivized in the QAP to use HTCs for Rental Housing Assistance conversion of PHA properties.

ESG Addresses PHA Needs

PHA residents are eligible to receive assistance and services from ESG Subrecipients, as long as the

assistance does not violate 24 CFR §576.105(d) of HUD's ESG rules regarding use of funds with other subsidies. Fostering public housing resident initiatives is not an initiative for which TDHCA provides funding or that TDHCA tracks for the ESG Program.

HOPWA Addresses PHA Needs

The DSHS HOPWA Program does not provide public housing assistance. However, Project Sponsors interface with local public housing agencies to coordinate housing assistance and supportive services efforts. Project Sponsors share HOPWA program information and eligibility criteria with local housing authorities and other affordable housing programs in their HSDA. While households that participate in HCV or public housing programs do not qualify for HOPWA-funded housing assistance services, Project Sponsors may provide PHP services to secure a subsidized unit. Additionally, Project Sponsors may provide Housing Case Management services to public housing residents and they may receive core medical and support services through the Ryan White HIV/AIDS Program.

CDBG Addresses PHA Needs

The Texas CDBG Program serves public housing areas through various funding categories as residents of PHAs qualify as low- to moderate-income beneficiaries for CDBG projects.

CDBG grant recipients must also comply with local Section 3 policies, including outreach to public housing residents and other qualified Section 3 persons in any new employment, training, or contracting opportunities created during the expenditure of CDBG funding.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

HOME, ESG, HOPWA, NHTF, and CDBG are subject to 24 CFR Part 75 which requires that HUD funds invested in housing and community development construction contribute to employment opportunities for low-income persons living in or near the HUD-funded project. These requirements, called Section 3 requirements, are covered at trainings for Subrecipients; persons who may benefit from employment opportunities include PHA residents.

HOME Addresses Public Housing Resident Initiatives

PHAs are eligible to apply to administer HOME funds to provide homebuyer assistance with new construction in their areas. PHAs also provide services to increase self-sufficiency, which may include homebuyer education services. In addition, TDHCA targets its Texas Statewide Homebuyer Education Program to PHAs, among other groups, which provide homebuyer education training opportunities and self-sufficiency tools for PHA residents.

ESG Addresses Public Housing Resident Initiatives

PHA residents are eligible to receive assistance and services from ESG Subrecipients, as long as the assistance does not violate Section 576.105(d) of the ESG rules regarding use of funds with other subsidies.

HOPWA Addresses Public Housing Resident Initiatives

The DSHS HOPWA Program does not provide public housing assistance. However, Project Sponsors interface with local public housing agencies to coordinate housing assistance and supportive services efforts.

CDBG Addresses Public Housing Resident Initiatives

The CDBG Program serves public housing areas through various funding categories as residents of PHAs qualify as low- to moderate-income beneficiaries for CDBG projects.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

TDHCA has worked to promote programs that will rehabilitate and bring substandard housing into compliant condition and will develop additional affordable housing units. For example, most of the PHA applications for HTCs are for rehabilitation and the applications for new construction usually include a demolition of the existing units. TDHCA also offers a variety of funding sources for assistance. Most PHAs that apply are usually from larger Metropolitan Statistical Areas, which are usually PJs and, as such, are limited by state law in the HOME funding they may receive through TDHCA. Consistent with fair housing objectives, TDHCA seeks ways to accomplish these activities in a manner that disperses the placement of PHA units including dispersion into areas of greater opportunity and not into areas that involve unacceptable site and area features.

TDHCA has a history of assisting troubled housing authorities and has absorbed vouchers from several PHAs that have had difficulties. HUD identified, in two separate instances, public housing authorities that it thought might be well advised to have its voucher programs absorbed by TDHCA. The Navasota Housing Authority and the Alamo Area Council of Governments (which was operating as a PHA) each contacted TDHCA to discuss the possibility of absorbing their housing choice voucher programs. During a series of meetings with HUD staff and the PHAs, discussion resulted in multiple on-site visits. Ultimately, the Navasota Housing Authority and the Alamo Area Council of Governments transferred their voucher programs to TDHCA and HUD reassigned the files' PHA codes.

To expand its work with PHAs, TDHCA has developed a relationship with the Texas Housing Association and the Texas chapter of the National Association of Housing and Redevelopment Officials (NAHRO), which serve the PHAs of Texas. Whenever possible, the State will communicate to PHAs the importance of serving special needs populations.

Discussion:

To address PHA needs, TDHCA has designated PHAs as eligible participants in some of its programs, such as the HTC Program and HOME Program. PHAs have successfully administered HTC funds to rehabilitate or develop affordable rental housing. The PHA needs to submit an application and be awarded in order to access funding.

There are also federal sources available for PHAs that can be paired with HOME/NHTF. Also, through HUDs Rental Assistance Demonstration (RAD) Program, PHAs can use public housing operating subsidies along with the HTC Program once the older PHA units are demolished and replaced with new housing.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

TDHCA will address requirements in 24 CFR §91.320 by using funds to reduce and end homelessness. Each ESG Applicant is required to coordinate with the lead agency of the CoC, which provides services and follows a centralized or coordinated assessment process; has written policies and procedures in place as described by 24 CFR §578.7(a)(8) and (9); and follows a written standard to provide street outreach, emergency shelter, rapid re-housing, and homelessness prevention assistance. To assist low-income individuals and families to avoid becoming homeless, TDHCA requires each ESG Subrecipient to set performance targets that are part of its scoring criteria for the NOFA, and these targets will be maintained for any offer of a direct award in the future. A Subrecipient must address the housing and supportive service needs of individuals assisted with ESG funds in a plan to move the client toward housing stability. Due to the nature of ESG RUSH funds being utilized to address emergent needs due to declared disasters, selection of Subrecipients may not include scoring criteria. When funds are directly awarded or awarded under a competitive Notice of Funding Availability, past performance of existing ESG Subrecipients will be evaluated prior to making an award.

ESG is one of several programs that work to help transition persons out of institutions, such as the HOPWA Program, Section 811 PRA Program, Project Access Program, and the Mainstream Voucher Program. The HHSCC also works to enhance coordination between housing and service agencies to assist persons transitioning from institutions into community-based settings.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The Texas ESG Program provides funds to service providers for outreach to unsheltered homeless persons to connect them to emergency shelter, housing, or critical services; and to provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or other appropriate facilities. Of critical importance is assisting the unsheltered homeless with emergency shelter or other placement. Subrecipients serving clients through street outreach will be measured against their targets to help persons experiencing homelessness move into temporary, transitional or permanent housing. Subrecipients conducting street outreach may provide: case management, such as assessing housing and service needs; arranging, coordinating, and monitoring the delivery of services; and planning a path to permanent housing stability.

ESG Subrecipients are required to describe how they provide outreach to sheltered and unsheltered homeless persons in their ESG application.

For clients receiving emergency shelter, rapid re-housing, or homelessness prevention, clients will be

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required to receive case management services with exceptions pursuant to the VAWA and the Family Violence Prevention and Services Act (FVPSA). Subrecipients are required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends.

Addressing the emergency shelter and transitional housing needs of homeless persons

The Texas ESG Program provides funds to service providers for outreach to unsheltered homeless persons in order to connect them to emergency shelter, housing, or critical services; and to provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or other appropriate facilities. Of critical importance is assisting the unsheltered homeless with emergency shelter or other placement. Subrecipients serving clients through street outreach will be measured against their targets to help persons experiencing homelessness move into temporary, transitional or permanent housing. Subrecipients conducting street outreach may provide case management, such as assessing housing and service needs; arranging, coordinating, and monitoring the delivery of services; and planning a path to permanent housing stability.

ESG Subrecipients are required to describe how they provide outreach to sheltered and unsheltered homeless persons in the ESG application.

For clients receiving emergency shelter, rapid re-housing, or homelessness prevention, clients will be required to receive case management services with exceptions pursuant to the VAWA and the Family Violence Prevention and Services Act (FVPSA). Subrecipients are required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

ESG funds may be utilized for short-term and medium-term rental assistance (24 CFR §576.106, unless otherwise waived) and for a variety of housing relocation and stabilization services such as rental application fees, security deposits, utility deposits, utility payments, and moving costs for homeless individuals or persons at risk of homelessness (24 CFR §576.106). Funds may also be utilized for housing service costs related to housing search and placement, housing stability case management, mediation, legal services, and credit repair. ESG funds can also be used to pay for essential service costs including case management, childcare, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and costs related to serving special populations. It should be noted that, while the assistance listed above are eligible under ESG, an ESG Subrecipient may choose to not provide all the

assistance listed. Applicants for ESG funds are incentivized through the application scoring process to provide a wide array of services. ESG Subrecipients specify in their written standards which services they will provide.

Subrecipients that request an award of funds must set targets within their application for funding intended to reduce the length of time from program intake to placement in permanent housing and positive housing destination for persons experiencing homelessness, as well as targets for the percentage of persons served that maintain housing for three or more months after exiting the program. These targets will be evaluated and will be a factor in funding decisions.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

ESG funds promote coordination with community providers and integration with mainstream services to gather available resources. One possible performance measure for Subrecipients is their ability to help increase non-cash benefits for program participants; the Subrecipients help program participants obtain non-ESG resources, such as veterans benefits or food stamps.

Individuals eligible for the State's HOPWA Program who are exiting from an institution receive a comprehensive housing plan and linkage and referrals to health professionals from a case manager. The State HOPWA Program provides TBRA, which can be used to transition persons from institutions into stable housing. Some project sponsors also provide rental deposits and application fees. Other programs included in this Plan also provide Facility-Based Housing Subsidy Assistance to address the temporary housing assistance needs of persons transitioning from institutions.

TDHCA has contracts for more than \$31 million for the Section 811 PRA Program, which is providing approximately 500 integrated supportive housing units in eight areas of the state for extremely low-income individuals with disabilities and their families. The target population includes individuals transitioning out of institutions, people with serious mental illness, and youth and young adults with disabilities transitioning out of the state's foster care system. Individuals in the Section 811 PRA Target Population are eligible for assistance from Texas Health and Human Services or the Department of Family and Protective Services, are Medicaid-eligible, and are between the ages of 18 and 62.

TDHCA has received a preliminary award letter from HUD providing notification that it has been selected for an award of \$6,982,087 that could create an additional 140-assisted Section 811 PRA Program units.

Coordination between housing and the Health and Human Services (HHS) agencies is exemplified by the

Project Access programs. Project Access uses Section 8 Housing Choice Vouchers administered by TDHCA to assist low-income persons with disabilities transitioning from nursing homes and Intermediate Care Facilities (ICFs) to the community. The TDHCA Governing Board has approved changes to Project Access since it began in 2002 based on input from advocates and the HHS agencies including incremental increases to vouchers from 35 to 140 and creation of a pilot program with DSHS for persons with disabilities transitioning out of State Psychiatric Hospitals. In 2018, TDHCA received an additional 50 vouchers, awarded by HUD through the Mainstream Voucher Program (MVP), for the Project Access program. An additional 15 MVP vouchers were awarded to TDHCA through the CARES Act also directed toward Project Access recipients.

TDHCA offers TBRA to individuals on the Project Access Wait List, allowing them to live in the community until they can utilize a voucher. TDHCA conducted outreach and technical assistance to Texas Health and Human Services Relocation Specialists and HOME TBRA administrators to help them serve individuals on the waitlist. TDHCA may also offer TBRA administered directly by the Department for individuals transition from incarceration and establish partnerships with state and local agencies or organizations to assist persons eligible for assistance in securing suitable rental housing.

To further address the needs of individuals transitioning from institutions, HHSCC seeks to increase coordination of housing and health services by supporting agencies to pursue funding, such as Relocation Contractor services for people with behavioral health challenges and Intellectual and Developmental Disabilities; Medicaid waiver programs; vouchers from PHAs for people with disabilities and aging Texans; housing resources from the Texas Department of Criminal Justice for people with criminal histories transitioning to the community; and DSHS' rental assistance program.

Discussion

The Texas ESG Program is designed to assist, assess and, where possible, shelter the unsheltered homeless; to quickly re-house persons who have become homeless and provide support to help them maintain housing; and to provide support that helps persons at risk of becoming homeless maintain their current housing. ESG RUSH funding allocated to Texas may also be prioritized for gap funding for rehabilitation of emergency shelter in the disaster area and damaged by the disaster Other special needs populations are described in Action Plan Section 25.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	442
Tenant-based rental assistance	702
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	93
Total	1,237

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

The Analysis of Impediments to Fair Housing Choice (AI) identifies impediments to fair housing choice in the State of Texas and action steps that the State intends to take to address identified impediments. The State of Texas is currently operating under the 2024 AI. The 2024 AI describes state and local regulatory and land use barriers in detail and may be accessed at <https://www.tdhca.texas.gov/state-texas-analysis-impediments-ai-fair-housing-choice>.

TDHCA and the Texas Workforce Commission Civil Rights Division (TWC CRD) annually collaborate on a Fair Housing webinar series. The series includes training sessions providing general fair housing information and specific sessions on HUD's guidance, how to respond to reasonable accommodation requests, and best practices in fair housing. TDHCA also conducts training webinars every November on special topics in fair housing. The webinars are available for free 24/7 on TDHCA's website at: <https://www.tdhca.texas.gov/fair-housing-training-presentations>, a GoToStage channel, and the Department's YouTube channel.

In May 2020, TDHCA was awarded a 1-year grant under HUD's Fair Housing Initiatives Program – Education and Outreach Initiative and has created a library of training presentations, designed a Fair Housing rights brochure distributed statewide to community organizations, and created short form webinar videos, based on the longer presentations, to provide training, education, and outreach on Fair Housing related issues. In March 2023, TDHCA was awarded another Fair Housing Initiatives Program – Education and Outreach Initiative grant for \$124,913 to produce and distribute professional short form videos to provide education on fair housing issues and direct viewers to more detailed information sources.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

TDHCA reviews all guiding documents, rules, and practices internally to determine if known barriers or impediments to fair housing choice can be addressed through actions within TDHCA's authority. TDHCA's Fair Housing Team collaborates with TDHCA Division Directors to develop and improve tools, rules, and other initiatives to address possible barriers to housing choice. TDHCA has been making and will continue to make a concerted effort to increase staff and subrecipient education to ensure that all programs are providing best practices guidance to recipients and the general public. In January of 2025, TDHCA's Fair Housing Team released a new, modernized multifamily affirmative marketing tool to make it easier for TDHCA program participants to complete the affirmative marketing planning process. This tool provided a safe harbor process for participants to identify least likely to apply populations for additional marketing outreach. In late 2025, TDHCA's Fair Housing Team also released a simplified

affirmative marketing form to go along with the modernized tool. Additionally, staff have updated and improved the website that lists TDHCA's approved fair housing trainers for the 10% Test for Housing Tax Credits. The Request for Qualifications to find these trainers was also updated to account for the increased use of online learning management systems for training and webinars.

Discussion:

For its Single-Family programs, TDHCA has promulgated a rule relating to Fair Housing, Requirements, Waitlist Policies, Affirmative Marketing Plans, Homebuyer Counseling, Reasonable Accommodations, and Limited English Proficiency. This rule exists under TDHCA's Single-Family programs umbrella rule. The rule, which reflects federal requirements, requires administrators of federal funds to have an affirmative marketing plan, which identifies the least likely to apply populations and methods of affirmative marketing. Further, the rule requires all TDHCA Single-Family administrators to accept applications for a 21-day calendar period and select applications via a neutral, random selection process, unless the administrator is providing TBRA to assist in the event of a declared disaster. This selection process helps to level the playing field and provide equal access for all households, regardless of disability status or language proficiency. Also included in the rule are specific provisions related to Limited English Proficiency to provide meaningful access and an equal opportunity to participate in services, activities, programs, and other benefits.

For its Multifamily programs, TDHCA consolidated rules for Affirmative Fair Housing Marketing Plans (AFHMP) and Tenant Selection Criteria (TSC), also known as Written Policies and Procedures, and placed them under the purview of Fair Housing staff. When Fair Housing staff provides a review of the AFHMP and TSC of a Multifamily property, additional training, tools, and technical assistance is provided to owners, property staff, and management company on Fair Housing issues and policies in order to provide meaningful access for applicants and residents to enjoy Multifamily housing opportunities.

TDHCA maintains and regularly updates a memorandum of understanding with the Texas Workforce Commission's Civil Rights Division that increases communication and information sharing, while also providing a mechanism for TDHCA to refer complaints directly to TWC if they contain suspected fair housing violations.

Finally, the State has a Fair Housing website available at <https://www.tdhca.texas.gov/fair-housing> that includes fair housing information for a variety of audiences (renters and homebuyers, owners and administrators, real estate agents, and local governments and elected officials) and includes fair housing toolkits and resources, updated multifamily affirmative marketing tool, marketing checklists, written policies and procedures checklists, and links to the Fair Housing email list and community events calendar. Through this education and outreach, the State is hoping to make its best practices guidance widely known and to integrate such guidance with other state resource information.

AP-80 Colonias Actions – 91.320(j)

Introduction

Based on a 2014 assessment by the Texas Office of the Secretary of State's Colonia Initiatives Program, an estimated 500,000 people live in 2,294 colonias in Texas. Eight Texas counties (El Paso, Maverick, Webb, Starr, Hidalgo, Nueces, Val Verde and Cameron) have the largest population of colonias and are home to an estimated 369,500 people. Texas' colonias lie outside of city limits in the rural areas of their respective counties, where few to no local building codes exist to protect the households that seek affordable and sanitary housing solutions. Egregious housing conditions persist while residents also endure substandard infrastructure, inadequate potable water and wastewater systems, and a host of public health, environmental and employment risks. TDA's redesigned Colonia Fund Planning and Needs Assessment Program is intended to provide updated needs assessments across the colonia-eligible area of the state.

As discussed in Action Plan Section 48, the majority of the funding that assists colonias is through the CDBG Program, which funds both state agencies working to develop infrastructure and water services, as well as subgrantees at the local government level who work in concert with nonprofit service providers for housing, community affairs, and economic development. TDHCA's Office of Colonia Initiatives offer technical assistance in applying for and administering the Colonia Self-Help Center (CSHC) Program. The HOME Program also has a specific Contract for Deed set-to improve the housing affordability and quality of housing for colonia residents.

Actions planned to address obstacles to meeting underserved needs

The State dedicates 12.5% of CDBG funds annually for colonia areas— 10% through the Colonia set-aside and an additional 2.5% set-aside by the State legislature. Additional funds are also awarded for colonia projects through other competitive fund categories. Basic human needs, including water and sewer infrastructure and housing rehabilitation, are prioritized for colonia set-aside funding, with a particular emphasis on connecting colonia households to public utilities. Colonia set-aside funds are not able to effectively address other local priorities for colonia communities, including road reconstruction and drainage improvements that are also important for daily activities. Colonia planning funds are available to research and document characteristics and needs for colonia communities.

The Colonia Self-Help Centers (Centers) experience the obstacle of wavering capacity to meet the needs of extremely under resourced colonia residents. The typical challenges that nonprofits face, such as high turnover, lack of succession planning, lack of long-term funding opportunities, limited access to high quality training, and limited access to continuing education resources, are all exacerbated for subgrantees serving border colonias. In response, TDHCA has an Office of Colonia Initiatives (OCI), with designated employees that are focused on the needs of Centers along the border. The OCI is tasked with providing support to Center staff with problem solving and training.

Colonia residents may also receive benefit through the HOME Program, which provides rental assistance, reconstruction of owner-occupied units with or without refinancing acquisition and new

construction of affordable single-family housing, single-family and multifamily development, and rental housing preservation of existing affordable or subsidized developments.

Actions the state plans to take to reduce the number of poverty-level families

Colonia set-aside funding is intended to improve the living conditions of low and moderate income families in colonias, including basic human needs. As with all CPD funds, Section 3 goals encourage job, contracting, and training opportunities for qualifying residents when such opportunities become available as a result of grant funding.

The CSHC Program provides 40 targeted colonias in eight border counties with a multitude of opportunities to create a one-stop shop for low-income colonia families to gain a foothold out of poverty. The Centers prioritize housing services in the form of new construction, reconstruction, rehabilitation, tool lending, construction skills training, and utility connections. CSHC Program community development activities include homeownership education, access to and training in computers/technology, consumer rights education and financial literacy, and solid waste disposal assistance. While the above listed services are limited only to residents of pre-identified colonias in the CSHC Program, the Centers themselves are open to all who wish to use the meeting space for activities beneficial to the community or simply to seek information on locating other services. By creating an accessible and consistent manner for which services and information are disseminated among colonias, more households can become beneficiaries of multiple kinds of assistance that build their self-sufficiency over time.

Actions the state plans to take to develop the institutional structure

TDHCA and TDA are committed to working with other state and federal regulatory and funding agencies. Agency coordination continues through the Texas Water Infrastructure Coordinating Committee (TWICC), which addresses concerns in colonias and other areas throughout the state. The information sharing within the group facilitates delivery for multiple programs besides affordable housing and proactively addresses potential obstacles that could affect large areas of the state, including the Texas–Mexico border.

The state legislature has also set aside a portion of the CDBG administration funding for technical assistance and administrative support provided by the state planning regions. This funding can provide institutional structure and assistance to small communities without administrative resources.

Specific actions the state plans to take to enhance coordination between public and private house and social service agencies

In addition to the cooperation among various state agencies that help to support and develop colonias, TDHCA focuses efforts of the OCI on counties administering the CSHC Program. The OCI supports

administrators, disseminates funding information, and problem solves with administrators and the Colonia Resident Advisory Committee (C-RAC), which is comprised of colonia residents appointed by the counties with a Center. This requires facilitating communication related to administration of the CSHC Program with other service providers, the private sector (such as colonia landowners, title companies, lenders), and other government agencies. The OCI increases the efficiency with which TDHCA can apply solutions and build institutional knowledge in the community.

TDA has an ongoing working relationship with each of the state planning regions, many of which provide services such as workforce development, aging and disability resources, and emergency management services. In addition, TDA field representatives are available to provide general information on potential resources to communities and residents.

Discussion

AP-85 Other Actions – 91.320(j)

Introduction:

The actions listed below are Other Actions taken by TDHCA, TDA, and DSHS to meet the requirements of §91.320(j). Other Actions include Meeting Underserved Needs, Fostering and Maintaining Affordable Housing, Lead-Based Paint Hazard Mitigation, Reducing Poverty-Level Households, Developing Institutional Structure, and Coordination of Housing and Services. The HOME, ESG, HOPWA, and CDBG programs address the other actions in concert with other federal, state, and local sources.

Actions planned to address obstacles to meeting underserved needs

HOME Addresses Underserved Needs

Obstacles to meeting underserved needs with HOME funds, particularly multifamily activities, include NIMBYism and a lack of understanding of federal requirements surrounding the use of HOME funds. TDHCA works to overcome these obstacles by educating developers and the communities where affordable housing is being proposed.

ESG Addresses Underserved Needs

Lack of facilities and services for homeless persons in rural areas is ESG's greatest underserved need. To help meet this need, TDHCA has used Community Services Block Grant discretionary funds to provide training and technical support to organizations in the Balance of State CoC. Shelters in the Balance of State CoC have limited funds for operations and maintenance, with little access to federal funds which often require substantial organizational capacity less common in smaller organizations. ESG and TDHCAs HHSP, which is state funded only in some urban areas, may supplement federal funds in operational support. ESG RUSH allocations will also assist with supporting otherwise eligible clients that resided in the disaster area(s) for which ESG RUSH funds are allocated. ESG RUSH may be prioritized first for areas that do not receive an allocation of ESG RUSH and do not directly administer ESG funding, and then for areas that did not receive an allocation of ESG RUSH, but do directly administer ESG funding.

HOPWA Addresses Underserved Needs

Some PLWH face significant obstacles to obtaining and maintaining medical insurance, income, and employment. Rising costs of living (rent, deposits, utilities, food, transportation, and so on) and limited available affordable housing contribute to hardships for many PLWH.

DSHS's HOPWA program addresses the needs of this underserved population by integrating with the administrative structure of the Texas Ryan White Part B HIV/AIDS Program and the larger, multi-sectoral system for delivering treatment and care to PLWH in Texas. This helps PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. The program reallocates funding within and between HSDAs throughout the program year to meet changing needs.

CDBG Addresses Underserved Needs

TDA encourages projects addressing underserved community development needs. In the current Program Year, CDBG funds will be available through multiple grant categories to provide water or sewer services on private property for low- and moderate-income households by installing yard lines and paying connection fees. Regional priorities for funding allow each area of the state to determine its highest priority needs, which may vary from first-time water service to drought relief to drainage projects.

Since the first legislative reforms in the 1990s, service providers in colonias have made gains in their capacity to address colonia issues, but unmet needs still exist, and the Texas-Mexico border population growth is still increasing. OCI's main obstacle in addressing colonia housing needs is the varying capacities of subrecipients to administer assistance. The OCI staff provides technical assistance and on-going training to organizations and local governments that use the CSHC Program to serve colonia residents.

Actions planned to foster and maintain affordable housing

HOME Addresses Affordable Housing

The HOME Program provides grant funds, deferred forgivable loans, and repayable loans to households or developments assisted by or through entities including units of local government, public organizations, nonprofit and for-profit organizations, CHDOs, and PHAs. These funds are primarily used to foster and maintain affordable housing by providing rental assistance, reconstruction of owner-occupied housing units with or without refinancing, acquisition and new construction of affordable single-family housing, single-family development and funding for rental housing preservation of existing affordable or subsidized developments. HOME funds may also be used in conjunction with the HTC Program or Bond Program to construct or rehabilitate affordable rental housing.

In addition, tax credits awarded through the HTC program can be layered with awarded funds from the HOME Multifamily Development program. When more than one source of funds is used in an affordable housing project, the State is able to provide more units of affordable housing than with one funding source alone.

ESG Addresses Affordable Housing

While TDHCA encourages the use of ESG funds to provide affordable transitional housing, the majority of funds are utilized to provide emergency shelter. Fostering affordable housing is not an initiative for which TDHCA provides ESG funding or that TDHCA monitors in relation to the ESG Program.

HOPWA Addresses Affordable Housing

The shortage of available affordable housing persists. Rising housing costs price eligible households out of the market while household incomes remain the same or decrease. Rent-to-income-ratio requirements prevent households from accessing housing. Many households have poor credit, rental, and criminal histories that affect housing access. Corporate owners regularly exclude applicants with minor infractions. In response to these market characteristics, the DSHS HOPWA Program provides

TBRA, an ongoing and portable rental subsidy that helps households obtain or maintain permanent housing, including assistance for shared housing arrangements, in the private rental housing market until they can enroll in the Housing Choice Voucher Program (HCVP) or other affordable housing programs.

CDBG Addresses Affordable Housing

Currently, CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides cost savings for housing when used to install water and sewer yard lines and pay connection fees for qualifying residents. Housing rehabilitation projects are also prioritized in colonia areas.

CDBG funds can help communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. The Colonia SHCs continue to address affordable housing needs in border counties by assisting qualifying colonia residents to improve or maintain a safe, suitable home in suitable areas.

The OCI provides training and technical assistance to the Centers to assist with carrying out activities, such as housing rehabilitation, new construction, reconstruction, low-interest mortgages, grants for self-help programs, revolving loan funds for septic tanks, and tool lending.

Actions planned to reduce lead-based paint hazards

HOME Addresses Lead-based Paint

The HOME Program requires lead screening in housing built before 1978 for all HOME eligible activities in accordance with 24 CFR §92.355 and 24 CFR Part 35, subparts A, B, J, K, M, and R. Furthermore, single-family and multifamily development activities in HOME increase the access to lead-based-paint-free housing through the construction of new housing or reconstruction of an existing housing unit. There is significant training, technical assistance, and oversight of this requirement on each activity funded under the HOME Program.

ESG Addresses Lead-based Paint

For ESG, TDHCA requires Subrecipients to evaluate and reduce lead-based paint hazards as part of its habitability review. During the annual contract implementation training, TDHCA will provide ESG Subrecipients with information related to lead-based paint regulations and TDHCA's requirements related to such. TDHCA will require ESG-funded Subrecipients to determine if a housing unit was built prior to 1978, for households seeking ESG funded rent or rent deposit assistance whose household has a family member(s) six years of age or younger. If the housing unit is built prior to 1978, the ESG Subrecipient will notify the household of the hazards of lead-based paint.

While currently not offered under administrative rule, if TDHCA were to program funds for ESG to be used for renovation, rehabilitation, or conversion Subrecipients must comply with the Lead-Based Paint Poisoning and Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992.

Through renovation, rehabilitation or conversion, ESG increases access to shelter without lead-based paint hazards. TDHCA evaluates, tracks, and reduces lead-based hazards for conversion, renovation, leasing or rehabilitation projects.

NHTF Addresses Lead-Based Paint

The Multifamily Direct Loan Program evaluates the potential for the presence of lead-based paint for NHTF assisted activities and takes appropriate steps in accordance with 24 CFR §93.351 and the applicable provisions in 24 CFR Part 35, as provided in TDHCA's NHTF Minimum Rehabilitation Standards. The aforementioned include notification of potential lead-based paint hazards to households residing in housing units that pre-date 1978. Furthermore, multifamily development and reconstruction activities with NHTF increase the access to lead-based-paint-free housing because they create new housing.

HOPWA Addresses Lead-Based Paint

The regulations for lead-based paint require specific responses to potential lead-based paint hazards. While the DSHS HOPWA Program does not undertake lead-based paint abatement activities, Project Sponsors perform Housing Quality Standards certifications for each assisted unit to assess for lead-based paint health risks.

CDBG Addresses Lead-Based Paint

Lead-based paint mitigation is an activity eligible under housing rehabilitation that is funded under the Colonia Fund and Community Development Funds. Each contract awarded requires the sub-grantee to conform to Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831(b)) and procedures established by TDA's CDBG in response to the Act.

Actions planned to reduce the number of poverty-level families

HOME Addresses Poverty-Level Households

Through the HOME TBRA Program, TDHCA assists households with rental subsidy, and security and utility deposit assistance for an initial term not to exceed 24 months. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training, General Education Development (GED) classes, or drug dependency classes. The HOME Program enables households to receive rental assistance while participating in programs that will enable them to improve employment options and increase their economic independence and self-sufficiency. Additionally, TDHCA allocates funding toward the construction of affordable housing, incentivizing units to assist very low-income households, and assists very low-income households along the international border of Texas and Mexico by promoting the conversion of contract for deed arrangements to traditional mortgages.

ESG Addresses Poverty-Level Households

The ESG Program funds activities that provide shelter and essential services for homeless persons, as well as intervention services for persons threatened with homelessness. Essential services for homeless persons include medical and psychological counseling, employment counseling, substance abuse

treatment, transportation, and other services. While TDHCA supports the use of ESG funds to help ESG clients lift themselves above the poverty line, it is not a specific initiative for which TDHCA earmarks ESG funding or that TDHCA monitors for the ESG Program.

For individuals threatened with homelessness, homelessness prevention funds may be utilized for short-term subsidies to defray rent and utility arrearages for households receiving late notices, and security deposits.

HOPWA Addresses Poverty-Level Households

The DSHS HOPWA Program helps eligible PLWH and their households establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve their access to healthcare and supportive services. Stable housing helps PLWH adhere to HIV treatment and achieve viral suppression. HOPWA activities benefit low-income PLWH and their households. The DSHS HOPWA Program does not specifically target households with incomes at or below the Federal poverty level. Nevertheless, over 80 percent of assisted households consistently fall within 0 to 30 percent of the AMI each year.

CDBG Addresses Poverty-Level Households

A substantial majority of TDA's CDBG funds, over 90% in Program Year 2026, are awarded to principally benefit low- and moderate-income persons. In addition, the formula used to distribute CD funds among regions includes a variable for poverty/income to target funding to the greatest need, scoring criteria in the CD Fund, DRP Program, and Colonia Fund also direct funding toward communities with the greatest need. Economic development activities improve local opportunities for jobs and entrepreneurship.

Actions planned to develop institutional structure

HOME Addresses Institutional Structure

The HOME Program encourages partnerships in order to improve the provision of affordable housing. Organizations administering programs that require a federal affordability period resulting in a mortgage loan are required to ensure that participating household receive HUD approved housing counseling prior to loan closing. In addition, organizations receiving TBRA funds must provide self-sufficiency services directly, or coordinate with a local organization that will provide the services. Finally, partnerships with CHDOs and nonprofit and private-sector organizations facilitate the development of quality rental housing developments and assist in the reconstruction of owner-occupied housing.

ESG Addresses Institutional Structure

TDHCA encourages ESG subrecipients to coordinate services with housing and other service agencies. Likewise, the CoCs funded with ESG funds are required to coordinate services and their local funded organizations to provide services as part of the local CoC. TDHCA reviews ESG subrecipients' coordination efforts during on-site and desk monitoring. A map of local CoCs can be found online at: <https://www.thn.org/texas-balance-state-continuum-care/>.

HOPWA Addresses Institutional Structure

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. AAs act as an administrative arm for DSHS, with DSHS oversight, by administering the HOPWA program locally for a five-year project period. AAs also administer funding for other HIV medical and support services, including the Ryan White HIV/AIDS Program funds. This structure ensures the coordination of all agencies serving PLWH, avoids duplication, saves dollars, and provides comprehensive core medical and support services for PLWH in each local community.

CDBG Addresses Institutional Structure

Each CDBG applicant must invite local housing organizations to provide input into the project selection process. TDA coordinates with state and federal agencies, state planning regions, and other partners to further its mission in community and economic development.

TDA also uses conference calls and webinars to provide training and technical assistance throughout the state. On-site project reviews may be conducted based on risk and other factors.

Actions planned to enhance coordination between public and private housing and social service agencies

TDHCA has staff members that participate in several State advisory workgroups and committees. The workgroups and committees which TDHCA leads are listed in Action Plan Section 15. The groups in which TDHCA participates include, but are not limited to, the Community Resource Coordination Groups, led by the Health and Human Services Commission (HHSC); the Council for Advising and Planning for the Prevention and Treatment of Mental and Substance Use Disorders, led by DSHS; Reentry Task Force, led by Texas Department of Criminal Justice; Interagency Workgroup on Border Issues, led by Secretary of State; Texas Foreclosure Prevention Task Force, led by Texas State Affordable Housing Corporation; and Texas State Independent Living Council, led by the HHSC.

TDHCA's participation in HUD's Section 811 PRA Program requires linkages between housing and services through a partnership with TDHCA, the State Medicaid Agency (i.e., HHSC), and the Texas Department of Family and Protective Services (DFPS). Because the program is designed so that an individual can access both affordable housing and services in the community, TDHCA staff and HHSC/DFPS staff work closely to ensure both housing and services are coordinated for the program. TDHCA and HHSC/DFPS have responsibilities to execute the program. TDHCA uses units in multifamily housing financed by TDHCA and a network of local service providers coordinated by the HHSC enterprise agencies provides the services.

HHSCC, established by Texas Government Code §2306.1091, seeks to improve interagency understanding and increase the number of staff in state housing and health services agencies that are conversant in both housing and services.

Other coordination efforts for HHSCC involving people leaving institutions are in Action Plan Section 65.

Senate Bill 7 passed during the 83rd Legislative session directed further cooperation. Texas Government Code §533.03551 directs the commissioner of HHSC to work in cooperation with TDHCA, TDA, Texas State Affordable Housing Corporation (TSAHC), and other federal, state, and local housing entities to develop housing supports for people with disabilities, including individuals with intellectual and developmental disabilities.

Discussion:

In addition to the program actions mentioned above, TDHCA strives to meet underserved needs by closely monitoring affordable housing trends and issues as well as conducting its own research. TDHCA also makes adjustments to address community input gathered through roundtable discussions, webinars and public hearings held throughout the State.

To foster and maintain affordable housing, TDHCA, TDA, and DSHS provide funds for nonprofit and for-profit organizations and public organizations to develop and maintain affordable housing. Funding sources include grants, low-interest loans, housing tax credits, and mortgage loans.

For lead-based paint hazard mitigation, DSHS has been charged with oversight of the Texas Environmental Lead Reduction Rules (TELRR). TELRR cover areas of lead-based paint activities in target housing (housing constructed prior to 1978) and child-occupied facilities, including the training and certification of persons conducting lead inspections, risk assessments, abatements, and project design. For all projects receiving over \$25,000 in federal assistance, contractors need to follow inspections and abatements standards overseen by DSHS. By following these standards, the State is increasing the access to housing without lead-based paint hazards. The adherence to inspection and abatement standards is related to the extent of lead-based paint in that a majority of the housing in need of rehabilitation is likely housing built before 1978.

Furthermore, TDHCA, DSHS, and TDA's programs are aimed at reducing the number of Texans living in poverty, thereby providing a better quality of life for all Texans. The departments provide long-term solutions to the problems facing people in poverty and focus resources to those with the greatest need.

Regarding institutional structure, TDHCA, DSHS, and TDA are primarily pass-through funding agencies and distribute federal funds to local entities that in turn provide assistance to households. Because of this, the agencies provide housing and social services through work with many partners, including consumer groups, community based organizations, neighborhood associations, community development corporations, councils of governments, community housing development organizations, community action agencies, real estate developers, social service providers, local lenders, investor-owned electric utilities, local government, nonprofits, faith-based organizations, property managers, state and local elected officials, and other state and federal agencies. Because the agencies typically do not fund individuals directly, coordination with outside entities is essential to the success of their programs. By structuring its operations this way, the State allows local providers to focus on local needs.

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

Program specific requirements as referenced in 24 CFR §91.320(k)(1,2,3) are described below for the CDBG, HOME, and ESG programs.

For the CDBG Program, it is expected that the total amount of program income collected in PY 2026 and made available for programming in PY 2026 will be approximately \$250,000, including program income collected by the state and program income retained by local subgrantees. The amount of CDBG urgent need activities is not expected to exceed \$3,000,000. The 85% of CDBG funds anticipated to benefit persons of low to moderate income includes PY 2024-2026.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	1,350,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	1,350,000

Other CDBG Requirements

1. The amount of urgent need activities	3,000,000
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	85.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The State is not proposing to use any form of investment in its HOME Program that is not already listed as eligible for investment in 24 CFR §92.205(b).

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

TDHCA has elected to utilize the recapture provision under 24 CFR §92.254(a)(5)(ii) as its primary method of recapturing HOME funds under any program the State administers that is subject to this provision. The following methods of recapture would be acceptable to TDHCA and will be identified in the note prior to closing.

A. Recapture the amount of the HOME investment reduced on a pro rata share based on the time the homeowner has owned and occupied the unit measured against the required affordability period. The amount subject to recapture will be calculated by determining number of complete years that the affordability requirements were met regardless of any additional months and deducting that number from the number of years in the affordability period. The total HOME subsidy will be divided by the number of years of the affordability period; the result will then be multiplied by the number of years resulting from the calculation above. The calculation would appear as follows:

$$(\text{Number of years in affordability period} - \text{Number of complete years affordability was met}) \times (\text{Total HOME subsidy} / \text{Number of years in affordability period}) = \text{Amount subject to recapture}$$

B. The recapture amount is subject to available net proceeds in the event of sale or foreclosure of the housing unit. In the event of sale or foreclosure of the housing unit, if the net proceeds (i.e., the sales price minus closing costs; any other necessary transaction costs; and loan repayment, other than HOME funds) are less than the HOME investment that is subject to recapture, then the Department will recapture the available amount of net proceeds. If there are no net proceeds from the sale, no repayment will be required of the homebuyer and the balance of the loan shall be forgiven. TDHCA will not recapture more than the amount available through net proceeds.

C. The household can sell the unit to any willing buyer at any price.

D. In the event that the ownership of assisted property is not transferred, and the assisted property is rented or leased, or otherwise ceases to be the principal residence of the initial household prior to the end of the affordability period, the entire HOME investment is subject to recapture.

E. In the event of sale to a subsequent low-income purchaser of a HOME-assisted homeownership

unit, the low-income purchaser may assume the existing HOME loan and recapture obligation entered into by the original buyer if no additional HOME assistance is provided to the subsequent homebuyer. In cases in which the subsequent homebuyer needs HOME assistance in excess of the balance of the original HOME loan, the HOME subsidy (the direct subsidy as described in §92.254) to the original homebuyer must be recaptured. A separate HOME subsidy must be provided to the new homebuyer, and a new affordability period must be established based on that assistance to the buyer.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

In certain limited instances, TDHCA may choose to utilize the resale provision at 24 CFR §92.254(a)(5)(i) under any activity the State administers that is otherwise subject to this provision. The following method of resale would be acceptable to TDHCA and will be identified in the note prior to closing:

A. Resale is defined as the continuation of the affordability period upon the sale or transfer, rental or lease, refinancing, or if the initial Household is no longer occupying the property as their Principal Residence.

B. Resale requirements must ensure that, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the housing is made available for subsequent purchase at an affordable price to a reasonable range of low- or very low-income homebuyers that will use the property as their principal residence. Affordable to a reasonable range of low-income buyers is defined as targeting Households that have income between 70 and 80 percent of the area median family income and meet all program requirements.

C. The resale requirement must ensure that the price at resale provides the original HOME-assisted owner a fair return on investment. Fair return on investment is defined as the sum of down payment and closing costs paid from the initial seller's cash at purchase, closing costs paid by the seller at sale, the principal payments only made by the initial homebuyer in excess of the amount required by the loan, and any documented capital improvements in excess of \$500. Fair return on investment is paid to the seller at sale once mortgage lien debt with priority to the HOME funds is paid and all other conditions of the initial written agreement are met. In the event there are no funds for fair return, then fair return does not exist. In the event there are partial funds for fair return, then fair return shall remain in force.

D. The initial homebuyer's investment of down payment and closing costs divided by TDHCA's HOME investment equals the percentage of appreciated value that shall be paid to the initial homebuyer. The balance of appreciated value shall be paid to TDHCA. If appreciated value is zero, or less than zero, then no appreciated value exists. The HOME loan balance will be transferred to the

subsequent buyer and the affordability period will remain in effect. The period of affordability is based on the total amount of HOME funds invested in the housing.

E. In the event that a federal affordability period is required, and the assisted property is rented or leased, or no member of the Household has it as the Principal Residence, the HOME investment must be repaid. In the event that a federal affordability period is required, and the assisted property is sold or transferred in lieu of foreclosure to a qualified low income buyer at an affordable price, the HOME loan balance shall be transferred to the subsequent qualified buyer and the affordability period shall remain in force to the extent allowed by law.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

TDHCA may use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds as described in 24 CFR §92.206(b)(2). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 TAC, Chapter 11 and 13, for refinanced properties in accordance with its administrative rules. TDHCA may allow for lower per-unit rehabilitation costs than those required in 10 TAC §11.101(b)(3), potentially allowing rehabilitation costs as low as \$1,000 per unit provided (1) those minimal rehabilitation costs can be supported in a Scope and Cost Review, (2) the request is in accordance with this plan, TDHCA's rules, and the applicable NOFA, and (3) TDHCA's Board agrees to waive the minimum rehabilitation costs in 10 TAC §11.101(b)(3). At a minimum, this requires the following:

1. That rehabilitation is the primary eligible activity for developments involving refinancing of existing debt by requiring that the HOME eligible rehabilitation costs – whether funded entirely or partially by TDHCA's HOME funds – are greater than the refinancing costs (i.e. payoff amount plus closing and title costs);
2. That a minimum funding level – minimal rehabilitation costs as described above, or the applicable per unit costs in 10 TAC §11.101(b)(3) – is set for rehabilitation on a per unit basis;
3. That a review of management practices is required to demonstrate that disinvestments in the property has not occurred;
4. That long-term needs of the project can be met;
5. That the financial feasibility of the development will be maintained over an extended affordability period;
6. That whether new investment is being made to maintain current affordable units and/or creates additional affordable units is stated;
7. That the required period of affordability is specified;
8. That the HOME funds may be used throughout the entire jurisdiction (except as TDHCA may be limited by the Texas Government Code) is specified; and
9. That HOME funds cannot be used to refinance multifamily loans made or insured by any Federal

program, including CDBG, is stated.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

HOME TBRA is a planned activity for Texas, but TDHCA does not generally administer this program directly. TBRA is primarily offered through a network of Administrators, who may select to utilize a preference in administration of the TBRA locally. These preferences are limited to those special populations listed in AP-25, and establishment of a preference by an Administrator must be included on their application for funding, which is reviewed by TDHCA. The available preferences include: persons with disabilities, persons with substance use disorders, persons living with HIV/AIDS (PLWH), persons with Violence Against Woman Act (VAWA) protections, colonia residents, farmworkers, homeless populations, veterans, (including wounded warriors as defined by the Caring for Wounded Warriors Act of 2008), public housing residents, persons transitioning out of incarceration, persons impacted by a state or federally declared disaster, and persons transitioning out of foster care and nursing facilities.

Additionally, for administrators with programs that are designed to limit assistance to certain populations, TDHCA will only approve program designs that limit assistance to households that include a member within the following populations if necessary to provide as effective housing, aid, benefit, or services as those provided to others in accordance with 24 CFR §8.4(b)(1)(iv): PLWH, mental illness, substance use disorders, or households that would qualify under the TDHCA's Project Access program as defined in 10 TAC §5.801. Otherwise, administrators may only request a preference for populations described in the special needs section.

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

The allowable preferences established that may be selected by administrators in their local TBRA Programs are necessary to increase affordability and accessibility to meaningful housing subsidy. These populations are shown to be at increased risk of being cost burdened or at risk of homelessness as shown in the Needs Assessment in the Consolidated Plan. TBRA typically has a shorter waiting list for subsidy than other tenant-based voucher program, and reduces their rent to 30% of their income, assuming that they select a unit that is at or below the Fair Market Rent for their area.

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that

limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

Limitations and Preferences for rental housing are as described in AP-25.

**Emergency Solutions Grant (ESG)
Reference 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

ESG Written Standards are evaluated based on questions that are Included as an attachment.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Each of the 12 CoCs in Texas has a different centralized or coordinated assessment system. TDHCA ensures that its Subrecipients participate in the local CoC's coordinated assessment. Applicants for ESG funding are required to certify their participation in the CoC centralized or coordinated assessment system. ESG Subrecipients are required to use this process per 24 CFR §576.400(d), with an exception for victim service providers. ESG Subrecipients are also required to certify that they have written standards that are consistent with the CoC's screening, assessment and referral of ESG program participants, or to certify that the Subrecipient is a victim services provider and not required to participate in coordinated assessment/entry.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

ESG funds, including special allocations, such as ESG RUSH, may be offered to eligible prior subrecipients who have demonstrated effective performance under their prior award or may be offered under a competitive funding application. Some portion of the allocation may be set aside for direct awards to Subrecipients receiving funds for development of non-congregate shelter under HOME-ARP. The allocation amounts available in each CoC region are established by formula.

Eligible applicant organizations include Units of General Purpose Local Government, including cities, counties and metropolitan cities; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may have been eligible and were advised to seek guidance from TDHCA to determine their eligibility for application. Governmental organizations such as Public Housing Authorities (PHAs) and housing finance agencies are not eligible subrecipients and applications from such agencies would not be awarded ESG funds.

Eligible applicants also include private nonprofit organizations that are secular or religious organizations exempt from taxation under Section 501(c) of the Internal Revenue Code of 1986,

have an acceptable accounting system and a voluntary board, and practice non-discrimination in the provision of assistance. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

As a State recipient, TDHCA is not required to provide for the participation of a homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity. However, TDHCA may prioritize funding for Subrecipients by allocating points if they have participation of homeless or formerly homeless individuals in their programs.

5. Describe performance standards for evaluating ESG.

TDHCA has transitioned from evaluating performance based on whole numbers of persons or households served to percentages of persons or households served who achieve particular outcomes.

Subrecipients providing street outreach will be required to meet contractual performance targets for the percentage of assisted persons placed in temporary or transitional housing.

Subrecipients providing emergency shelter and transitional shelter will be required to meet contractual performance targets for the provision of essential services and the percentage of assisted persons who will exit to temporary, transitional, positive, or permanent housing destinations.

Subrecipients providing homelessness prevention and rapid re-housing assistance will be required to meet contractual performance targets for the percentage of assisted persons receiving higher income at exit than at entry, the percentage of persons who will exit to permanent or positive housing destinations and, the percentage of persons who will maintain housing three months or more as a result of receiving ESG assistance.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

☒ Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Selection criteria typically only apply when funds are oversubscribed; in cases where the application is layered concurrently with 9% Housing Tax Credits and submitted during the competitive HTC cycle, for instance, scoring in 10 TAC §11.9 would be applicable. To the extent that two or more applications for NHTF have the same received by date and the funds are oversubscribed, the criteria listed in the Multifamily Direct Loan Rule (10 TAC Chapter 13), found in the attachments, will apply, unless alternative scoring or prioritization criteria has been specified in the NOFA. If applications for NHTF are not combined with 9% HTC or do not need to be prioritized in a regional allocation formula, they will be prioritized based on the Application Acceptance Date and reviewed according to the priorities established in the NOFA to ensure they meet the Department's threshold criteria, which takes into account all of the selection criteria in 24 CFR §91.320(k)(5)(i).

The Texas Department of Housing and Community Affairs' Multifamily Division awards or allocates more than \$1 billion annually of debt and equity in an efficient and compliant manner. Processes for Application selection are comprehensive and assure that the resulting Developments satisfy strong standards for financial feasibility and long-term stability. TDHCA's Compliance Monitoring Division assures that all properties meet these standards for the duration of their affordability period and is frequently cited as one of the best Compliance divisions nationally.

Program requirements are outlined in the Texas Administrative Code the Qualified Allocation Plan and Multifamily Direct Loan Rule are updated annually through an open and transparent public input process. Additionally, the QAP is approved annually by the Governor. All of the selection criteria described in 24 CFR §91.320(k)(5)(i) are addressed by the rules, although not necessarily contained in one rule dedicated solely to NHTF. TDHCA holds all Applications for multifamily funds to the same standards through the application of consistent requirements across all fund sources.

All Applications for NHTF funds must meet threshold criteria in 10 TAC Chapter 11, Subchapters A through D, and the Multifamily Direct Loan Rule, which address Definitions, Site and Development

requirements, Applicant and Application requirements, and loan structure and underwriting requirements.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Texas' application requirements can be found in 10 TAC Chapter 11, Subchapter C: Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules; as well as 10 TAC Chapter 13 (Multifamily Direct Loan Rule). See link in attachments to rules.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Selection criteria typically only apply when funds are oversubscribed; in cases where the application is layered concurrently with 9% Housing Tax Credits and submitted during the competitive HTC cycle, for instance, scoring in 10 TAC §11.9 would be applicable. To the extent that two or more applications for NHTF have the same received by date and the funds are oversubscribed, the scoring criteria listed in the linked Multifamily Direct Loan Rule (10 TAC Chapter 13) in the attachments, will apply, unless alternative priorities or scoring criteria are established in the applicable NOFA.

If applications for NHTF are not combined with 9% HTC or do not need to be prioritized in a regional allocation formula, they will be prioritized based on the Application Acceptance Date and reviewed to ensure they meet the Department's threshold criteria, which takes into account all of the selection criteria in 24 CFR §91.320(k)(5)(i).

Please see response to 3a for additional detail on selection criteria.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

As described in SP-10 Geographic Priorities the Texas NHTF will distribute NHTF funds through a competitive NOFA process. As reflected in 10 TAC §13.4(b) 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 made available competitively for at least the first 30 days after a NOFA is published prior to being collapsed into a

statewide competition. Regions may be combined within the NOFA, but in no case will there be fewer than four geographic groups for distribution unless the state's annual allocation is \$4 million or less, in which case there may be fewer regions to allow each region to have at least \$1 million in its initial allocation.

Thereafter, consideration of geographic diversity will not be a factor in evaluating applications. Please see attached Multifamily Direct Loan Rule for text of 10 TAC §13.4(b).

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants must provide evidence of their experience in developing and managing multifamily developments as required under 10 TAC §11.204(6) if layered with other fund sources, or 10 TAC §13.5(h)(1) if MFDL only. Both 10 TAC §11.204(6) or 10 TAC §13.5(d)(1) are mentioned in the table HTF Funding Priorities Question 3a.

Application criteria including readiness to proceed as evidenced by site control, appropriate zoning, architectural plans, and evidence of financing will be considered.

Furthermore, 10 TAC §13.11(c)(3) through (4) states:

“(3) After a Development receives environmental clearance (if applicable), the Department will draft a Contract to be emailed to the Direct Loan awardee. Direct Loan awardees must execute and return a Contract to the Department within 30 calendar days after receipt of the Contract.

(4) Loan closing must occur and construction must begin on or before the date described in the Contract. If construction has not commenced within 12 months of the Contract Effective Date, the award may be terminated.”

Execution of a Contract fulfills the Commitment definition in 24 CFR §93.2 in that the Contract is the “legally binding written agreement (that includes the date of the signature of each person signing the agreement) with an eligible recipient for a project that meets the definition of ‘commit to a specific local project.’” Additionally, 10 TAC §13.11(c)(13) states: “Termination of the Direct Loan award and repayment of all disbursed funds will be required for any Development that is not completed within four years of the effective date of a Direct Loan Contract.” Finally, the Department may impose a two-year ban on applying for MFDL for any applicant that fails to meet commitment and/or expenditure requirements in accordance with 10 TAC §13.11(a) and (b), which states: “Direct Loan awardees must satisfactorily complete the following Post-Award Requirements after the Board approval date. If a Direct Loan award is declined by the Direct Loan awardee and returned after Board approval, or if the Direct Loan awardee or affiliates fail to timely enter into the Contract, close the loan, begin and complete construction, or leave a portion of the Direct Loan award unexpended, penalties may apply under 10 TAC §11.9(f)(relating to Competitive HTC Selection Criteria), and/or the Department may prohibit the Applicant and all Affiliates from applying for MFDL funds for a period of two years.” See attachments for full text of referenced TDHCA 10 TAC rules.

f. Describe the grantee’s required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

While the availability of project-based rental assistance will be considered, only applications that demonstrate the ability to meet Underwriting requirements will be funded.

The State of Texas will consider project based rental assistance to the extent that the existence of it allows or the lack of it does not allow an application to meet TDHCA’s underwriting requirements. A development that would otherwise be characterized as infeasible may be deemed feasible if the criteria,

as described in 10 TAC §11.302(i)(6)(B) are applicable. See link in the attachments for 10 TAC Chapter 11. For Applications layered with 9% credits, leveraging is a scoring item under 10 TAC §11.9(e)(4). See link in the attachments for 10 TAC Chapter 11. If an application is not layered with 9% credits, it must have other sources of funding, such as project based vouchers, in order to be viable over the affordability period.

10 TAC §13.8 from the Multifamily Direct Loan Rule and 10 TAC §§11.301 through .306 of the Uniform Multifamily Rule will comprise TDHCA's underwriting requirements.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

No priority for funding based on the feasibility of the project beyond the required 30-year period will be given except in instances where a first-lien loan ahead of an NHTF loan or grant has a term greater than 30 years that would result in the NHTF loan or grant having a term greater than 30 years. Texas Government Code §2306.185(c) further limits the length of the affordability period that the State can impose, stating: "The department shall require that a recipient of funding maintains the affordability of the multifamily housing development for households of extremely low, very low, low, and moderate incomes for the greater of a 30-year period from the date the recipient takes legal possession of the housing or the remaining term of the existing federal government assistance. In addition, the agreement between the department and the recipient shall require the renewal of rental subsidies if available and if the subsidies are sufficient to maintain the economic viability of the multifamily development." In other words, absent scoring considerations, unless an FHA-insured loan or similar type of federal government-insured loan with a term greater than 30 years is part of the financing, the longest NHTF affordability period that the State will impose is 30 years. Additionally, for bond layered transactions the NHTF state affordability period will match the length of the affordability period required for the bonds.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Threshold requirements for all multifamily projects are found in 10 TAC Chapter 11 Subchapter B, which include criteria such as Mandatory Development Amenities, Common Amenities, Unit Requirements, Tenant Supportive Services requirements, and Development Accessibility Requirements. 10 TAC Chapter

11 Subchapter B also includes threshold requirements such as Undesirable Site Features and Undesirable Neighborhood Characteristics. Additionally, Applications layered with 9% Tax Credits are scored on proximity to desirable community features, as are Direct Loan Applications if the fund source or set-aside is over-subscribed.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

It is anticipated that Applications for NHTF will require multiple funding sources in order to meet threshold feasibility requirements.

Without other fund sources, this range of subsidy level will not be possible, so other funding sources – whether owner equity if NHTF is the only source of Department funding or, more likely, Housing Tax Credits since NHTF works best as gap financing – are required. Finally, although not federally required, 10 TAC §11.204(7)(E) discusses documentation requirements for HOME Match funds of requested Direct Loan funds. See link in attachments for text of 10 TAC Chapter 11.

Applications layered with 9% Housing Tax Credits will be subject to scoring in 10 TAC §11.9(e)(4) - Leveraging of Private, State, and Federal Resources - which states:

(A) An Application may qualify to receive up to three (3) points if at least 5% of the total Units are restricted to serve households at or below 30% of AMGI (restrictions elected under other point items may count) and the Housing Tax Credit funding request for the proposed Development meet one of the levels described in clauses (i) - (iv) of this subparagraph: (i) the Development leverages CDBG Disaster Recovery, HOPE VI, RAD, or Choice Neighborhoods funding and the Housing Tax Credit Funding Request is less than 9% of the Total Housing Development Cost (3 points). The Application must include a commitment of such funding; or

(ii) If the Housing Tax Credit funding request is less than seven 9% of the Total Housing Development Cost (3 points); or

(iii) If the Housing Tax Credit funding request is less than eight 10% of the Total Housing Development Cost (2 points); or

(iv) If the Housing Tax Credit funding request is less than nine 11% of the Total Housing Development Cost (1 point).

(B) The calculation of the percentages stated in subparagraph (A) of this paragraph will be based strictly on the figures listed in the Funding Request and Development Cost Schedule. Should staff issue an Administrative Deficiency that requires a change in either form, then the calculation will be performed again and the score adjusted, as necessary. However, points may not increase based on changes to the Application. In order to be eligible for points, no more than 50% of the Developer Fee can be deferred. Where costs or financing change after completion of underwriting or award (whichever occurs later), the points attributed to an application under this scoring item will not be reassessed unless there is clear evidence that the information in the Application was intentionally misleading or incorrect.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

TDHCA adopted the Section 234 Condominium Housing Basic Mortgage Limits (Section 234 Condo Limits) published by HUD, subject to the High Cost Adjustment as allowed for all jurisdictions in Fort Worth HUB, for 2021, 2022, 2023, and 2024 PY awards made through the Multifamily 2021, 2022, 2023, 2024 and 2025 NOFAs. It plans to do the same with 2026 awards. While TDHCA does not make any FHA-insured loans, the Department has adopted the per unit limits for substantial rehab for Direct Loans (HOME, NHTF, TCAP RF, NSP1 PI) for 2026. The attached limits do not vary based on geographic location in Texas, since the limits were approved by HUD for use throughout the state. They will be used statewide for ease of use both for applicants and TDHCA staff.

Additional limits may apply if the NHTF funds are used in conjunction with other affordable housing programs. Also, these subsidy limits may be subject to stricter limits in NOFAs.

Funds from the HOME-American Rescue Plan Program will not be included when evaluating subsidy

layering.

See the attached justification as to why the State will not establish separate maximum limitations on the total amount of NHTF.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

Rehabilitation Standards are attached

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A.”

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The State will limit beneficiaries and/or give preferences to the segments of the extremely low-income population in accordance with AP-25 of the 2026 One-Year Action Plan.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

TDHCA may use NHTF funds to refinance existing debt secured by multifamily housing that is being rehabilitated with NHTF funds as described in 24 CFR §93.201(b). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 TAC Chapters 11 and 13, for refinanced properties in accordance with its administrative rules. The NOFA may allow for lower per unit rehabilitation costs than those described at 10 TAC §13.7(c), and the Board may waive the rehabilitation minimums at 10 TAC §11.101(b)(3). At a minimum:

- Rehabilitation costs must be the primary eligible activity for developments involving refinancing of existing debt so the NHTF eligible rehabilitation costs – whether funded entirely or partially by TDHCA’s NHTF funds – are greater than the total refinancing costs (i.e. payoff amount plus closing and title costs);
- The proportional rehabilitation cost per NHTF unit must be greater than the proportional amount of debt per NHTF unit that is being refinanced; and
- The proposed NHTF rent on a unit at application must be less than the greater of actual rent

being collected from tenants at application or the tenant's portion of the rent payment, as restricted by any entity through a project-based contract, operating subsidy, or by a use agreement.

Discussion:

The State is not proposing to use any form of investment in its NHTF Program that is not already listed as eligible for investment in 24 CFR §93.201(b). As described above, TDHCA may use NHTF funds to refinance existing debt secured by multifamily housing that is being rehabilitated as described in 24 CFR §93.201. TDHCA will use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 Texas Administrative Code, Chapters 11 and 13, for refinanced properties in accordance with its administrative rules.

For HOME, the State is not proposing to use any form of investment in its HOME Program that is not already listed as eligible for investment in 24 CFR §92.205(b). As described above, TDHCA may use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated as described in 24 CFR §92.206(b). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 Texas Administrative Code, Chapters 1, 10, 11, and 13, for refinanced properties in accordance with its administrative rules. For any HOME funds utilized for homebuyer assistance or for rehabilitation of owner-occupied single family housing TDHCA utilizes HUDs homeownership limits for the area provided by HUD.

Attachments

General OYAP Attachments:

CDBG Allocation of CDBG program income and deobligated funds

ESG Written Standards

AP-90 NHTF Attachments:

- 2026 Multifamily Rules
 - [10 TAC Chapter 1, Administration \(Link\)](#)
 - [10 TAC Chapter 11, Qualified Allocation Plan \(Link\)](#)
 - [10 TAC Chapter 13, Multifamily Direct Loan Rule \(Link\)](#)
- 2026 Multifamily Direct Loan Certification
- AP-90 Question 3a – Table of Corresponding Requirements in 24 CFR §93.2 and State Rules
- AP-90 Question 3d –Estimated Allocation Amounts and Map of the State Service Regions
- NHTF Rehabilitation Maximum Subsidy Limits
- NHTF Rehabilitation Standards

Public Comment:

- No Public Comment was received on the 2026 State of Texas One-Year Action Plan

2026 One Year Action Plan

CDBG Method of Distribution Attachment

Attachment: Allocation of CDBG program income and deobligated funds

Deobligated Funds: Deobligated funds may be used to fully fund pending applications in any fund category for which only partial funding is available, or to fund additional grants in categories experiencing high demand. At the discretion of the Department, TDA may open an application cycle for the FAST Fund, SUN Fund, or other appropriate fund category in order to effectively utilize deobligated funds available.

Program Income:

Program income is defined as gross income received by a state, a unit of general local government, or a subrecipient of a unit of general local government that was generated from the use of CDBG funds. When program income is generated by an activity that is only partially funded with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. Any remaining program income must be returned to the State.

The State may use up to the maximum allowable percentage of the amount recaptured and reportable to HUD each year for administrative expenses under the CDBG Program. This amount will be matched by the State on a dollar-for-dollar basis.

TCF, RED Programs and Revolving Loan Fund ("RLF") Program Income

Funds retained in any existing local RLF must be committed within three years of the original CDBG contract programmatic close date. At least one eligible loan/award from the local RLF must be made every three years. Every award from the RLF must be used to fund the same type of activity from which such income was derived. A local RLF may retain a cash balance not greater than 33% of its total cash and outstanding loan balance. All activities funded with RLF funds must comply with CDBG regulations and rules and guidelines. If a local government does not comply with the RLF requirements, all program income retained in the local RLF and any future program income received from the proceeds of the RLF must be returned to the State.

To the extent there are eligible applications, program income derived from the Texas Capital Fund real estate and/or infrastructure projects (from prior Program Years) will be used to fund awards under the Rural Economic Development Programs. Other available program income shall be allocated based on the methodology used to allocate Deobligated Funds.

Additional detail for Geographic Allocation:

Funds for projects under the CD Fund are allocated among the 24 State planning regions based on the following: The original CD formula is used to allocate 45% of the annual State CDBG allocation.

1) Original CD formula (45%) factors:

- a. Non-Entitlement Population 30%
- b. Number of Persons in Poverty 25%
- c. Percentage of Poverty Persons 25%
- d. Number of Unemployed Persons 10%
- e. Percentage of Unemployed Persons 10%

To the extent possible, the information used to calculate the regional allocations through these factors will be based on the eligible non-entitlement applicants within each region. The population and poverty information used is from the current available decennial census data. The unemployment information used is the current available annual average information. TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f).

2) The HUD formula is used to allocate 27.35% of the annual State CDBG allocation.

The formula is the same methodology that HUD uses to allocate CDBG funds among the States for use in non-entitlement areas. The HUD factors, percentages, and methodology are specified in 42 USC. §5306(d). TDA will use available data to calculate the allocations to each region.

Using the HUD methodology, the allocation for each region shall be the greater of an amount that bears the same ratio to the allocation for all 24 regions available as either:

(A) the average of the ratios between:

- the population of the non-entitlement counties in that region and the population of the nonentitlement counties of all 24 regions (counted one time - 25% weight);
- the extent of poverty in the non-entitlement counties in that region and the extent of poverty in the non-entitlement counties of all 24 regions (counted two times - 50% weight); and
- the extent of housing overcrowding in the non-entitlement counties in that region and the extent of housing overcrowding in the non-entitlement counties of all 24 regions (counted one time - 25% weight);

OR

(B) the average of the ratios between:

- the age of housing in the non-entitlement counties in that region and the age of housing in the nonentitlement counties in all 24 regions (counted two and one half times - 50% weight);
- the extent of poverty in the non-entitlement counties in that region and the extent of poverty in the non-entitlement counties of all 24 regions (counted one and one half times - 30% weight); and
- the population of the non-entitlement counties in that region and the population of the nonentitlement counties of all 24 regions (counted one time - 20% weight).

Once allocations have been calculated and applications selected within the funding range based on the published application funding amount, any funds remaining not assigned to a fully funded application are considered Marginal Funds and may be allocated among regions with eligible, unfunded applications. The next eligible applicant in each region not fully funded through the regional allocation is considered the Marginal Applicant.

Marginal Funds from all regions are pooled and the regions ordered by the total Marginal Funds contributed to the pool from greatest to least. The Marginal Applicant from each region is ordered and selected for funding based on 1) any region with less than two fully funded applications, and 2) the regional order for the Marginal Pool.

If funding remains after all Marginal Applicants are funded, the remaining funds are considered a Reallocation Pool. The regions are ordered based on the total regional allocation amount, from smallest to largest. The next eligible applicant not fully funded in each region shall be selected for funding based on this ranking until all Reallocation Pool funds are exhausted.

At the Department's discretion, an award less than the requested amount of funding may be offered to the next highest ranked applicant as long as the amount of funds still available exceeds the minimum CD Fund grant amount.

	Summary of CD Fund Regional Allocation Funding Process		
Process	Funding Available	Applications Considered	Methodology
Regional Allocation	All funds assigned to the CD Fund in this One Year Action Plan	All applications submitted to the CD Fund	Formulae 1 and 2
Marginal Pool	Marginal Funds remaining from each region after fully funding applications	One application per region, for which the regional allocation would provide less than full funding	Ensure minimum of two applications per region, regions ordered by total Marginal Funds contributed to the pool
Reallocation Pool	Funds remaining after all Marginal Applicants are fully funded	Remaining unfunded applications by region	Regions ordered by total regional allocation amount; continue rotation until all funds exhausted

Unobligated Funds

For an application that is invited to the full Project Application phase and is subsequently withdrawn with sufficient time for another applicant to complete the Project Application phase prior to the grant award date, the following procedures will apply based on the fund category:

1. The CD Fund – funds from the withdrawal of an application shall be offered to the next highest ranked applicant from that region that was not recommended to receive an award due to depletion of the region’s allocation.

2. RED Programs – funds from the withdrawal of a Downtown Revitalization/ Main Street Program shall be offered to the next highest ranked application that was not recommended to receive an award due to depletion the program’s allocation. Any unallocated RED funds are then subject to the procedures used to allocate Deobligated Funds.

3. The Colonia Funds – funds from the withdrawal of any Colonia Fund award remain available to potential Colonia Fund applicants during that program year. If unallocated within the Colonia Fund, funds then may be used for other CDBG fund categories to fund eligible projects or activities that assist colonia residents. Remaining unallocated funds are then subject to the procedures used to allocate Deobligated Funds.

4. SUN Funds - funds from the withdrawal of a SUN award shall be returned to the fund category from which the funds were previously transferred, consistent with the procedures used to allocate Deobligated Funds.

Procedures used to allocate Deobligated Funds will apply to:

- 1) a grant agreement that is executed and subsequently terminated;
- 2) an award that is announced and subsequently declined or withdrawn from an applicant prior to execution of a grant agreement; or
- 3) an application that is invited to the full Project Application phase and subsequently withdraws from competition on or after a date determined by the Department to not allow sufficient time for invitation to another applicant prior to the grant award date.

ESG Written Standards

TDHCA requires that its Subrecipients establish and implement written standards for providing ESG assistance. TDHCA reviews the standards to ensure they answer the following questions.

1. Evaluation {24 CFR §576.400(e)(3)(i)}

- a) Are the definitions of homeless or at-risk of homelessness included in the evaluation?
- b) Are there standard policies and procedures for evaluating individual and household eligibility for ESG?
- c) Are priority populations listed?
- d) Are the priority populations listed the same as the Continuum of Care priority populations?

2. Targeting - 24 CFR §576.400(e)(3)(ii),(iv)

- a) Are there standards for targeting and providing essential services related to street outreach?
- b) Are there standards determining how providers will assess, prioritize, and reassess participant's needs for essential services related to emergency shelter?

3. Evaluation for Emergency Shelter - 24 CFR §576.400(e)(3)(iii)

- a) Is there a description of:
 - i. Clients that will be admitted?
 - ii. Clients that will be diverted?
 - iii. Clients that will be referred?
 - iv. Clients will be discharged?
- a) Are there safeguards to secure safety (if applicable)?
- b) Are reasonable accommodations for persons with disabilities included?

4. Coordination - 24 CFR §576.400(e)(3)(v)

- a) Are there policies and procedures for coordination among:
 - i. Emergency shelter providers?
 - ii. Essential service providers?
 - iii. Homelessness prevention providers?
 - iv. Rapid re-housing assistance providers?
 - v. Other homeless assistance providers?
 - vi. Mainstream services and housing providers?

5. Assistance Levels - 24 CFR §576.400(e)(3)(vi)

- a) Is there a description of:
 - i. Which clients will receive rapid re-housing or homelessness prevention?
 - ii. Whether a percentage or amount of rent will be paid by client?
 - iii. Whether a percentage or amount of utilities will be paid by client?
 - iv. How long will client receive rental assistance?
 - v. How or if rental assistance be adjusted over time?
 - vi. What is amount of assistance will be provided?
 - vii. How will the duration of assistance be determined?
 - viii. What happens after a break in service (i.e., Program participant stops receiving assistance one month)?
 - ix. What unit sizes are appropriate for rapid re-housing?
 - x. What data sources/formats are used for rent reasonableness?

6. Housing Stability Case Management/Relocation Services - 24 CFR §576.400(e)(3)(ix)

- a) Is there a description of:
 - i. What types of services offered and not offered?
 - ii. What amounts are offered for the services?
 - iii. How long will case management/relocation services last?
- b) Does case management include monthly meetings to assist with housing stability? (n/a for Domestic Violence providers)
- c) Does case management include development for participant to retain permanent housing once ESG assistance ends? (n/a for Domestic Violence providers)
- d) Does case management include assistance for program participants' access supportive services for which they may be eligible? (n/a for Domestic Violence providers)

7. Relocation Services: Financial- 24 CFR §576.10S(a)

- a) Do the written standards specify when the following financial assistance is offered or not offered:
 - i. Rental application fees
 - ii. Security deposits/Last month's rent
 - iii. Utility deposits/payments
 - iv. Moving costs
 - v. Storage fees (3 months maximum)

8. Service Costs {Include if services are offered and which community organizations can act as a referral source, if applicable) - 24 CFR §576.10S(b)(3)-(S)}

- a) Do the written standards specify when the following services are offered or not offered, and which community resources can be used?
 - i. Mediation
 - ii. Legal Services
 - iii. Credit Repair

9. Denials 24 CFR §576.402

- a) Are there policies and procedures for terminating assistance?
- b) Does the appeal process include notification of denial?
- c) Does the appeal process include the household's process to appeal the decision?
- d) Does the appeal process include recordkeeping process for denial requests?

Multifamily Direct Loan Certification

I (We) hereby make application to the Texas Department of Housing and Community Affairs (the “Department”) for an award of Multifamily Direct Loan funds, which may be composed of HOME Investment Partnerships Program (“HOME”), HOME American Rescue Plan (“HOME-ARP”), Emergency Rental Funds (“ERA”), Tax Credit Assistance Program Repayment Funds (“TCAP RF”), and/or national Housing Trust Fund (“NHTF”). The undersigned hereby acknowledges that an award by the Department does not warrant that the Development is deemed qualified to receive such award. I (We) agree that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the Multifamily Direct Loan; therefore, I (We) assume the risk of all damages, losses, costs, and expenses related thereto and agree to indemnify and save harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decision concerning this application for Multifamily Direct Loan funds or the use of information concerning the Multifamily Direct Loan.

On behalf of the Applicant and all affiliates of the Applicant (hereinafter “Applicant”), I (We) hereby certify that the Applicant is familiar with the state Rules, as published in 10 TAC Chapters 1, 2, 10, 11, and 13, as well as Chapter 12 as applicable. I (We) hereby acknowledge that this Application is subject to disclosure under Tex. Gov’t Code Chapter 552, the Texas Public Information Act, unless a valid exception exists.

I (We) hereby assert that the information contained in this Application as required or deemed necessary by the materials governing the Multifamily Direct Loan program are true and correct and that I (We) have undergone sufficient investigation to affirm the validity of the statements made and the Department may rely on any such statements.

Further, I (We) hereby assert that I (We) have read and understand all the information contained in the application. By signing this document, I (We) affirm that all statements made in this government document are true and correct under penalty of Tex. Penal Code Chapter 37 titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas.

I (We) understand and agree that if false information is provided in this Application which has the effect of increasing the Applicant’s competitive advantage, the Department will disqualify the Applicant and may hold the Applicant ineligible to apply for Multifamily Direct Loan funds or until any issue of restitution is resolved. If false information is discovered after the award of Multifamily Direct Loan funds, the Department may terminate the Applicant’s written agreement and recapture all Multifamily Direct Loan funds expended.

I (We) shall not, in the provision of services, or in any other manner discriminate against any person on the basis of age, race, color, religion, sex, national origin, familial status, or disability. Verification of any of the information contained in this application may be obtained from any source named herein.

I (We) have written below the name of the individual authorized to execute the Multifamily Direct Loan agreement and any and all future Multifamily Direct Loan commitments and contracts related to this application. This individual is named in the Application as able to exercise Control over the Application and proposed Development. If this individual is replaced by the organization, I (We) must inform the Department within 30 days of the person authorized to execute agreements, commitment and/or contracts on behalf of the Applicant.

I (We) certify that no person or entity that would benefit from the award of Multifamily Direct Loan funds has committed to providing a source of match.

I (We) certify that I (We) will meet, Texas Minimum Construction Standards, 2010 ADA Standards for Accessible Design, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973, as further detailed in 10 TAC Chapter 1, Subchapter B. I (We) certify that the Development will meet all local building codes or standards that may apply as well as the Uniform Physical Conditions Standards in 24 CFR §5.705

I (We) certify that if refinancing is a component of the proposed development the Applicant must confirm that Multifamily Direct Loan funds will not be used to replace loans, grants or other financing provided or insured by any other Federal program, or in violation of the provisions of 10 TAC Chapter 13.

I (We) certify that if federal, governmental, or any other assistance is used in the financing of this development I (We) will notify the Texas Department of Housing and Community Affairs.

I (We) certify that I (We) do not and will not knowingly employ an undocumented worker, where "undocumented worker" means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.

If, after receiving a public subsidy, I (We), am convicted of a violation under 8 U.S.C Section 1324a (f), I (We) shall repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Tex. Gov't Code Section 2264.053, not later than the 120th day after the date TDHCA notifies Applicant of the violation.

If applying for HOME, HOME-ARP, or TCAP-RF funds, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of the federal HOME Final Rule, as

published in 24 CFR Part 92, and other related administrative rules and regulations and court rulings issued by the Federal government or State of Texas with respect to the HOME Investment Partnerships Program and all Developments eligible to receive these funds will comply with such rules during the application process and, in the event of award of these funds, for the duration of the proposed Development. HOME-ARP Applicants also certify familiarity with CPD Notice 21-10.

If applying for NHTF funds, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of the interim Housing Trust Fund rule, as published in 24 CFR Part 93, and other related administrative rules and regulations and court rulings issued by the Federal government or State of Texas with respect to the NHTF and all Developments eligible to receive NHTF funds will comply with such rules during the application process and, in the event of award of NHTF funds, for the duration of the proposed Development.

If applying for ERA funds, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of Section 3201(a) of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021), U.S. Department of the Treasury Emergency Rental Assistance Frequently Asked Questions, and other related administrative rules, regulations, and guidance (and related court rulings) issued by the Federal government or the State of Texas with respect to the ERA; and all Developments eligible to receive ERA funds will comply with such rules during the application process and, in the event of award of ERA funds, for the duration of the proposed Development.

Threshold Certification

On behalf of the Applicant and all affiliates of the Applicant (hereinafter “Applicant”), I (We) hereby certify that the Applicant is familiar with the provisions and requirements of the applicable Multifamily Direct Loan Notice of Funding Availability (NOFA) approved by the Department’s Governing Board for which I (We) am applying.

I (We) understand that housing units subsidized by Multifamily Direct Loan funds must be affordable to low, very low or extremely low-income persons. I (We) understand that mixed income rental developments may only receive funds for units that meet the Multifamily Direct Loan affordability standards. I (We) understand that all Applications intended to serve persons with disabilities must adhere to the Department’s Integrated Housing Rule at 10 TAC §1.15.

I (We) understand that, all contractors, consulting firms, Borrowers, Development Owners and Contract Administrators must sign and submit the appropriate documentation with each draw to attest that each request for payment of Multifamily Direct Loan funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions in the

Texas Grant Management Standards, 2 CFR Part 200, 24 CFR Part 92, or 24 CFR Part 93, as applicable.

I (We) certify that I (We) am eligible to apply for funds or any other assistance from the Department. I (We) certify that all audits are current at the time of application. I (We) certify that any Audit Certification Forms have been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance pursuant to 10 TAC §1.403.

I (We) certify that, the Development will meet the broadband infrastructure requirements of 81 FR 92626, and that these costs are included in the Application.

Applications for Developments Previously Awarded Department Funds

This Development proposed in this Application has _____ /has not _____ previously received Department funds. (check one)

If the Development proposed in this Application has previously received Department funds and construction has already started or been completed, and acquisition and rehabilitation is not being proposed, a letter from the Applicant that seeks to explain why this Application should be found eligible is provided behind this tab, except if applying in the COVID-Impacted Set-Aside or HOME-ARP. I (we) understand that such funding from federal sources may not be eligible, and depending on the fund sources available in the applicable NOFA, the proposed Development may not be eligible for assistance.

All applicants applying under a Multifamily Direct Loan Notice of Funding Availability (NOFA) must read and initial after each of the following sections regarding federal cross cutting requirements in the boxes below.

HUD Section 3

I (We) hereby agree that the work to be performed in connection with any award of HOME or NHTF funds is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (“Section 3”). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. These regulations were updated in 2021.

I (We) agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. I (We) agree to put the Department’s Section 3 clause in all applicable construction contracts. For more information about HUD Section 3, please reference the TDHCA website dedicated to Section 3 at: <http://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm>


(initial)

Environmental

I (We) understand that the environmental effects of each activity carried out with an award of HOME or HOME-ARP funds must be assessed in accordance with the applicable provisions of National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. §4321 et seq.) and the related activities listed in HUD’s implementing regulations at 24 CFR Parts 50, 51, 55, and 58 (NEPA regulations). Each such activity must have an environmental review completed and support documentation prepared complying with the NEPA and NEPA regulations. **No loan may close or funds be committed to an activity before the completion of the environmental review process, including the requirements of 24 CFR Part 58, and the Department has provided written clearance.**

The Department as the Responsible Entity must ensure that environmental effects of the property are assessed in accordance with the provisions of the National Environmental Policy Act of 1969 and the related authorities listed in HUD’s implementing regulations at 24 CFR Parts 50 and 58.

I (We) certify that all parties involved in any aspect of the development process began the project with no intention of using Federal assistance.

I (We) certify that as of the date of the Multifamily Direct Loan application all project work, other than as allowed in 24 CFR Part 58, has ceased.

I (We) understand that the environmental effects of each activity carried out with an award of NHTF funds must be assessed in accordance with the provisions of CPD Notice 16-14.

I (We) certify that I (we) have read and understand the requirements in 24 CFR §58.22 or CPD Notice 16-14, and I (we) understand that **acquisition of the site, even with non-HUD funds, prior to completion of the environmental review process will jeopardize any federal funding.**

I (We) certify that we will not engage in any choice limiting actions until the site has achieved Environmental Clearance as required in CPD Notice 16-14 or 24 CFR Part 58, as applicable.

Choice-limiting activities include but are not limited to these examples:

- Acquisition of land, except through the use of an option agreement, regardless of funding source;
- Closing on loans including loans for interim financing;
- Signing a construction contract.

(initial)

Relocation and Anti-Displacement

The property proposed for this Application is _____ /is not _____ occupied. (check one)

If occupied, the occupant(s) are owners _____ / tenants (residential) _____ / tenants (commercial inclusive of businesses, nonprofit organizations, and farms) _____ (check all that apply).

The property will have a transfer of federal assistance from an existing multifamily development _____ yes/ _____ no.

Displacement of Existing Tenants

I (We) certify that that the work to be performed in connection with any award of federal funds is subject to Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), as amended, and implementing regulations at 49 CFR Part 24. HOME and HOME ARP also subject to the relocation requirements of 24 CFR Part 42. Consistent with the goals and objectives of activities assisted under the Act and HUD Handbook 1378, if the Development is eligible for federal funds the Applicant must prepare and submit the following to TDHCA with the Multifamily Uniform Application, in accordance with the TDHCA Relocation Handbook https://www.tdhca.texas.gov/sites/default/files/program-services/docs/ura/docs/TDHCA-RelocationHandbook_0.pdf:

- 1) A detailed explanation of the reasons for displacement relocation;
- 2) A detailed plan of the relocation, including evidence of comparable replacement housing or commercial space;
- 3) Copies of the General Information Notices (signed by the tenant or sent Certified Mail, return recipient requested) sent to all residential and commercial tenants on the Rent Roll listed with the Multifamily Direct Loan Application, and
- 4) Estimated costs and funding sources available to complete the permanent relocation.

(initial)

Demolition and Conversion

I (We) certify that when the work is to be performed in connection with any award of federal funds that are subject to 24 CFR Part 42 (CDBG, HOME, and as revised for HOME ARP), then Development Owner will replace all occupied and vacant occupiable low-income housing that is demolished or converted to a use other than low-income housing as a direct result of the project. All replacement housing will be provided within three (3) years after the commencement of the demolition or conversion. Before receiving a commitment of federal funds for a project that will directly result in demolition or conversion, the project owner will make the information public in accordance with 24 CFR Part 42 and submit the information to TDHCA along with the following information in writing at application:

- 1) The location map, address, and number of commercial or dwelling units by bedroom size of lower income housing that will be demolished or converted to use other than as lower income housing as a direct result of the project;
- 2) A time schedule for the commencement and completion of the demolition and conversion;
- 3) To the extent known, the location, map, address, and number of dwelling units by bedroom size of the replacement housing or commercial space that has been or will be provided;
- 4) The amount and source of funding and a time schedule for the provision of the replacement housing;
- 5) The basis for concluding that the replacement housing will remain lower income housing beyond the date of initial occupancy;
- 6) Information demonstrating that any proposed replacement of housing units with similar dwelling units (e.g. a 2-bedroom unit with two 1-bedroom units) or any proposed replacement of efficiency or SRO units with units of a different size is appropriate and consistent with the housing needs of the community; and

7) The name and title of the person or persons responsible for tracking the replacement of lower income housing and the name and title of the person responsible for providing relocation payments and other relocation assistance to any lower-income person displaced by the demolition of any housing or the conversion of lower-income housing to another use.

(initial)

Lead Based Paint

I (We) certify that documentation of compliance with the Texas Environmental Lead Reduction Rules in 25 TAC Chapter 295, Subchapter I and 24 CFR Part 35 (Lead Safe Housing Rule), as applicable, will be maintained in project files. I (We) understand that for Developments subject to 24 CFR Part 35, standard forms are available in the Federal Register, as indicated by the sources noted below.

- 1) Applicability 24 CFR §35.115 – A copy of a statement indicating that the property is covered by or exempt from Lead Safe Housing Rule.
 - a) If the property is exempt, the file should include the reason for the exemption and no further documentation is required.
 - b) if the property is covered by the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below:
 - i) Summary Paint Testing Report or Presumption Notice 24 CFR §35.930(a) – A copy of any report to indicate the presence of lead-based paint (LBP) for projects receiving up to \$5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces;
 - ii) Notice of Evaluation 24 CFR §35.125(a) – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based-paint inspection, risk assessment or paint testing;
 - iii) Clearance Report 24 CFR §35.930(b)(3)– A report indicating a “clearance examination” was performed of the work site upon completion; and
 - iv) Notice of Hazard Reduction Completion 24 CFR §35.125(b) – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents.

(initial)

Labor Standards

On behalf of the Applicant and all affiliates of the Applicant (hereinafter “Applicant”), I (We) hereby certify that the Applicant is familiar with the applicable provisions and requirements of the Davis-Bacon Act (40 U.S.C. §§3141-3144 and 3146-3148).

I (We) understand that a Development assisted by the Department under this Application containing more than twelve (12) HOME or HOME ARP-assisted Units, must use the appropriate rate as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. §§3141-3144 and 3146-3148).

I (We) understand that contracts involving such employment shall be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§3701-3708) as supplemented by the Department of Labor regulations (“Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction” at 29 CFR Part 5), Copeland (Anti-Kickback) Act (40 U.S.C. Sec. §3145 et seq.) and 24 CFR Part 70 (with regards to volunteers).

I (We) understand that construction contractors and subcontractors must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to labor standards and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs, as applicable.

I (We) agree to put the Department’s Davis-Bacon clause in all applicable contracts.

(initial)

Build America, Buy America Act

On behalf of the Applicant and all affiliates of the Applicant (hereinafter “Applicant”), I (We) hereby certify that the Applicant is familiar with the applicable provisions and requirements of the Infrastructure Investment and Jobs Act, Pub. L. 117-58, 2 CFR 184, CPD-2025-01, and all other application rule and regulation.

I (We) understand that a Development assisted by the Department under this Application will meet any and all requirements for multifamily development laid out in said regulation for Build America, Buy America set forth under rule and regulation of the Buy America Preference, under 49 U.S.C. § 50101.

I (We) understand that construction contractors and subcontractors must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to Build America, Buy America in Housing and Community Development Programs, as applicable.

(initial)

Application number: _____

Requested Multifamily Direct Loan Funding Source: _____

By:

Authorized Representative

Title

Date

THE STATE OF _____ §

§

COUNTY OF _____ §

Before me, a notary public, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, _____

(Seal)

Notary Public Signature

Question 3a: *Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR §93.2).*

The State of Texas will distribute FY 2025 Housing Trust Fund (“HTF”) Program funds by selecting applications submitted by eligible recipients as defined in §93.2 (definition of recipient) through the Application Submission Requirements, Ineligibility Criteria, Board Decisions, and Waiver of Rules for Applications provisions found in Chapter 11 of the Texas Administrative Code (TAC), Subchapter C (10 TAC §§11.201 through 11.207). The State of Texas will not limit recipients to a specific category such as nonprofits. Please see the table below for the requirements in §93.2 and the corresponding requirements found in state rules at 10 TAC Chapter 11 and 10 TAC Chapter 13.

<i>Recipient requirements in §93.2</i>	<i>State Rules</i>
(1) Make acceptable assurances to the grantee that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities (2) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs;	10 TAC §11.204 establishes the required documentation for application submission, including a required certification that the applicant understands and will comply with all applicable requirements. Please see the full text of the rule for further information.
(3) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity; (4) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to: (i) Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or	10 TAC §13.5(g) establishes minimum experience requirements that are required to be eligible for funding. Please see the full text of the rule for further information.

(ii) Design, construct, or rehabilitate, and market affordable housing for homeownership. (iii) Provide forms of assistance, such as down payments, closing costs, or interest rate buy downs for purchasers.	
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PY 2026 NHTF Allocation

Table 1 - Raw Data

	Region	Individuals at or Below 200% Poverty	HH at or Below 200% Poverty	Cost-Burdened Renters	Overcrowded Renters	Vacant Units For Rent
MSA Counties with Urban Places	1	196,669	73,111	44,346	4,182	9,338
	2	97,121	36,104	18,507	1,564	2,999
	3	2,089,260	776,677	586,769	81,709	98,895
	4	188,494	70,072	29,710	3,457	7,918
	5	136,853	50,875	21,866	3,088	4,498
	6	2,253,840	837,859	517,621	98,933	103,473
	7	522,317	194,170	195,264	24,168	18,961
	8	341,345	126,894	82,548	7,709	10,213
	9	787,536	292,764	173,783	24,679	32,387
	10	190,444	70,797	36,442	4,513	9,316
	11	827,908	307,772	76,123	23,683	12,328
	12	140,060	52,067	28,459	4,948	4,546
	13	371,903	138,254	53,445	8,570	7,451
	Subtotal	8,143,750	3,027,416	1,864,883	291,203	322,323
Non-MSA Counties and Counties with Only Rural Places	1	110,366	41,028	9,924	1,979	2,801
	2	86,435	32,132	8,787	908	1,548
	3	85,781	31,889	11,911	1,648	1,910
	4	212,005	78,812	21,693	2,364	3,652
	5	143,705	53,422	17,411	2,885	2,777
	6	72,294	26,875	11,812	1,343	2,472
	7	34,002	12,640	4,846	570	588
	8	93,051	34,591	9,851	1,522	1,923
	9	68,362	25,413	8,414	1,540	1,508
	10	90,401	33,606	10,984	1,780	1,384
	11	107,174	39,842	7,363	2,074	1,110
	12	60,869	22,628	5,603	1,022	1,339
	13	10,012	3,722	946	141	178
	Subtotal	1,174,457	436,601	129,545	19,776	23,190
	Total	9,318,207	3,464,017	1,994,428	310,979	345,513

Texas Average HH Size: 2.69

PY 2026 NHTF Allocation

Table 2 - Weights

	Region	Total Need Variables	% of Total Need Variables	Weighted	Total Availability Variable	% of Total Availability Variable	Weighted	Initial Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	121,639	2.1%	\$ 344,413	9,338	2.7%	\$ (147,166)	\$ 197,247.10	1.81%
	2	56,175	1.0%	\$ 159,057	2,999	0.9%	\$ (47,264)	\$ 111,793.05	1.03%
	3	1,445,155	25.0%	\$ 4,091,855	98,895	28.6%	\$ (1,558,573)	\$ 2,533,281.94	23.26%
	4	103,239	1.8%	\$ 292,314	7,918	2.3%	\$ (124,787)	\$ 167,527.70	1.54%
	5	75,829	1.3%	\$ 214,704	4,498	1.3%	\$ (70,888)	\$ 143,815.84	1.32%
	6	1,454,413	25.2%	\$ 4,118,069	103,473	29.9%	\$ (1,630,721)	\$ 2,487,347.06	22.84%
	7	413,602	7.2%	\$ 1,171,085	18,961	5.5%	\$ (298,823)	\$ 872,262.01	8.01%
	8	217,151	3.8%	\$ 614,848	10,213	3.0%	\$ (160,956)	\$ 453,892.51	4.17%
	9	491,226	8.5%	\$ 1,390,873	32,387	9.4%	\$ (510,415)	\$ 880,458.10	8.08%
	10	111,752	1.9%	\$ 316,418	9,316	2.7%	\$ (146,819)	\$ 169,599.10	1.56%
	11	407,578	7.1%	\$ 1,154,030	12,328	3.6%	\$ (194,288)	\$ 959,742.42	8.81%
	12	85,474	1.5%	\$ 242,013	4,546	1.3%	\$ (71,644)	\$ 170,369.06	1.56%
	13	200,269	3.5%	\$ 567,047	7,451	2.2%	\$ (117,427)	\$ 449,620.65	4.13%
	Subtotal	5,183,502	89.8%	\$ 14,676,726	322,323	93.3%	\$ (5,079,770)	\$ 9,596,956.52	88.12%
Non-MSA Counties and Counties with Only Rural Places	1	52,931	0.9%	\$ 149,871	2,801	0.8%	\$ (44,143)	\$ 105,727.75	0.97%
	2	41,827	0.7%	\$ 118,430	1,548	0.4%	\$ (24,396)	\$ 94,033.87	0.86%
	3	45,448	0.8%	\$ 128,682	1,910	0.6%	\$ (30,101)	\$ 98,581.06	0.91%
	4	102,869	1.8%	\$ 291,267	3,652	1.1%	\$ (57,555)	\$ 233,712.12	2.15%
	5	73,718	1.3%	\$ 208,727	2,777	0.8%	\$ (43,765)	\$ 164,962.03	1.51%
	6	40,030	0.7%	\$ 113,342	2,472	0.7%	\$ (38,958)	\$ 74,384.02	0.68%
	7	18,056	0.3%	\$ 51,125	588	0.2%	\$ (9,267)	\$ 41,857.92	0.38%
	8	45,964	0.8%	\$ 130,145	1,923	0.6%	\$ (30,306)	\$ 99,838.91	0.92%
	9	35,367	0.6%	\$ 100,140	1,508	0.4%	\$ (23,766)	\$ 76,374.39	0.70%
	10	46,370	0.8%	\$ 131,294	1,384	0.4%	\$ (21,812)	\$ 109,482.67	1.01%
	11	49,279	0.9%	\$ 139,529	1,110	0.3%	\$ (17,493)	\$ 122,035.57	1.12%
	12	29,253	0.5%	\$ 82,827	1,339	0.4%	\$ (21,102)	\$ 61,725.03	0.57%
	13	4,809	0.1%	\$ 13,616	178	0.1%	\$ (2,805)	\$ 10,810.90	0.10%
	Subtotal	585,922	10.2%	\$ 1,658,998	23,190	6.7%	\$ (365,471)	\$ 1,293,526.24	11.88%
	Total	5,769,424	100.0%	\$ 16,335,724	345,513	100%	\$ (5,445,241)	\$ 10,890,482.76	100.00%

Total Sample Allocation: \$10,890,483

Weight of Need Variables: 150%

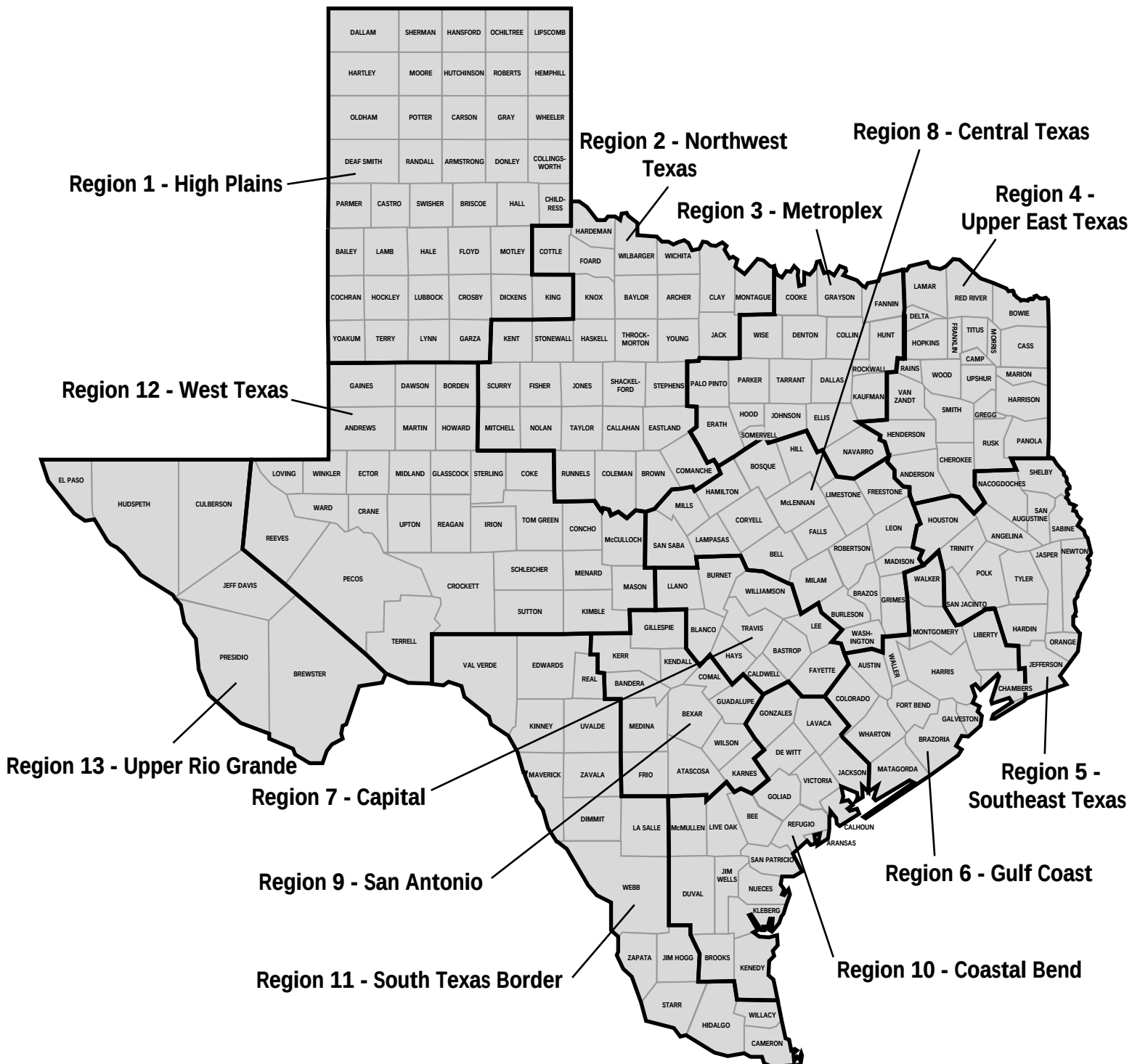
Weight of Availability Variables: -50%

PY 2026 NHTF Allocation

Table 3 - Regional Amounts

Region	Regional Allocation	% of Total Award
1	\$ 302,974.85	2.78%
2	\$ 205,826.92	1.89%
3	\$ 2,631,863.00	24.17%
4	\$ 401,239.82	3.68%
5	\$ 308,777.87	2.84%
6	\$ 2,561,731.07	23.52%
7	\$ 914,119.93	8.39%
8	\$ 553,731.41	5.08%
9	\$ 956,832.49	8.79%
10	\$ 279,081.77	2.56%
11	\$ 1,081,777.99	9.93%
12	\$ 232,094.08	2.13%
13	\$ 460,431.55	4.23%
Subtotal	\$ 10,890,482.76	100.00%

13 State Service Regions of Texas



attendance limited to space available. Individuals who plan to attend as well as those who need special assistance, such as sign language interpretation or other reasonable accommodations, must notify the Contact Person listed below in advance of the meeting. The open session will be videocast and can be accessed from the NIH Videocasting and Podcasting website (<http://videocast.nih.gov/>).

A portion of the meeting will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4), and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Council of Councils.

Dates: May 14–15, 2026.

Open: May 14, 2026, 09:00 a.m. to 01:00 p.m.

Agenda: Welcome and Opening Remarks; Reminders and Procedures; DPCPSI Reports and Other Business of the Committee.

Place: National Institutes of Health, Building 35A, 35A Convent Drive, Rooms 620/630/640, Bethesda, MD 20892.

Closed: May 14, 2026, 01:00 p.m. to 02:00 p.m.

Agenda: Review of Grant Applications.

Place: National Institutes of Health, Building 35A, 35A Convent Drive, Rooms 620/630/640, Bethesda, MD 20892.

Open: May 14, 2026, 02:00 p.m. to 03:45 p.m.

Agenda: NIH Updates and Other Business of the Committee.

Place: National Institutes of Health, Building 35A, 35A Convent Drive, Rooms 620/630/640, Bethesda, MD 20892.

Open: May 15, 2026, 09:00 a.m. to 11:50 a.m.

Agenda: Welcome and Recap of Day 1; Program Updates and Other Business of the Committee.

Place: National Institutes of Health, Building 35A, 35A Convent Drive, Rooms 620/630/640, Bethesda, MD 20892.

Contact Person: Robin I. Kawazoe, Deputy Director, Division of Program Coordination, Planning, and Strategic Initiatives, National Institutes of Health, Building 1, Room 260, 1 Center Drive, Bethesda, MD 20892, 301–402–9852, kawazoer@mail.nih.gov.

Any interested person may file written comments with the committee by forwarding the statement to the Contact Person listed on this notice. The statement should include the name, address, telephone number and when applicable, the business or professional affiliation of the interested person.

Information is also available on the Council of Council's home page at

<http://dpcpsi.nih.gov/council/> where an agenda will be posted before the meeting date.

(Catalogue of Federal Domestic Assistance Program Nos. 93.14, Intramural Research Training Award; 93.22, Clinical Research Loan Repayment Program for Individuals from Disadvantaged Backgrounds; 93.232, Loan Repayment Program for Research Generally; 93.39, Academic Research Enhancement Award; 93.936, NIH Acquired Immunodeficiency Syndrome Research Loan Repayment Program; 93.187, Undergraduate Scholarship Program for Individuals from Disadvantaged Backgrounds, National Institutes of Health, HHS)

Dated: April 8, 2026.

Bruce A. George,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–06982 Filed 4–9–26; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–6144–N–07]

RIN 2506–AC50

HOME Investment Partnerships Program—Maximum Per-Unit Subsidy Limit Methodology and Amount; Notice for Comment

AGENCY: Office of the Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development (HUD).

ACTION: Notice for comment.

SUMMARY: This notice for comment establishes HUD's methodology for determining maximum per-unit subsidy limits for the HOME Investment Partnerships Program (HOME) and seeks public comment on the methodology described within this notice for comment. This notice for comment also establishes the maximum per-unit subsidy limits consistent with this methodology.

DATES: Public comments are due on May 11, 2026. The maximum per-unit subsidy limits described in this notice for comment are in effect and applicable to projects for which HOME funds are committed on or after May 11, 2026.

ADDRESSES: Interested persons are invited to submit comments regarding this notice for comment. To receive consideration as public comments, comments must be submitted through one of the two methods specified in this section. All submissions must refer to the above docket number and title.

1. *Electronic Submission of Comments.* Interested persons may

submit comments electronically through the Federal eRulemaking Portal at www.regulations.gov. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make comments immediately available to the public. Comments submitted electronically through www.regulations.gov can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on www.regulations.gov to submit comments electronically.

2. *Submission of Comments by Mail.* Comments may be submitted by mail to the Regulations Division, Office of General Counsel, U.S. Department of Housing and Urban Development, 2415 Eisenhower Ave., Alexandria, VA 22314.

Public Inspection of Public Comments. HUD will make all properly submitted comments and communications available for public inspection and copying between 8:00 a.m. and 5:00 p.m. weekdays at the address listed in this section. Due to security measures at the HUD Headquarters building, you must schedule an appointment in advance to review the public comments by calling the Regulations Division at 202–708–3055 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>. Copies of all comments submitted are available for inspection and downloading at www.regulations.gov.

FOR FURTHER INFORMATION CONTACT: Henrietta Owusu, Deputy Director, Office of Affordable Housing Programs, Office of Community Planning and Development, U.S. Department of Housing and Urban Development, 451 7th Street SW, Room 7160, Washington, DC 20410; telephone number (202) 708–2684 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

SUPPLEMENTARY INFORMATION:**I. Background**

On January 6, 2025, HUD published the HOME Investment Partnerships Program: Program Updates and Streamlining final rule (HOME Final Rule) in the **Federal Register**, available at 90 FR 746. Consistent with the requirements of section 212(e) of the Cranston-Gonzalez National Affordable Housing Act (NAHA),¹ the HOME Final Rule states that HUD will publish its methodology for determining maximum per-unit dollar limits through a publication in the **Federal Register** with the opportunity for comment.² The HOME Final Rule, at 24 CFR 92.250(a), also requires HUD to determine the total amount of HOME funds that a participating jurisdiction may invest on a per-unit basis in affordable housing in accordance with NAHA and publish the maximum per-unit dollar limits for the area in which the housing is located annually.

II. Methodology for Determining Maximum Per-Unit Subsidy Limits for the HOME Program

Through this notice for comment, HUD is identifying and implementing a methodology for the annual determination of the maximum per-unit subsidy limit.

On May 29, 2024, HUD published the HOME Investment Partnerships Program: Program Updates and Streamlining proposed rule (HOME Proposed Rule) in the **Federal Register**, available at 89 FR 46618. In the HOME

Proposed Rule, HUD proposed to establish the maximum per-unit subsidy limit as 270 percent of the basic mortgage limitations for section 234 of the National Housing Act (12 U.S.C. 1715y) for condominium housing. In the HOME Final Rule, HUD responded to public comments on this proposal, which were generally supportive. For a summary of the comments and HUD's response, see the HOME Final Rule at 90 FR 802.

Following the publication of the HOME Final Rule, HUD reconsidered the public comments and assessed the impact of implementing the maximum per-unit subsidy limit as 270 percent of the basic mortgage limitations for section 234 of the National Housing Act for condominium housing. This would have constituted an increase from 240 percent of the basic mortgage limitations for section 234 of the National Housing Act for condominium housing that has been the basis for the maximum per-unit subsidy limits since the publication of Notice CPD–15–003: Interim Policy on Maximum Per-Unit Subsidy Limits for the HOME Program in 2015. Based on this review, HUD determined that permitting increased spending on HOME projects with higher per-unit costs would result in fewer affordable housing units. Accordingly, through this notice for comment, HUD is establishing the maximum per-unit subsidy limit for the HOME program as 240 percent of the basic mortgage limitations for section 234 of the National Housing Act for condominium housing. HUD believes that maintaining its existing

policy is consistent with the statute and will not negatively impact the production of affordable housing.

HUD is requesting comments from industry stakeholders and other interested persons on the practicability and appropriateness of this maximum per-unit subsidy limit methodology. Public comment in response to this notice for comment provides HUD with the opportunity to perform a higher level of review of current development and construction costs, evaluate ongoing changes in costs due to changes in building codes and industry practices, determine whether different eligible activities (*i.e.*, homeownership versus rental) should have different methodologies, and consider and respond to comments in the implementation of a revised maximum per-unit subsidy limit methodology. HUD will consider the comments it receives in response to this notice for comment when it considers making changes to the maximum per unit subsidy limit methodology or amount in the future.

III. Maximum Per-Unit Subsidy Limits for the HOME Program

Consistent with the HOME Final Rule codified at 24 CFR 92.250 and this notice for comment, HUD is establishing the maximum per-unit subsidy limit for the HOME program as 240 percent of the basic mortgage limitations for section 234 of the National Housing Act's condominium housing limit for elevator-type projects.³ The maximum per-unit subsidy limits are as follows:

Bedrooms	2025 Section 234 Elevator Statutory Limit	2025 HOME Maximum Per Unit Subsidy Limit
0	\$78,191	\$187,658
1	89,634	215,122
2	108,998	261,595
3	141,008	338,419
4	154,782	371,477

HUD intends to issue updated maximum per-unit subsidy limits using this methodology annually. HUD may revise this methodology through the issuance of a future publication for comment in the **Federal Register**.

IV. Environmental Impact

This notice involves a statutorily required establishment of maximum per-unit subsidy limits that does not

constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this notice for comment is categorically excluded from environmental review

under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Ronald J. Kurtz,

Assistant Secretary for Community Planning and Development.

[FR Doc. 2026–06926 Filed 4–9–26; 8:45 am]

BILLING CODE 4210–67–P

¹ Section 212(e) of NAHA (42 U.S.C. 12742(e)) requires HUD to establish limits on the amount of HOME funds that may be invested on a per-unit basis.

² See 24 CFR 92.250(a)

³ HUD's most recent publication of the Annual Indexing of Basic Statutory Mortgage Limits for Multifamily Housing Programs, including elevator-

type projects, was announced in the notice entitled "Annual Indexing of Basic Statutory Mortgage Limits for Multifamily Housing Programs" (89 FR 10089, Feb. 13, 2024).

2026 National Housing Trust Fund (NHTF) Multifamily Minimum Rehabilitation Standards

IMPORTANT NOTICE REGARDING THESE STANDARDS

TDHCA encourages the reproduction and distribution of this document to all relevant parties participating in Rehabilitation; including but not limited to, staff, general contractors, and subcontractors. If not distributed, at a minimum, all parties with the ability to exercise control over the Development must be informed and so acknowledge compliance with all applicable construction requirements, building codes, necessary materials, accessibility standards, installation methods, etc., regardless of whether expressly stated herein. As such, these Standards must be included in all construction and maintenance documents by reference. Moreover, specific sections may be expressly required in, or the Standards in their entirety, may be required to be attached to particular documents, as determined by the Department.

Moreover, it is important to remember these Standards serve as a starting point for eligible NHTF-assisted Multifamily Rehabilitation activities. Additional project requirements, rules, and regulations WILL APPLY and may be more detailed in Program Documents. IT IS THE RESPONSIBILITY OF THE DEVELOPMENT OWNER/BORROWER TO ENSURE COMPLIANCE WITH ANY AND ALL APPLICABLE PROGRAM REQUIREMENTS, RULES, AND REGULATIONS THAT MAY BE REQUIRED IN ADDITION TO THE MINIMUM CONDITIONS PROVIDED IN THESE STANDARDS.

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NHTF MINIMUM REHABILITATION STANDARDS MULTIFAMILY DIRECT LOAN PROGRAM

**2026 Program Year
(ending Aug. 31, 2027)**

Introduction

These National Housing Trust Fund (NHTF) Minimum Rehabilitation Standards (hereinafter referred to as “Standards”) are intended to provide the minimum acceptable standards for affordable multifamily rental housing developments Rehabilitated in whole or part using Multifamily Direct Loan Program (MFDL Program) NHTF funds in the State of Texas.

These Standards are designed to ensure clarity, efficiency, and feasibility in the successful completion of eligible rehabilitation projects. Accordingly, these Standards only provide the necessary descriptions of the minimum elements of rehabilitation, as required by the U.S. Department of Housing and Urban Affairs (HUD) and 24 CFR §93.301(b). Accordingly, these Standards only address those minimum standards for: (1) Health and Safety; (2) Major Systems; (3) Lead-Based Paint; (4) Accessibility; (5) Disaster Mitigation; (6) National Standards for the Physical Inspection of Real Estate (NSPIRE); and (7) Property Condition or Capital Needs Assessment (SCR/CNA).

Recommendations made in applicable Mandatory Assessments regarding health and safety or life expectancy of major systems must be implemented. Additionally, estimates (based on age and condition) of the remaining useful life of major system(s) are required to be conducted upon project completion of each major system, in accordance with 24 CFR §93.301(b)(1)(ix). If the remaining useful life of one or more major system is determined to be less than the applicable period of affordability, a replacement reserve shall provide adequate monthly payments to effectively repair or replace the systems as needed. 24 CFR §93.301(b)(1)(ix).

Unless otherwise required, these Standards do not supersede or preempt State and local codes, ordinances, and requirements for developing and maintaining the Development. All applicable codes, ordinances, and zoning requirements must also be adhered. In the absence of State or local building codes, ordinances, or requirements for Rehabilitation, the International Existing Building Code (IEBC) or International Building Code (IBC) (as applicable) of the International Code Council (ICC), in the version adopted by the Multifamily Direct Loan Rule, 10 TAC Chapter 13, shall apply in addition to these minimum Standards.

Definitions

The following words and terms, when used in these Standards, shall have the meaning as provided herein, unless the context clearly indicates otherwise. Any capitalized terms or phrases not specifically mentioned in this section shall have the meaning as defined in Title 10, Part 1, Chapter 1 of the Texas Administrative Code (**Administration**), Title 10, Part 1, Chapter 2 of the Texas Administrative Code (**Enforcement**), Title 10, Part 1, Chapter 10 of the Texas Administrative Code (the **Uniform Multifamily Rules**), Title 10, Part 1, Chapter 11 of the Texas Administrative Code (the **Qualified Allocation Plan (QAP)**), Title 10, Part 1, Chapter 13 of the Texas Administrative Code (the **Multifamily Direct Loan Rule**)(collectively referred to as the **State Multifamily Rules**); or as otherwise defined in Tex. Gov't Code, Chapter 2306 (the **Governing Statute**), §141, 142, and 145 of the Internal Revenue Code (the **Code**), or 24 CFR Part 91, Part 92, Part 93, and 2 CFR Part 200.

1. **Accessible Route**--a continuous, unobstructed path connecting all accessible elements and spaces in a facility or building that complies with the space and reach requirements of the applicable accessibility standard(s).
2. **Plumbing Fixtures**--all relevant plumbing components, which include toilets, urinals, bidets, faucets, lavatories, sinks, showers, bathtubs, and floor drains. Plumbing appliances include washing machines, dishwashers, domestic water heaters, garbage disposals, and water softeners.
3. **Plumbing System**--all relevant plumbing components, which include but are not limited to: piping, fittings, devices, faucets, containers and receptacles that are used to supply, distribute, receive or transport potable water and wastewater.
4. **Substandard Conditions**--any condition that threatens the health and/or safety of the occupants. Substandard Conditions include any condition which threatens, defeats, or will lead to the lack of functional viability of a single feature of a structure. Hazardous conditions are a type of Substandard Conditions.

Minimum Standards for Major Systems (24 CFR §93.301(b) and 24 CFR §93.301(b)(1)(ix))

Major Systems

These Standards provide the minimum rehabilitation requirements for Major Systems herein. In accordance with 24 CFR §93.301(b), the Major Systems with minimum standards provided herein are:

- foundation;
- structural support, roofing;
- cladding & weatherproofing;
- plumbing;
- electrical; and
- heating, ventilation, and air conditioning (HVAC).

General Requirements, Standard Conditions, and Substandard Conditions

The Minimum Standard Conditions and Substandard Conditions for each Major System are sufficiently detailed in method and material to provide the MINIMUM threshold for Rehabilitation activities that NHTF-assisted Multifamily Developments MUST MEET OR EXCEED.

It is important to remember any threshold requirements provided herein do not supersede or preempt State and local codes, ordinances, and requirements for building and maintenance with which NHTF-assisted housing must comply. Rather, compliance must be accomplished in addition to meeting or surpassing these Standards. In the absence of such State or local building codes, ordinances, or other requirements, the applicable version(s) of the International Existing Building Code (IEBC) or International Building Code (IBC) of the International Code Council (ICC), as adopted in 10 TAC Chapter 13, shall apply in addition to these Standards.

Determining the Scope of Work

This section shall guide the determination as to the minimum scope of work required. In conjunction with the mandatory property assessments required in these Standards, a determination must consider the requirements of the ICC Code Set, in the version adopted by 10 TAC Chapter 13 and as applied to these Standards. Accordingly, the determination will consider the ICC Principles of Safety, Capacity, and Convenience.

Each repair should be detailed as required through the use of plans, drawings, specifications (conforming to the MasterFormat) and work write-ups. At a minimum, each repair should be detailed in a work write up that accurately specifies the location, required demolition (if applicable), and the methods and materials for the project -- all with enough detail to determine the desired outcome or finished product. Work write ups may reference plans and specifications as needed but must be detailed enough to complete repairs.

1.0 Basic Site Work

a. Minimum Standard Conditions. The subject lot or defined site shall be free of debris, garbage or other accumulations of site stored items which create possibilities of infestations. The site should be generally level as allowed by natural topography, well drained, and accessible. Additional drainage features should be added if need is evidenced by existing erosion, standing water or evidence of water damage. In addition to any applicable requirements herein, any and all deficiencies noted in the Uniform Property Conditions Standards or the 2012 ICC Property Maintenance Code must also be addressed.

b. Substandard Conditions. Substandard conditions for Basic Site Work include but are not be limited to those conditions listed in **(1) – (14)**, for which adequate repair or replacement is required, as applicable and further detailed herein:

- (1)** Accumulated debris, waste, or garbage either in enclosed areas such as storage buildings or on the property;
- (2)** Deteriorated outbuildings, sheds, wells, privies, or other structures which are no longer in use or are made unusable by their condition;
- (3)** Holes, ditches, exposed water meter boxes or other condition which creates a tripping hazard, excluding drainage ditches which are part of a designed drainage system;
- (4)** Rodents, insects, or other infestations;
- (5)** Standing water or depressions which hold water during wet weather;
- (6)** Leaking water supply or leaking sewage system;
- (7)** Obsolete sanitary piping systems such as Orangeberg, clay or other non-standard pipe;
- (8)** Scaling, calcified or otherwise compromised water supply lines;
- (9)** Exposed pipes, railings or other installations creating tripping hazards;
- (10)** Damaged, missing or deteriorated walkways, steps and decks which create tripping hazards or are otherwise unsafe;
- (11)** Stairways or steps above 30" from the finished grade without a functioning guard rail;
- (12)** Except on an Accessible Route any change in level in a walkway shall not be greater than $\frac{3}{4}$ ";
- (13)** On any Accessible Route any change in level shall not be greater than $\frac{1}{2}$ ". Any change in level between $\frac{1}{4}$ " and $\frac{1}{2}$ " must be beveled 45 degrees; and
- (14)** Any walkway or driveway that exceeds 5% damage in the form of cracking, spalling, holes, heaving or other damage.

c. Other Conditions/Requirements.

(1) Debris and Brush Removal. The premises shall be free from accumulations of rubbish and garbage that present health and safety hazards. The premises shall be free from trees and shrubs that are damaging the dwelling or present a hazard. Tree limbs in danger of falling on roof areas shall be removed. No vegetation should touch existing buildings, utility service lines, fences, or extend over walkways or parking areas.

(2) Drainage. Surface drainage shall be diverted to a storm sewer or other approved point of collection that does not create a hazard. Lots need to be graded to drain surface water away from the foundation at a minimum slope of 6" within the first 10'. Where lot lines or other physical barriers prohibit this, drains, swales, and/or rain gardens shall be constructed to ensure drainage away from the structure. Use of alternative drainage methods must be approved by TDHCA. Rain gutters shall be installed if none exist. Gutters shall slope 1" for every 20 linear feet with downspouts installed at a minimum every 40'. Downspouts must empty into a splashblock or be diverted at least five feet from the building. Special care must be taken to not discharge water onto adjacent properties.

(3) Driveways, Sidewalks, and Patios. Paved surfaces shall be free from hazards which can cause tripping and falling. Paved surfaces adjacent to the foundation shall not slope towards the structure so that water can collect at the foundation. If tripping hazards and drainage problems exist, the paved surface shall be removed and rebuilt.

(A) Driveways. Following existing driveway demolition, all organic matter shall be removed. Subsoil shall be compacted uniformly and evenly. Forms shall be constructed to provide a minimum slope of 1/8" per foot away from the house and at a depth to provide 4" of concrete. Install either number 4 rebar on 12" centers or 6" x 6" number 10 welded reinforcing wire. Expansion joints shall be installed at all radius points, sidewalk intersections and house slab tie-ins. Concrete mix shall provide a minimum of 3,500 psi at 28 days. If reinforcing steel is not used, control joints shall be sawed in every 10' and be broom finished. Asphalt or gravel driveways may be installed if concrete is prohibitively expensive due to the length of a driveway, or if they are customary for the neighborhood.

(B) Sidewalks and Patios. Following existing sidewalk demolition, all organic matter shall be removed. Subsoil shall be compacted uniformly and evenly. Forms shall be constructed to provide a minimum slope of 1/8" per foot away from any building, at a depth to provide 3 1/2" of concrete, and at least 3' wide. Accessible Route cross slope shall not exceed 2%. Expansion joints shall be installed at all radius points, sidewalk intersections and slab tie-ins. Control joints shall be sawed in every 5' and be room finished. If sidewalks and patios are installed and are connected to an entry door an accessible entry will be required.

(4) Ramps. On Accessible Routes, ramps shall meet the requirements of the 2010 ADA and the applicable Accessibility requirements provided in these Standards.

(5) Vermin and Insects. The premises shall be free from infestations of vermin and wood-boring insects. Inspections shall be performed by state licensed extermination contractors if evidence of infestation exists. Conditions which increase or cause infestation shall be removed (e.g. accumulation of rubbish garbage, unsanitary conditions, presence of consistent moisture, untreated wood in contact with soil, etc.). One or more of the following termite treatments shall be included in the Rehabilitation if infestation is observed; chemical termiticide treatment, termite baiting system installed and maintained according to the manufacturer's label, use of pressure-preservative treated wood, use of naturally durable termite-resistant wood, and/or termite shields.

(6) Landscaping for Additions. When an addition is built, underground utilities run, grade changes made, or the soil is otherwise disturbed, proper compaction and a fine finish grading shall be done and seed, sod or native plants shall be installed matching as closely as possible the existing surrounding yard.

2.0 Foundations

a. General Requirements and Standard Conditions. Foundation work shall be completed in its entirety prior to beginning work on other areas of the housing unit(s). Leveling shall be done in such a manner as to provide an acceptable degree of tolerance. When leveling takes place, doors, windows and other openings shall be reasonably plumb, level and easy to operate. Interior wall coverings shall be repaired and Plumbing Systems shall be inspected to insure the system functions as intended. Foundation leveling shall include grading of the soil to provide a slope away from the home of at least 6" for the first 10'. If the lot does not allow for this grade, a French drain shall be installed to drain water away from the house, or swales shall be designed and built to control rain water runoff. Refer to Section 6.3 (relating to Minimum Standards for Sanitary Drainage).

Foundation walls shall be a minimum of 6" above grade, or 4" above grade if masonry veneer is existing or will be installed. Underpinning shall be required when foundation leveling is a part of Rehabilitation. Any room additions shall comply with the 2015 IRC or later.

In regards to safety, the ICC contains provisions considered necessary for safe installation; however, they are merely minimum requirements. Providing a safe foundation, leveling, repair, or installation and minimizing hazards can be done by following the principles of foundation construction and stabilization, fully complying with any limitations placed on the use of products and materials and permitting only qualified persons to participate.

With foundations, capacity refers to its ability to carry live and dead loads with respect to the soil's plasticity. Unsafe conditions often occur because existing foundations were not properly planned or designed for the soil conditions at the site low to the ground making it difficult to access Plumbing Systems. Convenience also refers to similar concerns, whereby crawlspaces are often too low to the ground, making it difficult to access Plumbing Systems. While raising the housing may not be feasible, every practical effort must be made to increase the crawlspace clearance to a minimum of 12" above grade when leveling housing.

b. Substandard Conditions. At a minimum, repair or replacement is required if any of the conditions in (1) – (7) exist:

- (1) Evidence of wood destroy insect damage;
- (2) Water and/or fire damage or dry rot to wooden piers, beams, joists, and subfloor;
- (3) Inadequate support of beams, sills, or joists;
- (4) Lack of drainage away from the home;
- (5) Cracked, damaged, buckled skirting;
- (6) Untreated wood in contact with the soil; or
- (7) Any other condition which meets the definition of a hazardous or substandard condition.

c. Other Requirements/Conditions.

(1) Slab on Grade. All concrete floors shall be without serious deterioration or conditions that present a falling or tripping hazard. With existing concrete floors, cracks longer than six inches in concrete slabs, 3/4 inch along walkways or steps, or any missing or uneven sections shall be repaired. Slab on grade foundations that are failing, as demonstrated by an inspection by a structural engineer, shall not be rehabilitated.

(2) Pier and Beam. Piers shall have allowable spans between piers or posts. Piers shall support beams which in turn support floor joists. Joists must not be more than 24" on center and, if not continuous, overlap beams shall be at least 12". If major leveling is required, a structural engineer shall inspect the foundation to determine the number of piers that need to be added, repaired, or replaced.

Newly installed footings shall be a minimum of 12" below undisturbed ground surface and the surface shall be level. Termite shields shall be installed on newly installed posts, regardless of pier material.

Skirting shall extend four inches below and at least 18" above grade or up to the exterior cladding and be lapped and fastened under the cladding material. Access to the crawlspace

shall be 18" high by 24" wide (if in the floor) or 16" high by 24" wide (if on the perimeter wall), and is not allowed to be installed under a door. Venting of the crawlspace shall be one square foot per 350 square feet of crawl space area and one vent opening within three feet of each corner. Crawlspace floor shall be covered with six mil polyethylene. Skirting is not permitted in flood zones.

3.0 Structural Support and Roofing

3.1 Roofing Systems

a. Description. All relevant roofing components, which include but are not limited to, trusses, rafters, ridge beams, collar ties, ceiling joists, top plates of walls, and sheathing. Moreover, Truss Designs for Replacement Roofs complying with wood roof framing, includes: slope, span, and spacing; location of all joints, required bearing widths; design loads; joint connector type and description; lumber size, species, and grade; connection requirements; bracing locations; and roof tie-downs and uplift resistance details for high wind areas, or as otherwise provided in Section R802 of the 2015 IRC.

b. General Requirements and Standard Conditions. The Roof System and the roof covering shall safely support the loads imposed. Framing and decking shall be structurally sound, properly fastened, and form a sound base for attaching the roof covering. The Roof System shall be configured to provide a positive drainage plane.

c. Substandard Conditions. At a minimum, any Roof System that is incapable of safely supporting the load or fails to safely provide adequate drainage must be repaired or replaced. Deteriorated, missing or loose framing or sheathing must also be corrected. Generally, repair or replacement is required for any applicable condition listed in (1) – (10):

- (1) Multiple layers of roof covering materials (more than two);
- (2) Water damage caused by leaks through the roofing system;
- (3) Missing, worn, or upturned shingles;
- (4) Damaged, missing, or improperly installed roof jacks, flashings, drip edges on both rakes and eaves;
- (5) Exposed nails or other fasteners;
- (6) Structural damage to trusses;
- (7) Extensive patchwork and repairs;
- (8) Missing, damaged, loose, leaking, blocked, improperly sloped gutters and downspouts;
- (9) Wear and tear leading to a failed system within five years from the initial inspection; or
- (10) Any other Hazardous or Substandard condition.

3.2 Structures

a. General Requirements and Standard Conditions. Roof structures incapable of safely supporting the load or providing adequate slope for drainage shall be repaired or replaced. Sagging roofs shall be replaced or stabilized. Stabilization of sagging roofs that will not be replaced shall be designed by a structural engineer.

b. Other Requirements/Conditions.

(1) Truss Design for Replacement Roofs. Truss designs for replacement roofs shall comply with wood roof framing in Section R802 of the 2015 IRC which includes; slope, span, and spacing; location of all joints, required bearing widths; design loads; joint connector type and description; lumber size, species, and grade; connection requirements; bracing locations; and roof tie-downs and uplift resistance details for high wind areas.

(2) Roof Framing for Replacement Roofs. Purlin support braces shall be installed every 4' O.C. Continuous purlins shall be installed between support braces. Purlins shall be a minimum of 2" x 4" studs. Ceiling joists shall comply with Span Tables R802.4(1) and R802.4(2).

(3) Sheathing Replacement. 5/8" CDX plywood shall be installed with clips spaced O.C. between rafters for rafter spacing of 24".

(4) Ventilation. Unconditioned attics shall be cross ventilated. A one to one ratio shall be installed; for every one foot of soffit vent area there shall be one foot of ridge, gable, or turtle vent area. Soffit vents shall have baffles installed providing at least one inch of airspace to prevent wind washing and/or attic insulation blocking soffit vents. All vents shall have corrosion-resistant wire cloth screening or similar material.

(5) Radiant Barrier. A radiant barrier should be installed in all accessible attic areas.

Powered attic vents, whether connected to the structure's electrical system or powered by photovoltaic, are not allowed.

3.3 Roof Covering

a. General Requirements and Standard Materials. Asphalt shingles shall be fastened to solidly sheathed decks. Asphalt shingles shall be used only on roof slopes of 2:12 or greater slope. Slopes, if applicable, less than 2:12 require appropriate membrane designed for such surfaces. Metal roof panels must either be naturally corrosion resistant or provided corrosion resistance per the manufacturer's requirements. Metal roofs shall only be installed on slopes of 3:12 (for lapped, nonsoldered-seam), ½:12 (for lapped, nonsoldered-seam panels with applied lap sealant), or ¼:12 (for standing-seam roof systems). Otherwise, roof weatherproofing, reinforcement, and surfacing shall be completed in accordance with applicable provisions of the IBC or IEBC.

(1) Flashings. Flashings shall be installed in a manner that prevents moisture from entering walls or the roof through penetrations, at eaves and rakes, at wall/roof intersections, wherever there is a change in roof slope or direction and around roof openings. Wall/roof intersections extending to eaves shall be provided with kick-out flashing. All wall/roof intersections shall have step flashing with at least 1" space between the roof covering and the adjacent wall cladding. Metal flashings shall be a No. 26 galvanized sheet metal and corrosion resistant. A cricket or saddle shall be installed on the ridge side of any chimney or penetration greater than 30" wide.

(2) Valley Flashings. Closed valleys (covered with asphalt shingles) shall be lined with one ply of smooth roof roofing or self-adhering polymer modified bitumen underlayment prior to asphalt shingle installation.

4.0 Minimum Standards for Walls, Ceilings, & Flooring

4.1 Walls and Ceilings

a. General Requirements and Standard Conditions. On exterior walls, all defects or deterioration that would allow the elements to enter wall cavities shall be corrected through Rehabilitation. Replacement of sections of walls and ceilings shall match adjoining materials as closely as possible (e.g. thickness of the existing material). When replacement of entire wall or ceiling coverings or sections of them is replaced, priming and painting of the entire wall or ceiling shall be completed.

b. Substandard Conditions. Repair or replacement is required if any condition listed in (1) – (7) exists:

- (1) Water damage or dry rot of siding, trim, or interior wall coverings;
- (2) Exposed nails or popped seams;
- (3) Peeling or chipped paint, holes, cracks, or gaps in interior wall coverings or exterior cladding;
- (4) Broken, fire damaged or missing exterior cladding;
- (5) Sagging or missing ceiling sections;
- (6) Wood destroying insect damage in exterior cladding; or
- (7) Any other condition characterized Hazardous or Substandard.

c. Other Requirements/Conditions.

(1) Walls.

(A) Exterior Walls. If removing the exterior cladding, deteriorated exterior wall sheathing, studs, and bottom and top plates shall be replaced. Deteriorated or missing insulation shall be replaced and wall cavities shall be insulated to a minimum R-13.

Masonry repair or replacement shall match existing masonry as closely as possible, installed plumb, true, and in line with existing courses. If weep holes are filled or nonexistent, they shall be provided at least every 3' at the slab and at least 1 above each window.

Siding repair or replacement shall match existing siding as closely as possible and provide for a positive drainage plain. All joints and seams shall fall on center of wall framing. Overlap and water sealing shall be completed in accordance with the manufacturer's installation instructions.

(B) Interior Walls. A structural engineer shall inspect interior bearing walls that are proposed to be moved. Non-bearing walls do not require a structural engineer. Moved or newly installed walls shall be constructed with 2x4 studs with the bottom plate securely fastened to the floor and the top plate securely fastened to ceiling joists.

All new gypsum board shall be installed according the manufacturer's installation instructions and shall be installed a minimum of ½" above the finished floor, taped, floated, and feathered prior to painting. New wall coverings shall not show noticeable blemishes or dents and tape shall not show

after painting. All interior walls shall be painted with a No Volatile Organic Compound (VOC) paint.

(C) Bathroom Walls. Bathroom walls that are to be replaced shall be replaced with appropriate backer board. If tile will be installed in the shower/tub area, concrete board, or equivalent, shall be installed. Green board shall be installed in the rest of the bathroom. Bathroom wall coverings shall be installed a minimum of ½" above the finished floor, taped, floated, and feathered prior to painting. New wall coverings shall not show noticeable blemishes or dents and tape shall not show after painting. All bathroom walls shall be painted with a semi- or high-gloss paint No Volatile Organic Compound (VOC) paint.

(2) Ceilings. For ceiling structure, see the Roofing Chapter. Replacement of ceiling coverings shall be with 5/8" Type X gypsum board. Fastening shall be in accordance with the manufacturer's installation instructions. All new gypsum board shall be taped, floated, feathered, primed, and painted with at least 2 coats of No Volatile Organic Compound (VOC) paint. When ceilings are replaced, all ceiling fixtures removed and reinstalled for replacement shall be air sealed.

(3) Painting and Finishes. All areas not to be painted shall either be removed and reinstalled or completely covered to prevent overspray or splatter. Receptacle and switch plates shall be removed and reinstalled.

(A) Interior Walls: All walls that were repaired or replaced shall be painted with at least two coats of No Volatile Organic Compound (VOC) paint. Bathroom walls shall have a semi- or high-gloss sheen.

(B) Exterior Walls: Replaced or repaired exterior cladding, with the exception of brick veneer, shall be painted with at least two coats of exterior grade paint. Existing exterior walls not replaced or repaired but still painted must comply with all applicable requirements in (i) – (iv):

(i) The ground shall be protected with a drop cloth. For pre-1978 housing determined or assumed to have lead-based paint, all scraped paint shall be disposed of in accordance with applicable HUD and EPA guidelines, and as provided in these Standards;

(ii) Peeling and chipped paint shall be scraped loose;

(iii) The entire area to be painted shall be power washed prior to painting; and

(iv) All areas not to be painted (e.g. windows, doors and their trim, exterior lighting fixtures) shall be covered to prevent overspray.

(C) Trim and Baseboards. All installed trim around doors, windows, and floors shall be painted with at least one coat of No Volatile Organic Compound (VOC) paint on both sides (except for baseboard trim).

4.1 Minimum Standards for Flooring

a. General Requirements and Standard Conditions. All flooring, including transitions between rooms, must be effective, relatively level, free of tripping hazards, and adhere to or exceed all applicable Accessibility standards. Floor covering and subflooring(s) must function as intended, as demonstrated through sufficient inspection. Related deficiencies must be corrected during Rehabilitation, as provided in these Standards.

b. Substandard Conditions. Deteriorated, inadequate, and weakened floor framing and subfloors can be the result of poor initial construction, foundation settling or failure, careless remodeling, water, or wood boring insects. A thorough inspection shall be conducted to identify all subfloor and flooring deficiencies.

(1) Repair or Replacement. The conditions in (A) – (D) require corrective measures be completed:

(A) Damaged, rotten, loose, weak or otherwise deteriorated subfloor;

(B) Torn, missing, broken, or otherwise damaged floor covering that creates a tripping hazard;

(C) Missing baseboards, shoe molding, or transition strips; or

(D) Any other condition that meets the definition of Hazardous or Substandard.

In doing so, repairs to severely sloped or uneven floors must satisfy all corrective measures or replacement will be required. New floor coverings shall be installed because the existing floor covering is ineffective, there are obvious trip hazards, because the subfloor was replaced, or because other work requires it, such as increasing the square footage of a room.

Replacement flooring may be required if necessary for Accessibility purposes; other concurrent work; or significant subflooring repairs/replacement occur. If required, any and all applicable Foundation work must be completed first. Thereafter, flooring replacement shall be conducted in accordance with the manufacturer's installation requirements.

c. Other Requirements/Conditions.

(1) Subfloor.

(A) Concrete Slab. If the concrete slab foundation is functioning as intended and is relatively level, no additional subfloor preparation is required. If it is functioning as intended, but not relatively level or has settlement cracks, self-leveling flooring compound shall be installed prior to installation of the floor covering.

(B) Bathrooms, Kitchens, and High Traffic Areas. When replacing subflooring in bathrooms, kitchens, and high traffic areas (e.g. hallways, breezeways) in housing with pier and beam foundations, the newly installed subfloor shall be 19/32" high performance paneling or 3/4" CDX plywood installed as the subfloor with floor joists not more than 24" on center.. All subfloor shall be installed with screws and include subfloor caulking adhesive.

(C) Other Habitable Rooms. Other habitable rooms requiring subfloor replacement shall have 3/4" CDX plywood installed as the subfloor with floor joists not more than 24" on center. All subfloor shall be installed with screws and include subfloor caulking adhesive.

(2) Floor Coverings.

(A) Kitchens and Bathrooms. Replacement floor coverings in kitchens, bathrooms, laundry rooms, and utility rooms shall be water resistant. Transitions between rooms shall match the new floor covering or match as closely as possible existing floor covering that is left in place. Sheet vinyl and VCT shall not be used in rooms with Plumbing Fixtures in pier and beam housing. Replacement floor coverings shall be selected for durability, safety, and ease of maintenance.

(B) Other Habitable Rooms. Replacement flooring in other habitable rooms may include VCT, however laminate planks or ceramic tile is preferred (if ceramic tile is installed on a

pier and beam foundation, the floor system may need to be structurally reinforced to support the extra load). Transitions between rooms shall match the new floor covering or match as closely as possible existing floor covering that is left in place. Sheet vinyl shall not be installed. Replacement floor coverings shall be selected for durability, safety, and ease of maintenance.

(C) Vinyl Composition Tile (VCT). VCT shall be 12" x 12" x 1/8" and stored inside a conditioned space for a minimum of 48 hours prior to installation to allow materials to condition to the inside environment. VCT shall be fitted tightly, with no gaps showing at walls, doors, or trim. Full cover shall be achieved. Base boards or shoe molding shall be installed.

(D) Laminate Planks. Laminate flooring shall be stored inside a conditioned space for a minimum of 48 hours prior to installation to allow materials to condition to the inside environment, and installed per the manufacturer's instructions. Door trim may need to be cut to fit planks seamlessly between rooms. Laminate planks shall be fitted tightly, with no gaps showing at walls, doors, or trim. Full cover shall be achieved, but it shall not fit tightly against walls so that it is allowed to "float". Base boards or shoe molding shall be installed.

(E) Carpeting. Carpeting is generally discouraged; removal of existing carpeting should be conducted where practicable. Otherwise, carpeting must be of good quality, in sanitary condition, and preferably low pile. Carpet installation must be completed per the manufacturer's instructions and over appropriate pad(s). Carpet installation is not permitted in kitchens or bathrooms. Replacement floor covering(s) shall be selected for durability, safety, and ease of maintenance.

5.0 Other Cladding and Weatherproofing (e.g. Windows, Doors, Siding, Gutters)

5.1 Minimum Standards for Doors and Windows

- a. General Requirements and Standard Conditions.** Applicable Foundation work must be completed prior to repairing or replacing doors and windows. Each habitable room that contains a window shall have at least one window that is in operable condition and capable of being held in the open condition without assistance or device. Habitable bedrooms must have a minimum of one window that meets egress requirements. Bathrooms, bedrooms and utility rooms shall have a door that is easily operable and fitted with functioning hardware that tightly latches the door.

All windows repaired or replaced as part of the scope of work must operate safely, effectively, and conveniently regardless of user's age or ability. Each window must have an operable screen. Repaired or replaced windows must meet or exceed the requirements of an Energy-Star Rating. Additionally, blinds or window coverings must be provided for all windows.

- b. Substandard Conditions.** At a minimum, the conditions in (1) – (11) must be repaired or replaced:

- (1)** Broken, missing or cracked window panes;
- (2)** Rotten or deteriorated sills, frames or trim;
- (3)** Missing seal or sealant or dried, cracked or missing putty or caulking around window panes;
- (4)** Windows painted shut, inoperable or difficult to open and close;
- (5)** Security bars that do not open from the inside without any special knowledge or tools;

- (6) Windows and exterior doors that do not lock;
- (7) Broken, damaged, or deteriorated doors;
- (8) Doors that do not shut and latch or lock smoothly with the strike plate;
- (9) Exterior doors that are not listed as exterior doors;
- (10) Rotted, deteriorated or damaged thresholds, jambs, frames, or trim; and
- (11) Any other condition that can reasonably be characterized as Hazardous or Substandard.

5.2 Minimum Standards for Doors

a. General Requirements and Standard Conditions.

All doors shall be in good operating order, easy to open, close and latch. All replacement doors must be installed true and plumb with trim installed on both sides. Hardware style (e.g. knob, lever handle, passage), finish (e.g. chrome, brushed nickel, satin), and any glazing shall be identified in the scope of work. All doors that come into contact with interior walls when opened shall have base board mounted, rubber tipped door stops installed.

(1) Interior Doors. Interior door replacements must be installed true and plumb, with trim installed on both sides. Bathroom doors shall be able to be locked.

(2) Exterior Doors. Exterior doors include, but are not limited to, doors connecting the conditioned space with an attached garage. Replacement exterior doors must be at least Energy Star qualified, or its equivalent, double bore exterior doors. Doors connecting the conditioned space to an attached garage shall also be fire rated. All exterior doors shall be keyed alike with a sufficient number of key copies provided to the residents.

b. Other Requirements/Conditions.

(1) Accessibility and Universal Design. Accessible doors may be required depending on the Unit or Household Type(s). Universal design principles state that housing should be built to accommodate any person regardless of age or physical ability. Consultation(s) should be made to determine whether the conditions in (A) – (C) are necessary:

(A) Heavily used Interior doors widened to accommodate a 36" door with a threshold no higher than 1/8". If not feasible due to structural constraints, clear swing hinges can be installed;

(B) Automatic door openers can be installed; and

(C) Lever handles will be installed on all doors.

5.3 Minimum Standards for Windows

a. General Requirements and Standard Conditions. All windows shall be in good operating order, easy to open, close, latch, and lock. Windows that cannot be repaired must be adequately replaced. Flashing materials shall provide a positive drainage plane.

b. Performance Chart. Replacement windows shall meet or exceed Energy-Star or equivalent Ratings. The Performance Chart included herein provides the minimum performance ratings required for all replaced and, if practical, repaired windows.

Performance:	CZ2	CZ3	CZ4
Performance Measure:			
U-Factor	0.65	0.50	0.35

SHGC	0.35	0.35	Not Required
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5.4 Minimum Standards for Gutters and Downspouts

a. General Requirements and Standard Conditions. All gutters and downspouts must be installed or replaced (repair alone is insufficient). Gutters shall have a slope no less than 1:20 and all seams made weather tight, if applicable. Downspouts shall be installed at a minimum every 40' and shall discharge water at least five feet from the foundation. Drainage five feet away from the foundation may be accomplished through the installation of a French drain, swales, or other means of directing water away from the foundation. Water shall not be discharged onto an adjoining property.

6.0 Plumbing, Potable Water, and Sanitary Sewer Systems

6.1 Minimum Standards for Plumbing Systems

a. General Requirements and Standard Conditions. The Plumbing System must effectively provide both a safe and adequate supply of potable water, and a safe and sanitary method of distributing wastewater. Effective Plumbing Systems adhere to the mandatory plumbing principles in (1)-(7):

- (1) Sewer gases shall not be allowed to enter any housing Unit;
- (2) Sewer leaks must be identified, repaired or replaced, and improper disposal methods discontinued;
- (3) Water leaks must also be identified and repaired or replaced;
- (4) Water must be free from hazardous contaminants and safe for drinking, bathing and other uses.
- (5) An adequate supply of water must be available for all water needs, which includes having adequate pressure at each fixture.
- (6) Supply, drain, waste, and vent pipes shall not interfere with structural integrity. Notching and drilling of structural members shall comply with the requirements of the 2009 IRC, Figure R602.6(1) and (2).
- (7) Plumbing work shall be performed by state licensed individuals, and plumbing inspections performed by experienced and qualified individuals knowledgeable in the field of plumbing.

b. Substandard Conditions. Existence of any condition listed in (1)-(11) shall require, at a minimum, adequate repair or replacement. If replaced, newly installed Plumbing Systems, piping, and fittings must be properly installed, connected, free flowing; and must be free of leakage and corrosion of water or sewer gases.

- (1) Lack of any required condition, as provided in (A) – (F):
 - (A) Continuous sanitary water supply;
 - (B) Continuously functioning sanitary waste water disposal system;
 - (C) Functioning shut-off valves at toilets, sinks and lavatories;
 - (D) Access to waste lines such as clean-outs;
 - (E) A minimum of one functioning toilet, bathroom sink, or tub/shower;
 - (F) Functioning kitchen sink; or

- (2) Septic system or Plumbing Fixtures not performing as intended;
- (3) Leaks in any supply or waste lines;
- (4) Deteriorated, corroded, or leaky supply or drain pipes;
- (5) Supply or drain piping consisting of a mixture of different types of piping or fittings, or is run in an inefficient manner;
- (6) Missing, blocked, or improperly installed required conditions listed in (A)-(D):
 - (A) Vent pipes;
 - (B) Gas shut off valve on natural gas Domestic Water Heater (DWH);
 - (C) Temperature and pressure-relief valve (TPRV) on DWH;
 - (D) Shut off valves at the water meter, each toilet, each sink, DWH, or tub/shower locations; or
- (7) Natural gas domestic water heaters (DWH) located in bathrooms, bedrooms, closets or utility rooms where a clothes dryer is present;
- (8) Natural gas DWH combustion air taken from conditioned space;
- (9) Inadequate natural gas DHW vent (e.g. not double walled or skirted at roof penetrations);
- (10) Rusted or corroded DHW pipes or storage tanks; and
- (11) Any other condition reasonably characterized Hazardous or Substandard.

6.2 Minimum Standards for Potable Water

a. **General Requirements and Standard Conditions.** Water service lines shall be properly connected to a public or approved private system functioning as intended. All newly installed supply lines must be flushed and fittings tested. Privately owned wells and systems must also be tested for water quality. Testing must occur prior to commencing Rehabilitation; and must be conducted by a local health department or other qualified, unaffiliated source. Appropriate corrective measures are required for privately supplied water determined not suitable for use.

b. **Other Requirements/Conditions.**

(1) **Water Supply.** All dwellings shall have adequate, safe, and potable water supplied through a safe Plumbing System to all fixtures.

(2) **Water Quality.** Supply systems shall provide for the delivery of potable water through a safe system of piping, free from leaks and other defects and not subject to the hazards of backflow. If supplied water is not free of bacteria, chemicals, excessive minerals, relatively free of odor, taste, color and turbidity, corrective measures to improve water quality (e.g. water softening, water filtering) should be installed.

(3) **Exterior Pipe Protection.** All newly installed exterior water lines shall be buried at a minimum depth of 6" below the final grade, or be protected from freezing in accordance with local climate.

(4) **Water Pressure.** The average static pressure at the building entrance shall be between 40-80 psi. If pressure exceeds 80 psi, an approved pressure reducing device shall be installed. If pressure is less than 40 psi, a thorough evaluation shall be conducted to determine the reason(s) for low pressure and appropriate corrective measures shall be completed.

(6) **Pipes.** New supply water piping shall be type "L" copper tubing with wrought copper solder joint fittings, PEX, or CPVC. All fittings shall be compatible with pipe material. Joints between dissimilar metals shall be made with dielectric fittings to prevent joint

deterioration due to electrolysis. All piping shall be adequately supported to prevent sagging or breakage.

(7) Valves. The main water line shall have an accessible service shut-off valve for each building or Unit, as applicable. All hot and cold water supply lines feeding all Plumbing Fixtures shall be equipped with functional and accessible shut-off valves. Access panels for tub/shower enclosures must be provided for access to valves and maintenance, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access. All valves shall be tested and must not leak.

6.3 Minimum Standards for Sanitary Drainage

a. General Requirements and Standard Conditions. The sanitary drainage system consists of the pipes designed to provide adequate circulation of air, exhaust of sewer gasses, prevent loss of water seals in traps and provide for wastewater flowing out of the home and into an approved sewage disposal system. All fixtures shall be connected to an approved sewage disposal system and free of leaks. New sewage disposal systems shall comply with EPA and Texas Commission on Environmental Quality (TCEQ) requirements.

b. Substandard Conditions.

(1) Unapproved Private Systems. Unapproved systems include pit privies, cesspools, ponds, lakes, streams and rivers. If any of these systems are in use, they must be abandoned and the housing Unit must be connected to an approved sewer disposal system.

(2) On-Site Sewage Facilities (OSSF). Prior to conducting Rehabilitation, all OSSF systems shall be inspected by a licensed OSSF inspector. If not performing as intended, an existing OSSF system must be repaired, replaced, or abandoned as provided in (A)-(B):

(A) Repair or Replacement. If repair is suitable, the tank shall be drained and all components tested and repaired or replaced. Special attention must be given to the drainage field; tree cutting and site clearing of the field may be required and replacement made. The drainage field must be designed for the existing soil conditions and the water table at the site and installed by a licensed installer.

(B) Abandonment. If a public system is available to connect to, and the existing OSSF system has reached the end of its Useful Life, abandonment is required. The existing tank shall be pumped, collapsed, and filled. A licensed plumber shall connect the housing to a public system and include a clean out close to the home.

c. Other Requirements/Conditions.

(1) Traps. Bell traps, "S" traps, and drum traps are prohibited. If any of these exist, they shall be replaced with a "P" trap. All fixtures shall be trapped and conform to the requirements in (A)-(F):

(A) All waste lines shall be trapped by a water seal trap as near to the fixture as possible but in no case more than 24" from the fixture;

(B) All traps shall be set level with respect to their water seals and sink traps shall be protected from contact and damage if sinks are made accessible for individuals using wheelchairs or other mobility device(s);

- (C) Trap size shall not be less than the following inside diameters: 1 ¼" for lavatories; 1 ½" for tubs, showers, kitchen sinks and dishwashers; 2" for clothes washers and; and 3" for floor drains in utility rooms;
- (D) No trap shall be larger than the drainage pipe coming from a fixture;
- (E) Access panels shall be provided to enclosed traps and concealed connections, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access; and
- (F) Wall and ceiling openings for plumbing shall be air sealed with caulk (gap less than ¼") or expanding foam (gaps more than ¼").

(2) Vents. Plumbing Systems shall be designed to prevent sewer gases from entering the housing Unit(s), allow waste to adequately drain into an approved sewer system, and shall be vented to the exterior so that water released from fixtures may draw in air to allow for smooth and even drainage. All vents must also meet or exceed the requirements in (A) – (E):

- (A) All Plumbing Systems shall have at least one main vent stack, running from the main drain through the roof, terminating to the exterior. If only one main vent exists, it shall be no less than 3" inside diameter from top to bottom;
- (B) Plumbing vent systems shall only be used for the purpose of venting the system;
- (C) Existing vents shall be at a minimum 6" above the high side of the roof penetration. Newly installed vents shall be a minimum 12" above the high side. Through the roof vent penetrations shall be flashed and sealed to provide a positive drainage plain;
- (D) All vent stacks terminating in an attic shall be extended or replaced. No vent stacks shall terminate near any window or door or under soffits; and
- (E) Air admittance valves are allowed as long as they are American Society of Sanitary Engineering (ASSE) 1051-2009 approved and installed in accordance with the manufacturer's installation instructions.

6.4 Minimum Standards for Plumbing Fixtures

a. General Requirements for Standard Conditions. All Plumbing Fixtures shall be free of leaks or defects which interfere with their ability to perform as intended. Existing fixtures in good and safe working order are generally not required to be repaired or replaced.

b. Other Requirements/Conditions. Any and all replacement Plumbing Fixtures and appliances must be installed per the manufacturer's installation instructions, including water sealing, and must be completed in accordance with all applicable requirements provided in (1)-(7):

- (1) All replacement fixtures shall meet or exceed the requirements of WaterSense qualified or equivalent products. Kitchen faucets requiring replacement shall provide 2.2 gallons per minute (GPM) and a 15-year drip free warranty. The scope of work must identify the height toilet(s), whether it is round or elongated, and whether a new faucet is single lever or not.
- (2) All replacement plumbing appliances must meet or exceed the requirements of Energy Star, or equivalent, qualified products.
- (3) All replacement shower fixtures shall use anti-scald control devices. Access panels shall be provided to these valves, if possible with wall and plumbing configuration prior

to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access.

(4) All fixtures shall be supported and securely attached in a manner consistent with normal installation methods and installed level.

(5) All faucets shall have the hot water line on the left side of the faucet. Existing supply lines that are reversed shall be changed.

(6) If existing garbage disposals are not performing as intended or are not hardwired to the electrical system, they shall be removed, repaired or replaced. New garbage disposals shall be hard wired and switched in an accessible location as close as possible to the kitchen sink.

(7) All repaired or replacement fixtures and appliances shall be tested for leaks and proper operation.

6.5 Minimum Standards for Domestic Water Heaters (DWH)

a. **General Requirements and Standard Conditions.** All DWHs, with the exception of tankless water heaters, shall have, at a minimum, a 30 gallon storage capacity that can supply a continuous flow of hot water that is at least 102 degrees F, with gas or electric shut-off valves as well as cold water supply shut-off valves, all installed and functioning as intended. Larger capacity DWHs may be installed if necessary to serve larger households. Replacement DWHs shall meet or exceed the requirements of Energy Star qualified, or equivalent, products.

(1) **Temperature and Pressure Release Valve (TPRV).** Each unit shall be equipped with a TPRV must capable of releasing pressure at 150 psi or 210 degrees Fahrenheit. Water release shall extend to the exterior of the housing, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access.

(2) **DWH Enclosure.** Each DSW shall be enclosed in a sealed closet designed for this purpose, with gas DSWs having combustion air drawn from outside the conditioned space. Gas DWHs inside conditioned spaces must be in separate closets that is not in the same room as a clothes dryer or any type of exhaust vent. All DWHs installed in a garage must be installed at a minimum 18" AFF with primary drainage draining to the exterior. DWHs in other locations shall be supported by a minimum three foot concrete base, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to install a concrete base.

(3) **Energy Factors (EF) Table.** Replacement DWHs shall meet or exceed the Energy Factors (EF) requirements identified by size and type in the Energy Factors (EF) Table:

2026 Program Year Energy Factors (EF) Table		
Energy Factors (EF):	Gas DWH EF	Electric DWH EF
Replacement DSWs must meet or exceed the EF		

identified for each size in this table.		
Storage Size (Gal):		
30	0.63	0.94
40	0.61	0.93
50	0.59	0.92
60	0.57	0.91
70	0.55	0.90
80	0.53	0.89

7.0 **Electrical Systems**

7.1 **Minimum Standards for General Electrical Service**

a. General Requirements and Standard Conditions. Electrical systems must provide a safe and adequate supply of electrical current that meets the needs of the residents. Accordingly, Electrical Systems must meet or exceed the safety and efficiency requirements provided in (1)-(6), which require that the system is:

- (1) Properly grounded and free of hazards with all components properly secured and covered to prevent contact or electric shock;
- (2) In good condition, with all electrical components up to date, lacking deterioration, and free of shorts;
- (3) Sufficiently providing adequate, consistent, and appropriate current and voltage levels at each outlet, fixture, and piece of equipment, as per its intended use;
- (4) Equipped with conductors, fixtures, boxes, and equipment that are properly sized and rated for their intended use;
- (5) Adequate for its current use considering resident behavior and lifestyles;
- (6) Equipped with an adequate quantity of appropriately located lighting, receptacles, and switches; and
- (7) Maintained, repaired, or otherwise replaced primarily in accordance with the ICC Principles of Safety, Capacity, and Convenience.

b. Substandard Conditions. At a minimum, repair or replacement is required if any of the conditions in (1)-(17) exist:

- (1) Inadequate capacity (e.g. excessive use of power strips and/or multiple outlet adaptors);
- (2) Two-wire systems (lacking grounding);
- (3) Wiring or components missing, broken, disconnected, loose, burnt or melted, unsupported, corroded, cracked, or split;
- (4) Panel boxes that show evidence of water intrusion or infestation;
- (5) Frayed or burnt wiring or wire insulation;
- (6) Circuits, switches, receptacles, or wiring is not compatible with the amperage or other characteristics of the electricity in use;
- (7) Flexible cords are used as permanent wiring (unless Non-Metallic (NM) cable(s) otherwise installed in accordance with local building codes);
- (8) Exposed wiring on interior walls or the exterior that are not protected in conduit or raceways (unless Non-Metallic (NM) cable(s) otherwise installed in accordance with local building codes);
- (9) Receptacles in bathrooms and kitchens within 6' of a water source and exterior receptacles that are not ground fault circuit interrupter (GFCI) protected;

- (10) Reverse polarity;
- (11) Unlabeled circuits;
- (12) Missing cover plates;
- (13) Components not securely attached to the structure;
- (14) Inadequate lighting in rooms and outside of entry doors; or
- (15) Any other condition reasonably characterized as meeting the definition of a Hazardous or Substandard Condition.

c. Other Requirements/Conditions. Additions, alterations, renovations, and repairs to electrical systems and equipment must be conducted in accordance with the applicable requirements of new electrical systems and equipment by appropriately licensed electricians. Rehabilitation of existing systems and equipment is generally not simultaneously required to comply with the overlapping, otherwise applicable provisions of the IEBC. Nevertheless, any and all additions, alterations, and repairs MUST NOT cause existing electrical systems or equipment to become unsafe, hazardous, or overloaded. IBC 2015, Appendix K (Administrative Provision).

7.2 Minimum Standards for Existing Wiring and Fixtures

a. General Requirements and Standard Conditions. Existing electrical service and components must be safe, efficient, and in good working condition for its intended use. Moreover, the capacity of the system must meet the demand of the residents. Replacement is not mandatory for existing service and components that meet or exceed these Standard Conditions, unless otherwise required by code or local ordinance. Voluntary replacement may be permitted to more efficiently and cost-effectively meet the needs of the community and the current or intended demands of the residents.

b. Substandard Conditions. Overloaded circuits are not permitted and must be addressed by separating the load and adding an adequate number of circuits necessary to safely and efficiently carry the load.

c. Other Requirements/Conditions.

(1) Secure Fastening of Fixtures and Equipment. All components shall be securely fastened to framing members by mechanical means. No fixture or socket shall hang by unsupported wiring. All existing receptacles, switches, and junction boxes shall contain a proper cover plate. In no case shall the structural integrity of the building be compromised.

2. New Wiring. New wiring shall be installed in a neat and workmanlike manner with all wiring run inside of walls. If wall or ceiling cavities are not accessible, wiring shall be run in properly sized and rated raceway or wire mold, secured along the walls with proper fasteners, flush to the surface and straight.

3. Aluminum Wiring: All aluminum wiring in housing to be rehabilitated shall be replaced with a 3-wire system and in accordance with these Standards. Properly sized service aluminum entry wiring is generally not required to be replaced.

4. Knob and Tube Wiring. Knob and tube wiring shall be replaced with a 3-wire system and in accordance with these Standards.

7.3 Minimum Standards for Sizing of Service and All Electrical Homes

a. General Requirements and Standard Conditions. The service entrance cable shall have the same rating (amperage) as the meter base and service equipment. Replacement of a service entrance shall require calculation of the usage or load within the building to assist in determining the appropriate size. The service entrance must be properly sized for its intended post-Rehabilitation capacity. Room-by-room specifications noting electrical outlets and fixtures shall be included in the scope of work. Nameplate ratings of all appliances must be reviewed for actual VA ratings.

b. Other Requirements/Conditions:

Main Service Panel. Panels shall be in proper working condition with no evidence of overheating, arcing, corrosion, or failure. The panel shall bear the UL label and shall be marked as suitable for service equipment. Any panels (or installed breakers) identified as substandard by the U.S. Consumer Product Safety Commission shall be replaced. Panels with evidence of malfunction or deterioration shall be replaced.

7.4 Minimum Standards for Material and Equipment Installation

General Requirements and Standard Conditions. All materials, components, and equipment shall be listed or labeled by a qualified electrical products testing laboratory (e.g. "UL" or "CSA"). Listed materials, components, and equipment must be installed per the intended use, with location determined in accordance with the manufacturer's installation instructions.

7.5 Minimum Standards for Grounding

General Requirements and Standard Conditions. All electrical systems shall consist of a single phase 3-wire grounded neutral service entrance and shall provide system grounding and equipment grounding protection.

The service panel shall be connected to the grounding electrode system and an eight foot (8') galvanized or copper clad steel ground rod. All electrical panels shall meet or exceed the bonding requirements of the National Electrical Code (NEC).

If present, metal water pipes shall be bonded to the grounding electrode systems as a means to ground the Plumbing System and prevent pipes and fixtures from becoming energized and hazardous.

All wiring and equipment shall be grounded in accordance with the grounding requirements of the NEC.

7.6 Minimum Standards for Overcurrent Protection

a. General Requirements and Standard Conditions. The number of circuits installed shall not exceed the rating on the panel. The selection of a panel shall provide room for future expansion. All circuits shall be clearly, accurately, and permanently labeled with tags

provided. All unused openings shall be properly plugged, capped or sealed with listed materials.

b. Substandard Conditions. Tandem breakers shall only be used in panels designed for them. The use of tandem breakers in order to exceed the 16 circuits permitted on an 100 amp panel shall not be permitted. Any service equipment containing fuse over-current protection shall be replaced with properly rated circuit breaker type over-current protection devices.

c. Other Requirements/Conditions. Panel board over-current devices shall be properly sized and located at the exterior in a subpanel if the main service panel is in the interior. All existing circuits shall be load tested for tripping.

7.7 Minimum Standards for Service Panel and Sub-Panel Connections

a. General Requirements and Standard Conditions. All existing or new service panels shall be securely fastened to the dwelling. All panel boxes shall be listed and enclosed in 16 gauge sheet steel cabinets with doors and catches. Conductors entering the service shall have proper connectors and shall be securely and neatly attached at terminals. All circuits shall be marked and identified inside the panel box and any sub-panels.

b. Substandard Conditions. Wires shall not have any obvious nicks in the insulation and shall be properly bonded. Service panels shall not be located in bathrooms or closets. When replacement is necessary, the design and location of the service panel shall be considered in conjunction with the relevant needs and desires of the residents.

c. Other Requirements/Conditions.

(1) Panel Boxes. If replacement is required, new panel boxes and subpanels must be installed at 48" AFF (as measured from the main shut off switch or to the highest breaker in the box). Relevant local code requirements will apply with regard to this measurement should this Section 7.7(c) conflict with the local code.

(2) Weather head(s). Weather heads shall be at least 12' above the finished grade.

(3) Sub-panels. Sub-panels, add-on boxes, or disconnects to existing services for additional circuits shall be allowed only if the existing service equipment is listed and designed for such extension and the installation is in compliance with the NEC. Sub-panels are allowed if the existing service panel has adequate capacity but no available expansion slots.

(4) Service Disconnect. The main disconnect shall be accessible and clearly marked as a service disconnect.

7.8 Minimum Standards for Branch Circuits

a. General Requirements and Standard Conditions. Protection against physical damage of exposed electrical equipment shall be provided throughout Rehabilitation.

b. Other Requirements/Conditions.

(1) Dedicated Circuits. No less than one dedicated 20 amp circuit shall be present for each bathroom and no less than two 20 amp small appliance branch circuits serving the kitchen. A dedicated circuit shall not serve other receptacles. All 240 volt appliances or

equipment shall be on separate circuits. The number of small appliances used by the occupants shall be taken into consideration when planning the circuit loads and placement of receptacles to avoid overloading a circuit and to eliminate the use of extension cords or multiplex outlets. Additional circuits may be necessary and are allowed. Dedicated circuits are required for at least those appliances listed in subparagraphs (A) – (L) of this paragraph, if applicable and as sized in accordance with the manufacturer's instructions:

- (A) Refrigerators;
- (B) Separate freezers;
- (C) Electric range or cook top;
- (D) Electric oven;
- (E) Clothes dryer;
- (F) Electric water heater;
- (G) Electric furnace/air handler;
- (H) Microwave oven;
- (I) Air conditioner;
- (J) Sump pumps and water wells;
- (K) Septic system aerators; and
- (L) Any other major electric appliance.

(2) Circuit Load Distribution. All circuit wiring shall be properly sized to serve the load.

(3) Two-wire Systems. All 2-wire, ungrounded wiring shall be replaced with 3-wire, grounded wiring.

(4) Unused Switches, Receptacles, Fixtures, Conductors and Openings. Unused switches, receptacles, fixtures, and conductors that are obtainable or otherwise within reach shall be removed. All unused openings in outlets, devices, junction boxes, conduit bodies and fittings, raceways, cabinets, and equipment cases or housings shall be effectively closed with knockout seals to prevent vermin, insects, and building materials from coming into contact with wiring.

(5) Wire Splices. All splices shall be placed in accessible and listed junction boxes that are properly covered.

(6) AFCI Protected Circuits. All newly installed branch circuits that supply 15 and 20 amp receptacles installed in family rooms, dining rooms, living rooms, parlors, libraries, dens, sun rooms, recreational rooms, closets, hallways and similar rooms or areas shall be protected by a combination type arc-fault circuit interrupter installed to provide protection of the branch circuit.

7.9 Minimum Standards for Receptacles

a. General Requirements and Standard Conditions. All replacement receptacles must be tamper resistant, and shall be listed/labeled and installed per manufacturer's instructions. Boxes must be specifically designed for its intended purpose, properly sized (rated for the size of the circuit), and mechanically fastened with attached cover plates installed. Receptacles located in damp or wet areas must be weatherproof and the wiring shall be run in boxes, conduit(s) and fittings that are listed for wet locations.

(1) Receptacle Locations

(A) All Rooms. All habitable spaces must have receptacles. In each family room, dining room, living room, parlor, library, den, sun room, bedroom, recreation room,

or similar room or area, receptacles shall be installed so that at a minimum each wall has at least one receptacle. Receptacles shall be spaced so that at no point along the perimeter of the floor is more than 6' from a receptacle. Other rooms that are not regularly used by residents/occupants are permitted to have only a minimum of one receptacle per room. Receptacles should not be located lower than 15" above the finished floor.

(B) Bathrooms. All bathrooms must have at least one dedicated 20 amp receptacle outlet that is GFCI protected and located at least 3' from the outside edge of the sink. The receptacle shall be located not lower than 30" and not higher than 48" above the finished floor. Receptacles shall not be located within or directly over a bathtub or shower stall, and shall be at least 12" from the outer edge of the bathtub or shower opening.

(C) Kitchens. The kitchen shall have GFCI protected duplex receptacles on at least two separate 20 amp appliance circuits at the kitchen counter top spaced not more than 48" from each other. A separate dedicated, non-GFCI protected receptacle shall be required for each refrigerator and electric range or cook top, located directly behind it.

(D) Other Exterior(s). Exterior receptacles shall be GFCI protected and enclosed in a listed or labeled weatherproof box. One shall be required at the front of the house and one at the back.

(2) GFCI Protection. Receptacles located in bathrooms, kitchens, in a garage, at the exterior, and anywhere else located within 6' of a sink, shall be GFCI protected. Single use, dedicated receptacles for use by equipment and appliances such as washing machines and sump pumps shall not be GFCI protected, and shall be single, rather than duplex, receptacles when replaced.

7.10 Minimum Standards for Lighting

General Requirements and Standard Conditions. Every habitable room and all living spaces (e.g., bathroom, toilet room, laundry room, furnace or utility room, and hallways) shall be provided adequate natural or artificial lighting, as applicable, and in accordance with paragraphs (1) – (3) of this section:

(1) Natural lighting. Natural lighting must be provided by exterior glazed openings that generally open directly onto a public way, yard, or court. The net glazed area generally must span a minimum eight (8) foot area of the floor in the room or adjoining space served.

(2) Artificial lighting. Artificial lighting must provide at least an average illumination of 10 footcandles (107 lux) over an area of the room served at a height of 30 inches above the floor.

(3) Safety lighting. All stairways (e.g. interior within dwelling unit and exterior serving dwelling unit(s)) must be illuminated by at least one artificial light fixture controlled by a remote wall switch located at the top and bottom of the stairway.

7.10 Minimum Standards for Fixtures and Switches

a. General Requirements and Standard Conditions. All replacement fixtures shall be listed or labeled, Energy Star qualified or equivalent, and must be installed in accordance with the

manufacturer's installation instructions. If existing fixtures are in a good and safe condition, securely fastened to framing members, replacement is not required.

b. Substandard Conditions. No fixture or receptacle shall hang from a base by unsupported wiring.

c. Other Requirements/Conditions.

(1) Fixture and Switch Locations. At a minimum, a permanently installed lighting fixture controlled by a wall switch is required in each room of the structure. Switches shall not be located in tub/shower areas or behind the swing of a door. All new wall switches must be located in a convenient and Accessible location.

(2) Closet Fixtures. All light fixtures installed in closets shall be surface mounted or recessed can lights. Recessed can lights shall be Insulation Contact Air Tight (ICAT) rated or its equivalent. Closet fixtures shall be a minimum 6" away from any storage, clothing, or other items, and have a protective cover over the bulb.

(3) Lamps (Light Bulbs). All replacement lamps must meet or surpass the industry standards for Energy Star qualified or equivalent Compact Florescent Lamps (CFLs) or Light Emitting Diodes (LEDs). Refer to Section 4.12 (*regarding* Minimum Standards for Lighting) for additional details.

7.11 Minimum Standards for Smoke and Carbon Monoxide Detectors

a. General Requirements for Smoke Detectors. Each dwelling shall have listed or labeled smoke detectors installed in each bedroom and in the hallway immediately adjacent to bedrooms. Smoke detectors shall draw their primary power from the electrical system, with battery backup, and without interruption except for over current protection. Smoke detectors shall be interconnected so that all detectors sound the alarm when any one senses smoke

b. General Requirements for Carbon Monoxide Detectors. In dwellings with attached garages and/or fuel-fired appliances, carbon monoxide detectors shall be installed. CO detectors shall be listed as complying with UL 2075 and installed outside the immediate vicinity of bedrooms. CO detectors shall be permanently installed and hard wired to the electrical system with battery backup.

8.0 Heating, Ventilation, and Air Conditioning (HVAC)

8.1 Minimum Standards for HVAC Systems

a. General Requirements and Standard Conditions. In conjunction with other systems, the HVAC system of a housing unit must effectively maintain a comfortable living environment for the residents/occupants. At a minimum, paragraphs (1) – (3) of this Section 8.1(a) require all HVAC systems:

- (1)** Provide a reliable source of heated or cooled air, as applicable, and at a comfortable temperature for all habitable rooms;
- (2)** Control ventilation and indoor air quality; and
- (3)** Be free of contaminants that negatively affect indoor air quality.

b. Substandard Conditions. Repair or replacement is required if any Hazardous condition applies, which include but are not limited to, those listed in paragraphs (1) - (14) of this Section:

- (1)** Lack of a steady and dependable source of heating and cooling to all living areas;

- (2) Gas-fired air handler inside the conditioned space which draws; combustion air from the interior;
- (3) Combustion gases not venting to the exterior;
- (4) Leaking, damaged, rusted or cracked heat exchanger;
- (5) Leaking, corroded or damaged gas supply pipe;
- (6) Missing gas shut-off at each appliance;
- (7) Lack of a functioning pilot or electric start;
- (8) Inadequate duct system that does not supply necessary conditioned air to all living areas;
- (9) Leaking ducts or returns;
- (10) Mismatched or poorly repaired equipment;
- (11) Deficiencies are too numerous to justify repair expenses;
- (12) Unvented gas-fired wall heaters in enclosed rooms. If existing, the wall unit shall be removed and the gas line capped;
- (13) Gas-fired kitchen stoves and/or ovens without ventilation to the exterior;
- (14) Lack of a functioning carbon-monoxide detector in homes with gas-fired appliances or equipment.

c. Other Requirements/Conditions.

(1) Sizing and Selecting a New System. Replacement heating and cooling equipment shall be sized in accordance with the current version of the Air Conditioning Contractors of America (ACCA) 16 Manual J or other approved methodology. Equipment selection shall comply with the current version of ACCA Manual S or other approved methodology. Data for heating and cooling loads shall be calculated in accordance with required post-rehabilitation conditions.

(2) Installation. Installation of new systems shall comply with the manufacturer's installation instructions, as appropriate for the fuel source. All replacement equipment shall have a permanent electrical receptacle, switch, light fixture near the equipment, and installed in an accessible manner so that future inspecting, maintaining, and repairing the system can be completed.

(3) Programmable Thermostat. A programmable thermostat shall be installed when a new heating and cooling system is installed. Upon installation, the temperature settings shall be done by the contractor, the occupants shall be educated on using the thermostat and the instructions and warranty shall be provided to the occupants. The location of the thermostat shall be in a central location and not within 3' of doors, windows, appliances, or televisions and installed not higher than 48" AFF, measured from the center of the thermostat.

(4) Specific Requirements for Cooling Equipment.

(A) Climate Zones.

(i) Cooling equipment in Climate Zones 2 and 3 shall be 14.5 Seasonal Energy Efficiency Ratio (SEER)/12 Energy Efficiency Ratio (EER) Energy Star qualified, or its equivalent; or alternatively, shall be a heat pump.

(ii) Cooling equipment in Climate Zone 4 shall be 13 SEER, or its equivalent; or alternatively, shall be a heat pump.

Refer to Section 8.1(c)(3) of these Standards for details regarding Heating Equipment.

(B) Indoor Air Handler. If the indoor air handler is being replaced, the outdoor coil shall also be replaced and it shall be matched to the indoor air handler, unless the outdoor coil is in good working condition and is compatible and properly sized to the new indoor air handler.

(5) Specific Requirements for Heating Equipment.

(A) Climate Zones.

(i) Heating equipment in Climate Zones 2 and 3 shall be greater than or equal to 80% AFUE gas furnace (or its equivalent); greater than or equal to 8.2 HSPF/14.5 SEER/12 EER air-source heat pump, Energy Star qualified with electric backup (or its equivalent); or alternatively, shall be a ground-source heat pump, Energy Star qualified (or its equivalent).

(ii) Heating equipment in Climate Zone 4 shall be greater than or equal to 90% AFUE gas furnace (or its equivalent); greater than or equal to 8.5 HSPF/14.5 SEER/12 EER air-source heat pump, Energy Star qualified with electric backup (or its equivalent); or alternately, shall be a ground-source heat pump, Energy Star qualified (or its equivalent).

8.2 Minimum Standards for the Distribution System.

a. General Requirements and Standard Conditions. The distribution system (e.g. ductwork) must provide an adequate supply of conditioned air to each habitable room, as well as an adequate amount of return air from each habitable room. Existing distribution systems must be inspected to determine whether the system is operating efficiently, properly balanced, and adequately supplying conditioned air -- as this is required for all habitable rooms.

b. Other Requirements/Conditions.

(1) Duct Cleaning. If the distribution system is dirty, but is otherwise operating effectively, duct cleaning is required. This requires complete duct sealing by mechanical means and with duct mastic (so as to adequately eliminate the source of dirt and debris entering the system). Duct cleaning must include all dryer vents.

(2) Replacement and Relocation. Replacement shall ensure all newly installed distribution systems are sized per the current version of the ACCA Manual D (or other Agency-approved methodology). Every effort should be made to relocate the replacement distribution system to the conditioned space through the installation of dropped soffits. If this is not possible, locating the distribution system in the attic shall require mechanical fastening, sealed with duct mastic, and insulated to R-8. Distribution systems shall not be located at the exterior of the home exposing the system to the elements

(3) Installation. Connections and routing of new ductwork shall be completed without kinks or sharp bends and without excessive coiled or looped flexible ductwork. All connections shall be mechanically fastened, sealed with mastic, and properly supported. Runs shall be insulated to R-8 if installed in unconditioned space.

(4) Room Pressurization. Room pressure balancing systems are recommended. Unbalanced distribution systems require transfer grills or jumper ducts to be installed to provide balance with rooms when doors are closed (with respect to the rest of the housing unit). Undercutting doors is prohibited.

8.3 Minimum Standards for Ventilation and Indoor Air Quality

a. General Requirements and Standard Conditions. At a minimum, sufficient ventilation must be provided so as to ensure adequate, continuous, non-contaminated air circulation throughout the Development.

b. Additional Requirements/Conditions.

(1) Exhaust fans. Exhaust fans shall comply with or exceed the applicable requirements in 2012 IRC, Chapter 15, and must be at least Energy Star qualified (or its equivalent). All bathroom, toilet rooms, and kitchen fans shall exhaust to the exterior (either through the

roof or a gable wall), be mechanically fastened, sealed with duct mastic, insulated to R-6, and have a mechanical damper. Flashing shall be installed to provide a positive drainage plain. Flex duct terminating at a gable vent is prohibited.

(A) Bathroom and Toilet Room Exhaust Fans. All bathrooms and toilet rooms must be ventilated by exhaust fans (vented to the outside) unless an operable window is present. If a continuous fan is installed, it shall be greater than or equal to 20 cfm. Intermittent fans shall be greater than or equal to 50 cfm. Neither shall exceed 1.5 sones. Bathroom exhaust fans shall be installed on a dedicated GFCI protected circuit. Light kit, night light, and/or a heating element may be included with exhaust fans. Combustion appliances venting to the exterior shall not be located in bathrooms.

(B) Kitchen Exhaust Fans. Kitchens require mechanical exhaust fan(s) (e.g. kitchen range hoods) be installed unless adequately ventilated by an existing and operational exhaust fan (vented to the outside). If a continuous fan is installed, it shall be greater than or equal to 5 cfm. Intermittent fans shall be greater than or equal to 100 cfm.

(C) Garage Exhaust Fans. If a garage is attached to a Unit (e.g. sharing a common wall), then a UL listed exhaust fan shall be installed in the garage and connected to the operation of the garage door. The exhaust fan must at least turn on when the door is opened and off after 20 minutes.

(2) Supply Air. If supply air is installed and connected to the return plenum, subparagraphs (A) - (D) of this paragraph shall apply, which requires:

(A) Supply air inlets must not be located within 10 linear feet from known contamination sources such as stacks, vents, exhaust hood, or vehicle exhaust;

(B) Rodent and insect screens must be installed;

(C) Ventilation must come directly from the outdoors and not from adjacent dwelling units, garages, crawlspaces, or attics; and

(D) The duct must be mechanically fastened, sealed with duct mastic, insulated to R-6, and shall have a mechanical damper.

Mandatory Development and Unit Standards

Health and Safety

NHTF-assisted housing must be free of all health and safety defects, must meet minimum standards of habitability and functionality, and all inspected items with an observed deficiency must be corrected. Additionally, NHTF-assisted housing is subject to the requirements in 24 CFR §93.301(b)(1)(i) regarding identifying life-threatening deficiencies, which must be addressed immediately if the housing is occupied at the time of rehabilitation.

Lead-Based Paint

NHTF-assisted housing is subject to the regulations at 24 CFR Part 35, subparts A, B, J, K, and R regarding lead-based paint poisoning prevention in residential structures. Applicants, developers, and builders of any project requiring the rehabilitation of structures built prior to 1978 must read, fully understand, and comply with 24 CFR Part 35, subparts A, B, J, K, and R. Inspection and testing for lead-based paint must be completed prior to determination of the scope of rehabilitation, a copy of the inspection and testing report must be provided as part of the work write-up.

Accessibility & Visitability

NHTF-assisted housing must meet the accessibility requirements of 24 CFR Part 8 (implementing Section 504 of the Rehabilitation Act of 1973) and Titles II and III of the Americans with Disabilities Act (implemented at 28 CFR Parts 35 and 36), as applicable. “Covered multifamily dwellings”, as defined at 24 CFR §100.201, must also meet applicable design and construction requirements at 24 CFR §100.205 (implementing Fair Housing Act). Other required accessibility and visitability features are further described in 10 TAC Chapter 1, Subchapter B, and 10 TAC §11.101(b)(8).

Disaster Mitigation

Where relevant, NHTF-assisted housing must be improved to mitigate the impact of potential disasters, in accordance with applicable State and local codes, ordinances, and requirements, in addition to the Uniform Physical Condition Standards or other requirements established by HUD.

Broadband Infrastructure

HTF-assisted housing must provide for the installation of broadband infrastructure to be completed in accordance with 24 CFR §93.301(b)(2)(vi) and at no charge to the residents. 10 TAC §11.101(b)(4)(A).

Environmental Requirements

HTF-assisted housing must meet the minimum environmental requirements in 24 CFR §93.301(f)(2).

Development and Unit Amenities

Housing improvements beyond those described in these Standards must include all applicable amenities and energy and water efficiency features in accordance with 10 §TAC 11.101(b)(4), (5), and (6), as amended.

Inspections, Construction Documents, & Compliance (24 CFR §93.301(b)(2)-(3))

Inspections

All NHTF-assisted rehabilitation projects must comply with TDHCA written inspection procedures. TDHCA will conduct initial, mid-progress, and final inspections during construction to identify any deficiencies that must be addressed and ensure that all work is in accordance with approved standards, as applicable. *See*, 24 CFR §93.301(b)(3). TDHCA is responsible for initial and ongoing on-site inspections for rental housing during the affordability period. *See*, 24 CFR §§93.301(b)(3) and 93.301(e); *see also*, 10 TAC §13.11(Post-Award Requirements).

Work Write-Ups

Each repair should be detailed as required through the use of plans, drawings, specifications (conforming to the MasterFormat work write-ups). At a minimum each repair should be detailed in a work write up that specifies the location, required demolition, and methods and materials with enough detail to determine the desired outcome or finished product. Work-write ups can reference plans and specifications as needed but must be detailed enough to complete repairs. Moreover, work write-ups must comply with State and local codes, ordinances, requirements, and TDHCA standards.

Cost Estimates

Written Cost Estimates are required for all NHTF-assisted rehabilitation projects. Cost estimates must be reasonably prepared and submitted to the Department for approval in accordance with Title 10, Part 1, Chapter 10 of the Texas Administrative Code and these Standards. *See*, 24 CFR 93.301(b)(2) and (3); *see also*, 10 TAC §13.11(Post-Award Requirements)(regarding documents that must be submitted to the Department for review and approval prior to loan closing).

NHTF Annual Auditing, Recordkeeping, and Certifications

NHTF-assisted housing must comply with the auditing, recordkeeping, and cost certification requirements of 24 CFR §93.406 and 24 CFR §93.406.

Scope of Work and Post-Rehabilitation Standards

National Standards for the Physical Inspection of Real Estate (NSPIRE)

All Developments funded by the Department must be decent, safe, sanitary, in good repair, and suitable for occupancy throughout the entire Affordability Period. 10 TAC §10.621; To ensure that all residents live in safe, habitable dwellings, the items and components located inside the building, outside the building, and within the units are functionally adequate, operable, and free of health and safety hazards. 24 CFR §5.703.

At a minimum, NHTF-assisted housing must comply with HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE)], as found in 24 CFR §5.705 and further provided for in 24 CFR §5.703. Developments must also comply with all local health, safety, and building codes; ordinances; and zoning requirements. Developments in jurisdictions without applicable State or local building codes must adhere to the International Existing Building Code (IEBC), and where the International Building Code (IBC) of the International Code Council in addition to the UCPS. Refer to **Appendix A: National Standards for the Physical Inspection of Real Estate (NSPIRE)** for additional details.

AND

Scope and Cost Review (SCR)

This report is required for NHTF-assisted Rehabilitation Developments. The SCR Report must be prepared in accordance with 10 TAC §11.306 (relating to Scope and Cost Review Guidelines) and submitted as required under 10 TAC §11.205(3)(relating to Scope and Cost Review (SCR)). Importantly, the report must be accompanied by the Department's SCR Supplement in the form of an excel workbook as published on the Department's website. Refer to **Appendix B: Scope and Cost Review (SCR)** for additional details.

AND

Capital Needs Assessment (CNA)

All NHTF-assisted Rehabilitation Developments must also submit a capital needs assessment (CNA) estimating the useful life of each major system. 10 TAC §11.205(3). The CNA shall determine the work to be performed and identify the long-term physical needs of the project. 24 CFR §93.301(b)(1)(ii). Moreover, the assessment must include a comparison between the local building code and no earlier than the 2015 version of the IEBC of the International Code Council. 10 TAC §11.205(3). If the remaining useful life of one or more major system is less than the applicable period of affordability, a replacement reserve must be established with adequate monthly payments made to repair or replace the systems as needed. See, 24 CFR §93.301(b)(1)(ii); *see also*, 10 TAC §10.404 (Reserve Accounts).

In addition to the minimum CNA requirements, the Report must be accompanied by the Department's SCR Supplement in the form of an excel workbook as published on the Department's website. 10 TAC §11.205(3)(relating to Scope and Cost Review(SCR)). Refer to **Appendix C: Capital Needs Assessment (CNA)** for additional details.

**APPENDIX TO
2026 NHTF MINIMUM REHABILITATION STANDARDS**

APPENDIX A: National Standards for the Physical Inspection of Real Estate (NSPIRE)

Introduction

All Developments funded by the Department must be decent, safe, sanitary, in good repair, and suitable for occupancy throughout the entire Affordability Period. 10 TAC §10.621; To ensure that all residents live in safe, habitable dwellings, the items and components located inside the building, outside the building, and within the units are functionally adequate, operable, and free of health and safety hazards. 24 CFR §5.703. This requires that, at a minimum, NHTF-assisted housing comply with HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) provided in 24 CFR Part 5, Subpart G.

Importantly, the NSPIRE is a minimum threshold requirement for NHTF-assisted housing. Developments are still responsible for complying with applicable local health, safety, and building codes; ordinances; and zoning requirements. Even Developments in jurisdictions without applicable State or local building codes must still comply with the 2012 International Existing Building Code (IEBC) in addition to the NSPIRE.

NSPIRE Compliance Inspections

The Department's Compliance Division or its Affiliate(s) is responsible for conducting NSPIRE inspections of NHTF-assisted multifamily developments. *See* §200.853. Inspection frequency will be determined using the scoring and ranking methodology of HUD's Real Estate Assessment Center (REAC). *See* §200.857(a) – (b). Unless otherwise determined by the Department, NSPIRE Inspections will be conducted once every three years during the Affordability Period.

During an Inspection, observable deficiencies for inspectable items will be identified for all major areas of NHTF-assisted rehabilitated housing, including the **(1) Inside; (2) Outside; (3) Units; and (4) Health and Safety Considerations**. Correcting deficiencies is an important part of the Applicant/Borrower's ongoing responsibility to maintain the physical state of the Development so that it is decent, safe, sanitary, and in good repair. This responsibility must be maintained throughout the entire Affordability Period.

Depending on the type of Deficiency identified, the responsibility to address and remedy Deficiencies may either be (1) immediate or (2) completed with the project's scope of work.

1. **Severe and Life Threatening Deficiencies (LTD)** are identified in the Exigent Health and Safety Report(s) and require immediate attention or remedy. **For projects involving the acquisition or rehabilitation of occupied housing, Severe and Life Threatening Deficiencies MUST be immediately addressed AND remedied.** Severe and Life Threatening Deficiencies include, but not are limited to, the following (categorized by Severe and Life-Threatening deficiencies):
 - **Life-Threatening:** Call-for-aid system is blocked, or pull cord is higher than 6 inches off the floor
 - Call-for-aid system does not function properly
 - Carbon monoxide alarm is missing, not installed, or not installed in a proper location
 - Carbon monoxide alarm is obstructed
 - Carbon monoxide alarm does not produce an audio or visual alarm when tested
 - Chimney exhibits signs of structural failure

- Chimney is incomplete or damaged such that it may not safely contain fire and convey smoke to the exterior
- Electric dryer exhaust ventilation system has restricted airflow
- Gas dryer exhaust ventilation system has restricted airflow
- Electric dryer transition duct is detached or missing
- Gas dryer transition duct is detached or missing
- Electric dryer exhaust ventilation system has restricted airflow
- Dryer transition duct is constructed of unsuitable material
- Entry door is missing
- Fire labeled door is missing
- Obstructed means of egress
- Sleeping room is located on the 3rd floor or below and has an obstructed rescue opening
- Outlet or switch is damaged
- Exposed electrical conductor
- Water is currently in contact with an electrical conductor
- The overcurrent protection device is damaged
- Exit sign is damaged, missing, obstructed, or not adequately illuminated
- Fire escape component is damaged or missing
- Fire extinguisher pressure gauge reads over or under-charged
- Fire extinguisher service tag is missing, illegible, or expired

Severe:

- Fire extinguisher is damaged or missing
- Flammable or combustible item is on or within 3 feet of an appliance that provides heat or a fuel-burning water heater OR Improperly stored chemicals
- Guardrail is missing or not installed
- Guardrail is not functionally adequate
- Unvented space heater that burns gas, oil, or kerosene is present
- Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance
- Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing
- The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit
- Unvented space heater that burns gas, oil, or kerosene is present
- Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance
- Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing
- Natural gas, propane, or oil leak
- Presence of mold-like substance at extremely high levels is observed visually
- Smoke alarm is not installed where required
- Smoke alarm does not produce an audio or visual alarm when tested
- Smoke alarm is obstructed

- Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head
- Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance
- Sprinkler assembly has evidence of corrosion
- Sprinkler assembly has evidence of foreign material that is detrimental to performance
- Structural system exhibits signs of serious failure
- Only 1 toilet was installed, and it is missing
- Chimney or flue piping is blocked, misaligned, or missing
- Gas shutoff valve is damaged, missing, or not installed
- Only 1 bathtub or shower is present and it is inoperable or does not drain
- Ceiling component(s) is not functionally adequate
- Cooking range, cooktop, or oven does not ignite or produce heat
- A microwave is the primary cooking appliance and it is damaged
- Entry door is missing
- Entry door will not close
- Entry door cannot be secured
- Fire labeled door does not open
- Fire labeled door does not close and latch or the self-closing hardware is damaged or missing such that the door does not self-close and latch
- Fire labeled door assembly has a hole of any size or is damaged such that its integrity may be compromised
- Fire labeled door seal or gasket is damaged or missing
- An object is present that may prevent the fire labeled door from closing and latching or self-closing and latching
- Fire labeled door cannot be secured
- Three prong outlet not properly wired or grounded
- Outlet does not have visible damaged and testing indicates it is not energized
- Testing indicates a three-pronged outlet is not properly wired or grounded
- GFCI outlet or GFCI breaker is not visibly damaged and the test or reset button is inoperable
- AFCI outlet or AFCI breaker is not visibly damaged and the test or reset button is inoperable
- An unprotected outlet is present within six feet of a water source
- The overcurrent protection device is contaminated
- Heating system or device safety shield is damaged or missing
- The inspection date is on or between October 1 and March 31 and the permanently installed heating source is working and the interior temperature is 64 to 67.9 degrees Fahrenheit
- Heating system or device safety shield is damaged or missing
- Extensive rat infestation
- Extensive cockroach infestation
- Extensive bedbug infestation
- Extensive mouse infestation
- Extensive rat infestation
- Blocked sewage system

- Leak in sewage system
- Auxiliary lighting is damaged, missing, or fails to illuminate when tested
- Presence of mold-like substance at high levels is observed visually

2. **Moderate and Low Deficiencies** generally include all other observable deficiencies. Any and all Moderate and Low Deficiencies must be completed with a project's scope of work and thus corrected prior to project completion. Moderate and Low Deficiencies include but are not limited to those listed as "Mod" or "Low Deficiencies" in ***Attachment A – TDHCA National Standards for the Physical Inspection of Real Estate (NSPIRE Checklist)***.

Required Documentation

All NHTF-assisted multifamily housing must complete and timely submit the ***TDHCA National Standards for the Physical Inspection of Real Estate (NSPIRE Checklist)*** to the Department for review and approval.

APPENDIX B: Scope and Cost Review (SCR) (10 TAC §11.205(3); 10 TAC §11.306)

Introduction

All NHTF-assisted Developments (excluding Reconstruction) must submit a Scope and Cost Review (SCR) Report. The SCR must meet the minimum requirements provided in 10 TAC §11.306 (relating to Scope and Cost Review Guidelines) and 10 TAC §11.205(3)(relating to Required Third Party Reports: Scope and Cost Review). Pursuant to 10 TAC §11.306(a), the objective of the SCR is to provide a self-contained report that comprehensively details and evaluates the current conditions of the Development, and identifies a scope of work for the proposed repairs, replacements, and improvements to an existing multifamily property.

Scope and Cost Review Guidelines

The SCR author must evaluate the sufficiency of the Applicant's scope of work and provide an independent review of the Applicant's proposed costs. It is the Applicant's responsibility to ensure the scope of work and cost estimates (including the Development Cost Schedule) submitted in the Application are provided to the author, as these must also be included in the SCR Report. Importantly, the report should be in sufficient detail for the Underwriter to fully understand all current conditions, scope of work and cost estimates. The report must also include the following statement, "any person signing this Report acknowledges that the Department may publish the full report on the Department's website, release the report in response to a request for public information and make other use of the report as authorized by law." 10 TAC §11.306(a).

Under 10 TAC §11.306(b), the SCR must include analysis in conformity with the American Society for Testing and Materials (ASTM) "Standard Guide for Property Condition Assessments. Baseline Property Condition Assessment Process (ASTM Standard Designation: E 2018)," unless the exceptions in 10 TAC §11.306(f) or (g) apply. Moreover, 10 TAC §11.306(c) requires good quality color photographs of the subject Real Estate (front, rear, and side elevations, on-site amenities, interior of the structure) be included. Photographs should be properly labeled. Photographs of the neighborhood, street scenes, and comparables must also be included.

Discussion and analysis must be provided for 10 TAC §11.306(d)(1) – (8). This includes, but is not limited to, discussion and analysis of:

- (1) Descriptions of Current Conditions;**
- (2) Descriptions of Scope of Work;**
- (3) Useful Life Estimates;**
- (4) Code Compliance;**
- (5) Program Rules;**
- (6) Accessibility Requirements;**
- (7) Reconciliation of Scope of Work and Costs; and**
- (8) Cost Estimates.**

Any costs not identified and discussed in sufficient detail in the SCR as part of 10 TAC §11.306(d)(6), (d)(8)(A), and (d)(8)(B) will not be included in the underwritten Total Development Cost in the Report.

Third Party, Unrelated, and Nonaffiliated Author(s)

The SCR shall be conducted by a Third Party at the expense of the Applicant, and addressed to Texas Department of Housing and Community Affairs as the client. Copies of reports provided to the Department which were commissioned by other financial institutions should address the Texas Department of Housing and Community Affairs as a co-recipient of the report, or letters from both the provider and the recipient of the report should be submitted extending reliance on the report to the Texas Department of Housing and Community Affairs. 10 TAC §11.306(h).

The SCR report must also include a statement that the individual and/or company preparing the SCR report will not materially benefit from the Development in any other way than receiving a fee for performing the SCR. Because of the Department's heavy reliance on the independent cost information, the provider must not be a Related Party to or an Affiliate of any other Development Team member. The SCR report must contain a statement indicating the report preparer has read and understood the requirements of 10 TAC §11.306 (esp., §11.306(i)).

Health and Safety Recommendations

Any recommendations made in the SCR regarding health and safety, life expectancy of major systems (structural support; roofing; cladding and waterproofing; plumbing; electrical; and heating, ventilation, and air conditioning) must be implemented. 10 TAC §13.9(1); 24 CFR §93.301(b)(1)(ix) (requiring an estimate (based on age and condition) of the remaining useful life of these systems be conducted upon project completion of each major system). If the remaining useful life of one or more major system is less than the applicable period of affordability, a replacement reserve must provide adequate monthly payments, so as to repair or replace the systems as needed. 24 CFR §93.301(b)(1)(ix).

For properties originally constructed prior to 1978, the SCR and rehabilitation scope of work must be provided to the party conducting the lead-based paint and/or asbestos testing. 10 TAC §13.9(2). The rehabilitation must implement the mitigation recommendations of the testing report. 10 TAC §13.9(2).

Required Documentation

Attachment B – TDHCA Scope and Cost Review (SCR Supplement)

The SCR must include the Department's Scope and Cost Review Supplement (SCR Supplement) in the excel form published on the Departments website (and attached for reference purposes). The purpose of the SCR Supplement is to consolidate and show reconciliation of the scope of work and costs of the immediate physical needs identified by the SCR author with the Applicant's scope of work and costs provided in the Application. The consolidated scope of work and costs shown on the SCR Supplement will be used by the Underwriter in the analysis, as it details the projected repairs and replacements through at least thirty (30) years.

APPENDIX C: Capital Needs Assessment (CNA) (24 CFR §93.301(b)(1)(ii))

Introduction

All NHTF-assisted Rehabilitation Developments must also submit a capital needs assessment that estimates the useful life of each major system. The CNA will determine the work to be performed and identify the long-term physical needs of the project. 24 CFR §93.301(b)(1)(ii). If the remaining useful life of one or more major system is less than the applicable period of affordability, a replacement reserve must be established with adequate monthly payments made to repair or replace the systems as needed. 24 CFR §93.301(b)(1)(ii).

Importantly, the CNA must adhere to all applicable requirements of 10 TAC §11.205(3)(relating to Required Third Party Reports), including being accompanied by the Department's SCR Supplement in the excel form published on the TDHCA website (and attached to these Standards for reference purposes).

Capital Needs Assessment Guidelines

The CNA must be completed by an independent, Third Party engineer or architect approved by the Department. The performing engineer or architect must:

- conduct an interview with the appropriate onsite Development personnel (e.g. property management, maintenance personnel) to assess prior, ongoing or chronic repairs, maintenance issues, and deficiencies;
- complete an onsite visit and physical inspection of both the interior and exterior units and structures on the property;
- analyze and provide recommendations regarding the presence of environmental hazards and potential efficiency or other mitigation considerations, in accordance with these standards;
- analyze and provide recommendations as to the reasonability of the proposed budget as it relates to the work to be performed, including but not limited to an analysis of the: (1) Development Site; (2) Structural Systems; (3) Interior Systems; and (4) Mechanical, Plumbing, Electrical, HVAC, and Safety (e.g. fire protection, elevator requirements, safety lighting) Systems and related requirements; and
- depending on the aforementioned determinations, the assessment must assess and provide recommendations regarding the proposed budget as it relates to the conclusions of the assessment. Moreover, any and all components of major systems reaching the end of their useful life or otherwise bearing critical conditions, must be identified. If the remaining useful life of any major system is less than 50% of the expected useful life, immediate rehabilitation (replacement or repair, as appropriate) is required. If the remaining useful life of any component of the major systems is less than the term of the affordability period, replacement reserves with adequate payments being made as required to finance future repair(s) or replacement(s) is required.

Required Documentation

Attachment B – TDHCA Scope and Cost Review (SCR Supplement)(as detailed in APPENDIX B).

ATTACHMENTS TO 2026 NHTF MINIMUM REHABILITATION STANDARDS

ATTACHMENT A: National Standards for the Physical Inspection of Real Estate (NSPIRE Checklist) (available as posted on the TDHCA website at <https://www.tdhca.texas.gov/physical-inspections> and as may be amended from time to time.

ATTACHMENT B: Scope and Cost Review Cost Schedule (SCR Supplement)(available as posted on the TDHCA website at <https://www.tdhca.texas.gov/real-estate-analysis> and as may be amended from time to time.



Texas Department of Housing and Community Affairs

Citizen Participation on the State of Texas Consolidated Plan: 2026 One-Year Action Plan

July 2026

Public Notification was achieved for the 2026 State of Texas One-Year Action Plan through posting the Draft Plan on the TDHCA Public Comment section of the TDHCA website and in the Texas Register:

<https://www.tdhca.texas.gov/tdhca-public-comment-center>

<https://www.sos.state.tx.us/open/index.shtml>

For the 2026 Action Plan the State put the Plan out for a 31-day public comment period from April 17, 2026 through May 17, 2026. In addition, to the 31-day comment period a public hearing was held on May 6, 2026 at 2:00 pm. There were no attendees to the Public Hearing on May 6, 2026 and no comment was received on the plan during the public comment period or at the public hearing.