

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
Building Homes. Strengthening Communities.

Presentation for the Federal Reserve Bank of Dallas - June 10, 2009

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New Funding Opportunities at TDHCA - Stimulus and Beyond

TDHCA Recovery Act Funds

Program Activity	Funding
Homelessness Prevention	\$41,472,772
Home Weatherization	\$326,975,732
Operating funds for Community Action Networks	\$48,148,071
Gap Financing for Housing Tax Credit Projects	\$148,354,769
Resources for Housing Tax Credit Projects	\$314,000,000
Neighborhood Stabilization (HERA, not ARRA)	\$102,000,000
	\$980,951,344
Monetization of the Homebuyer Tax Credit	NA
Neighborhood Stabilization (ARRA)	TBD
* Fund amount is an estimate and has the potential to increase.	

Recovery Act: Weatherization Assistance Program (WAP)



- ❖ **Amount:** \$326,975,732
- ❖ **Purpose:** Expansion of TDHCA's existing WAP. Helps low-income Texans control energy costs and reduces the state's overall energy burden. Qualified households may receive weatherization materials installed in their residences and/or energy conservation education.
- ❖ **Eligibility:** Eligible entities include existing WAP network, cities and nonprofits
- ❖ **Distribution:** see following slide
- ❖ **Dates/Deadlines:** Notice of Funding Availability will be released approximately May 26. Applications due to TDHCA in late June.

Recovery Act WAP Distribution

- ❖ Existing WAP Network – \$180,000,000
 - ❖ By formula – provided directly to network providers
- ❖ Cities with Populations > 75,000 - \$101,873,523
 - ❖ By formula – if allocation by formula exceeds \$1 million, city receives directly (total \$94,049,883); if allocation by formula is less than \$1 million, local WAP network provider receives the funds on city behalf for use within city limits (\$7,823,640)
- ❖ Competitive Pool - \$7,500,000
 - ❖ Cities and Nonprofits compete and apply

WAP – Original WAP vs. ARRA

- ❖ Poverty level for families increased from 125% to 200%
- ❖ Weatherization funds per home increased to \$6,500
- ❖ Davis-Bacon – potentially applicable
- ❖ Expansion beyond current WAP network
- ❖ Heightened reporting
- ❖ Training and Technical Assistance component
- ❖ Enhanced monitoring

Recovery Act: Community Services Block Grant (CSBG)

- ❖ **Amount:** \$48,148,071
- ❖ **Purpose:** Expansion of TDHCA's existing CSBG Program, which provides administrative support to a network of local Community Action Agencies who provide low-income persons with essential services such as childcare; health and human services for children, families and the elderly; housing; and other poverty-related programs.
- ❖ **Eligibility:** existing CSBG organizations
- ❖ **Distribution:** existing network by formula
- ❖ **Deadline:** Funds will be available to local organizations in August 2009



CSBG – Original CSBG vs. ARRA

- ❖ Poverty level for families increased from 125% to 200%
- ❖ No administrative funds
- ❖ 1% of total state funds to be used for coordination of benefits
- ❖ Heightened reporting

Recovery Act: Homelessness Prevention and Rapid Re-Housing Program (HPRP)

- ❖ **Amount:** \$41,472,722
- ❖ **Purpose:** HPRP provides homelessness prevention and rapid re-housing of persons that have become, or are at risk of becoming, homeless.
- ❖ **Eligibility:** Eligible entities include local units of government and nonprofit organizations
- ❖ **Distribution:** Competitive applications; regionally allocated
- ❖ **Deadline:** Applications due to TDHCA by May 29, 2009



Recovery Act: Tax Credit Assistance Program (TCAP)



- ❖ **Amount:** \$148,354,769
- ❖ **Purpose:** HOME Program funds for Housing Tax Credit (HTC) developments. Funding will be distributed according to the QAP using a scoring structure determined by the Board.
- ❖ **Eligibility:** Only eligible entities are HTC developments awarded in 2007, 2008 and 2009
- ❖ **Distribution:** Competitive, Regionally and by Set-Aside consistent with 2009 QAP
- ❖ **Deadline:** Applications for 2007 and 2008 transactions due to TDHCA by July 17. Second round for 2009 awards due October 1, 2009.

Recovery Act: Housing Tax Credit Exchange

- ❖ **Amount:** Up to approximately \$314,000,000
- ❖ **Purpose:** Housing Tax Credit Exchange allows tax credit allocating agencies, including TDHCA, to choose to receive a portion of their 2009 and returned prior year HTCs in the form of a grant from the federal government rather than as tax credits.
- ❖ **Eligibility:** Eligible recipients are 2009 HTC developments (pending state legislation which would allow a broader pool of applicants)
- ❖ **Distribution:** To be Determined
- ❖ **Deadline:** Application deadline to be determined.



Recovery Act: Homebuyer Tax Credit Downpayment Program



- ❖ **Amount:** Up to \$6,000 per household
- ❖ **Purpose:** Homebuyer Tax Credit provides a federal tax credit to first-time homebuyers.
- ❖ 5% of mortgage loan up to \$6,000 per household
- ❖ **Eligibility/Distribution:** Network of participating lenders offer program to eligible households
 - ❖ First time homebuyers or those who have not owned a home in the previous three years
 - ❖ Low to moderate income households
- ❖ **Deadline:** Program available approximately June 1, 2009

Neighborhood Stabilization Program (NSP)

- ❖ **Amount:** \$102,000,000 HERA (NSP)
TBD - ARRA (NSP2)
- ❖ **Purpose:** Allow for the purchase of foreclosed or abandoned properties to demolish or create affordable housing and stabilize existing neighborhoods.
- ❖ **Eligibility:** Local governments and nonprofits
- ❖ **Distribution:** HERA being allocation via TDHCA via applications – direct and select; ARRA to be allocated competitively to state, local and nonprofit entities.
- ❖ **Deadline:** Deadline past for HERA applications; Application due to HUD June 8th for technical assistance funds and July 17th for program funds





TDHCA Disaster Recovery Funds

- ❖ TDHCA also administers significant Disaster Recovery funds
- ❖ Hurricanes Rita and Katrina – funds programmed and being expended
- ❖ Hurricanes Ike and Dolly - While funds were not directly derived from the Stimulus package, these funds are designed for disaster recovery from Hurricanes Ike and Dolly
- ❖ There will be a significant impact to the Texas economy
- ❖ Funds for Ike and Dolly to Texas include **\$1.3 billion**
- ❖ General administration and non-housing activities (i.e. infrastructure) are operated by the Office of Rural Community Affairs and all housing activities are administered by TDHCA.



Other New TDHCA Funds

- ❖ It is anticipated that the legislature will:
 - ❖ Increase the appropriation to the Housing Trust Fund by an additional \$5 million per year.
 - ❖ Provide general revenue funds for homelessness activities including construction.
 - ❖ Legislative update to be released.

Challenges to Distribution

- ❖ Limited timeframes to expend funds
- ❖ Subrecipient Capacity – Locals and Nonprofits flooded with a variety of funds with limited expertise and/or insufficient administrative funds permitted to fully run the program (may need greater financial assistance)
- ❖ New Rules and Benchmarks
- ❖ New Applicability of Regulations – Davis-Bacon, etc.
- ❖ Competing Interests and Stakeholders
- ❖ Fluid Federal Guidance
- ❖ Limited administrative funds for some programs

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