

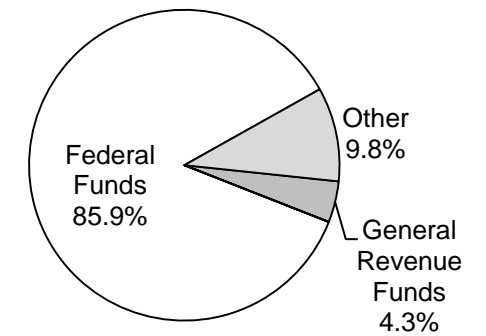
**Department of Housing and Community Affairs  
Summary of Recommendations - Senate**

VII-1  
Michael Gerber, Executive Director

Nora Velasco, LBB Analyst

RECOMMENDED FUNDING  
BY METHOD OF FINANCING

Method of Financing	2010-11 Appropriations	2010-11 Base	2012-13 Recommended	Biennial Change	% Change
General Revenue Funds	\$45,240,132	\$46,549,082	\$16,287,410	(\$30,261,672)	(65.0%)
GR Dedicated Funds	\$0	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$45,240,132</i>	<i>\$46,549,082</i>	<i>\$16,287,410</i>	<i>(\$30,261,672)</i>	<i>(65.0%)</i>
Federal Funds	\$830,399,426	\$2,678,637,523	\$326,050,412	(\$2,352,587,111)	(87.8%)
Other	\$32,989,999	\$31,624,678	\$37,187,089	\$5,562,411	17.6%
<b>All Funds</b>	<b>\$908,629,557</b>	<b>\$2,756,811,283</b>	<b>\$379,524,911</b>	<b>(\$2,377,286,372)</b>	<b>(86.2%)</b>



	FY 2011 Appropriations	FY 2011 Budgeted	FY 2013 Recommended	Biennial Change	% Change
FTEs	314.0	406.0	387.0	(19.0)	(4.7%)

The bill pattern for this agency (2012-13 Recommended) represents an estimated 12% of the agency's estimated total available funds for the 2012-13 biennium.

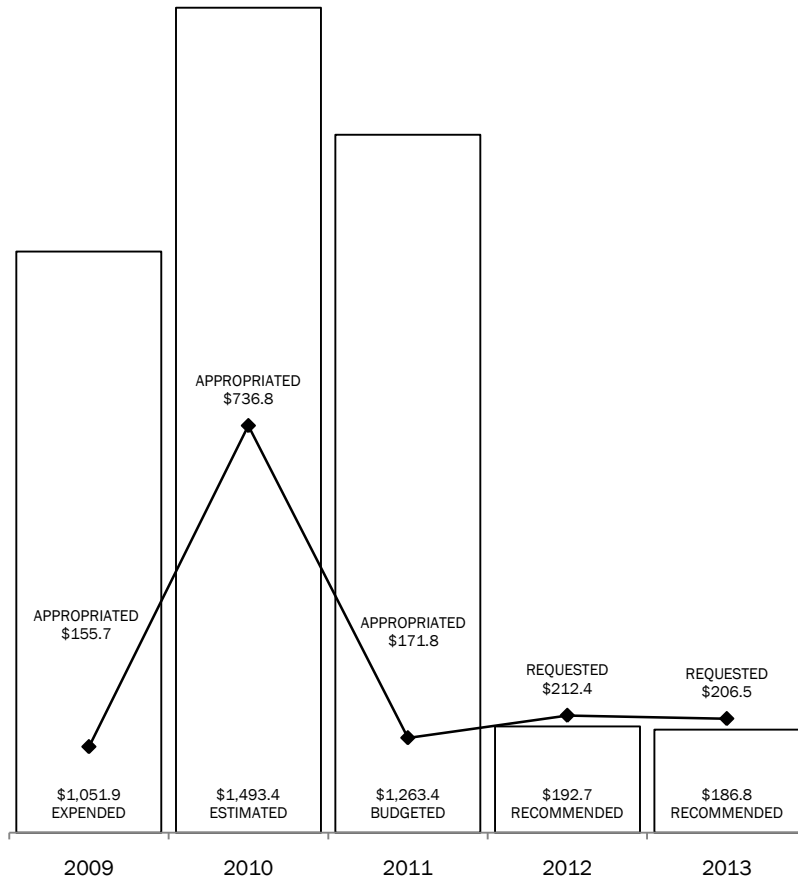
**Department of Housing and Community Affairs**

2012-2013 BIENNIUM

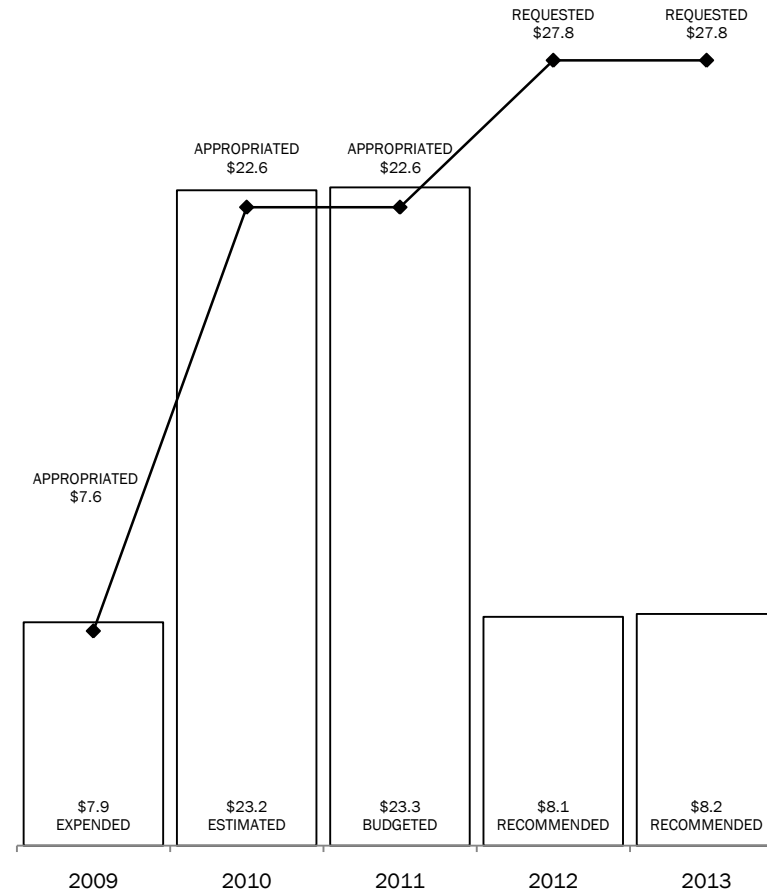
IN MILLIONS

TOTAL= \$379.5 MILLION

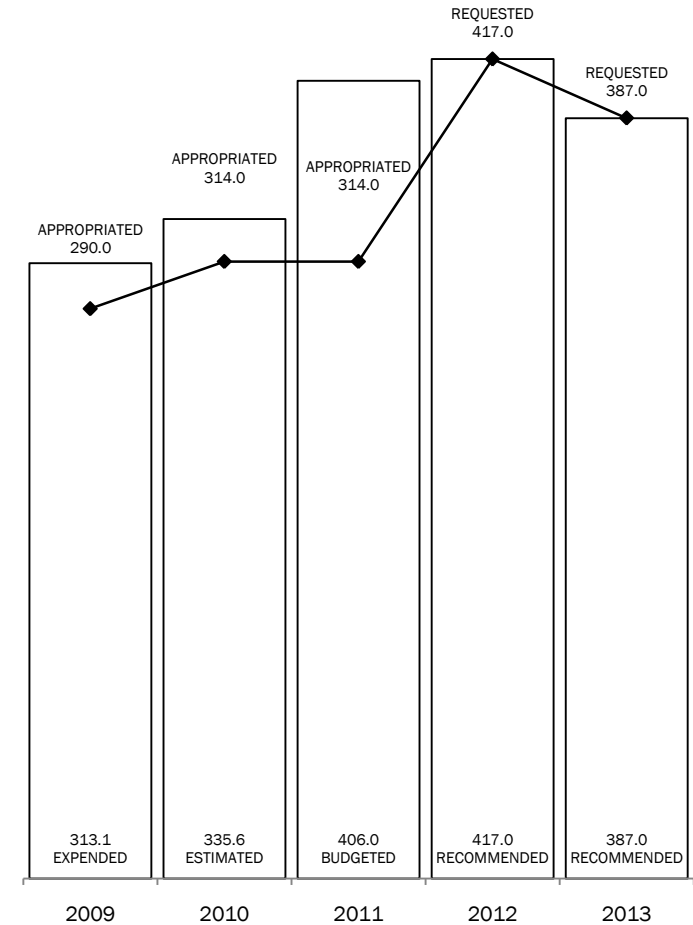
**ALL FUNDS**



**GENERAL REVENUE AND  
GENERAL REVENUE-DEDICATED FUNDS**



**FULL-TIME-EQUIVALENT POSITIONS**



Section 2

Department of Housing and Community Affairs  
 Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
MRB PROGRAM - SINGLE FAMILY A.1.1	\$2,636,960	\$2,893,848	\$256,888	9.7%	
HOME PROGRAM A.1.2	\$830,947,004	\$91,032,295	(\$739,914,709)	(89.0%)	
HOUSING TRUST FUND A.1.3	\$21,961,672	\$11,700,000	(\$10,261,672)	(46.7%)	
SECTION 8 RENTAL ASSISTANCE A.1.4	\$12,048,000	\$12,048,000	\$0	0.0%	
FEDERAL TAX CREDITS A.1.5	\$2,885,505	\$3,531,685	\$646,180	22.4%	
MRB PROGRAM - MULTIFAMILY A.1.6	\$473,180	\$894,066	\$420,886	88.9%	
<b>Total, Goal A, AFFORDABLE HOUSING</b>	<b>\$870,952,321</b>	<b>\$122,099,894</b>	<b>(\$748,852,427)</b>	<b>(86.0%)</b>	
HOUSING RESOURCE CENTER B.1.1	\$2,360,020	\$1,912,924	(\$447,096)	(18.9%)	
COLONIA SERVICE CENTERS B.2.1	\$545,863	\$564,902	\$19,039	3.5%	
<b>Total, Goal B, INFORMATION &amp; ASSISTANCE</b>	<b>\$2,905,883</b>	<b>\$2,477,826</b>	<b>(\$428,057)</b>	<b>(14.7%)</b>	
POVERTY-RELATED FUNDS C.1.1	\$188,643,860	\$86,325,100	(\$102,318,760)	(54.2%)	
ENERGY ASSISTANCE PROGRAMS C.2.1	\$593,005,758	\$118,690,036	(\$474,315,722)	(80.0%)	
<b>Total, Goal C, POOR AND HOMELESS PROGRAMS</b>	<b>\$781,649,618</b>	<b>\$205,015,136</b>	<b>(\$576,634,482)</b>	<b>(73.8%)</b>	
MONITOR HOUSING REQUIREMENTS D.1.1	\$3,904,221	\$5,119,649	\$1,215,428	31.1%	
MONITOR CONTRACT REQUIREMENTS D.1.2	\$1,074,129,648	\$18,834,981	(\$1,055,294,667)	(98.2%)	
<b>Total, Goal D, ENSURE COMPLIANCE</b>	<b>\$1,078,033,869</b>	<b>\$23,954,630</b>	<b>(\$1,054,079,239)</b>	<b>(97.8%)</b>	
TITLING & LICENSING E.1.1	\$2,900,741	\$3,670,349	\$769,608	26.5%	
INSPECTIONS E.1.2	\$3,207,512	\$3,807,047	\$599,535	18.7%	
ENFORCEMENT E.1.3	\$2,961,728	\$3,640,748	\$679,020	22.9%	
TEXASONLINE E.1.4	\$38,240	\$38,240	\$0	0.0%	
<b>Total, Goal E, MANUFACTURED HOUSING</b>	<b>\$9,108,221</b>	<b>\$11,156,384</b>	<b>\$2,048,163</b>	<b>22.5%</b>	
CENTRAL ADMINISTRATION F.1.1	\$10,251,834	\$10,883,236	\$631,402	6.2%	
INFORMATION RESOURCE TECHNOLOGIES F.1.2	\$2,838,891	\$2,835,000	(\$3,891)	(0.1%)	
OPERATING/SUPPORT F.1.3	\$1,070,646	\$1,102,805	\$32,159	3.0%	
<b>Total, Goal F, INDIRECT ADMIN AND SUPPORT COSTS</b>	<b>\$14,161,371</b>	<b>\$14,821,041</b>	<b>\$659,670</b>	<b>4.7%</b>	
<b>Grand Total, All Strategies</b>	<b>\$2,756,811,283</b>	<b>\$379,524,911</b>	<b>(\$2,377,286,372)</b>	<b>(86.2%)</b>	

Section 2

Department of Housing and Community Affairs  
 Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
MRB PROGRAM - SINGLE FAMILY A.1.1	\$0	\$0	\$0	0.0%	
HOME PROGRAM A.1.2	\$0	\$0	\$0	0.0%	
HOUSING TRUST FUND A.1.3	\$21,961,672	\$11,700,000	(\$10,261,672)	(46.7%)	Decrease General Revenue funding by \$10,261,672 over the biennium for grants for the Housing Trust Fund.
SECTION 8 RENTAL ASSISTANCE A.1.4	\$0	\$0	\$0	0.0%	
FEDERAL TAX CREDITS A.1.5	\$0	\$0	\$0	0.0%	
MRB PROGRAM - MULTIFAMILY A.1.6	\$0	\$0	\$0	0.0%	
<b>Total, Goal A, AFFORDABLE HOUSING</b>	<b>\$21,961,672</b>	<b>\$11,700,000</b>	<b>(\$10,261,672)</b>	<b>(46.7%)</b>	
HOUSING RESOURCE CENTER B.1.1	\$724,420	\$724,420	\$0	0.0%	
COLONIA SERVICE CENTERS B.2.1	\$0	\$0	\$0	0.0%	
<b>Total, Goal B, INFORMATION &amp; ASSISTANCE</b>	<b>\$724,420</b>	<b>\$724,420</b>	<b>\$0</b>	<b>0.0%</b>	
POVERTY-RELATED FUNDS C.1.1	\$20,100,000	\$100,000	(\$20,000,000)	(99.5%)	Decrease General Revenue funding by \$20,000,000 over the biennium for grants for homeless housing and services (See Rider Highlights #18).
ENERGY ASSISTANCE PROGRAMS C.2.1	\$0	\$0	\$0	0.0%	
<b>Total, Goal C, POOR AND HOMELESS PROGRAMS</b>	<b>\$20,100,000</b>	<b>\$100,000</b>	<b>(\$20,000,000)</b>	<b>(99.5%)</b>	
MONITOR HOUSING REQUIREMENTS D.1.1	\$0	\$0	\$0	0.0%	
MONITOR CONTRACT REQUIREMENTS D.1.2	\$0	\$0	\$0	0.0%	
<b>Total, Goal D, ENSURE COMPLIANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
TITLING & LICENSING E.1.1	\$0	\$0	\$0	0.0%	
INSPECTIONS E.1.2	\$0	\$0	\$0	0.0%	
ENFORCEMENT E.1.3	\$0	\$0	\$0	0.0%	
TEXASONLINE E.1.4	\$38,240	\$38,240	\$0	0.0%	
<b>Total, Goal E, MANUFACTURED HOUSING</b>	<b>\$38,240</b>	<b>\$38,240</b>	<b>\$0</b>	<b>0.0%</b>	
CENTRAL ADMINISTRATION F.1.1	\$3,246,334	\$3,296,130	\$49,796	1.5%	
INFORMATION RESOURCE TECHNOLOGIES F.1.2	\$323,470	\$281,516	(\$41,954)	(13.0%)	
OPERATING/SUPPORT F.1.3	\$154,946	\$147,104	(\$7,842)	(5.1%)	
<b>Total, Goal F, INDIRECT ADMIN AND SUPPORT COSTS</b>	<b>\$3,724,750</b>	<b>\$3,724,750</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Grand Total, All Strategies</b>	<b>\$46,549,082</b>	<b>\$16,287,410</b>	<b>(\$30,261,672)</b>	<b>(65.0%)</b>	

Section 2

Department of Housing and Community Affairs  
 Summary of Recommendations - Senate, By Method of Finance -- FEDERAL FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
MRB PROGRAM - SINGLE FAMILY A.1.1	\$0	\$0	\$0	0.0%	
HOME PROGRAM A.1.2	\$830,947,004	\$91,032,295	(\$739,914,709)	(89.0%)	
HOUSING TRUST FUND A.1.3	\$0	\$0	\$0	0.0%	
SECTION 8 RENTAL ASSISTANCE A.1.4	\$12,048,000	\$12,048,000	\$0	0.0%	
FEDERAL TAX CREDITS A.1.5	\$0	\$0	\$0	0.0%	
MRB PROGRAM - MULTIFAMILY A.1.6	\$0	\$0	\$0	0.0%	
<b>Total, Goal A, AFFORDABLE HOUSING</b>	<b>\$842,995,004</b>	<b>\$103,080,295</b>	<b>(\$739,914,709)</b>	<b>(87.8%)</b>	
HOUSING RESOURCE CENTER B.1.1	\$508,253	\$0	(\$508,253)	(100.0%)	
COLONIA SERVICE CENTERS B.2.1	\$0	\$0	\$0	0.0%	
<b>Total, Goal B, INFORMATION &amp; ASSISTANCE</b>	<b>\$508,253</b>	<b>\$0</b>	<b>(\$508,253)</b>	<b>(100.0%)</b>	
POVERTY-RELATED FUNDS C.1.1	\$168,543,860	\$86,225,100	(\$82,318,760)	(48.8%)	
ENERGY ASSISTANCE PROGRAMS C.2.1	\$591,760,758	\$117,310,036	(\$474,450,722)	(80.2%)	
<b>Total, Goal C, POOR AND HOMELESS PROGRAMS</b>	<b>\$760,304,618</b>	<b>\$203,535,136</b>	<b>(\$556,769,482)</b>	<b>(73.2%)</b>	
MONITOR HOUSING REQUIREMENTS D.1.1	\$0	\$0	\$0	0.0%	
MONITOR CONTRACT REQUIREMENTS D.1.2	\$1,074,129,648	\$18,834,981	(\$1,055,294,667)	(98.2%)	
<b>Total, Goal D, ENSURE COMPLIANCE</b>	<b>\$1,074,129,648</b>	<b>\$18,834,981</b>	<b>(\$1,055,294,667)</b>	<b>(98.2%)</b>	
TITLING & LICENSING E.1.1	\$0	\$0	\$0	0.0%	
INSPECTIONS E.1.2	\$400,000	\$400,000	\$0	0.0%	
ENFORCEMENT E.1.3	\$300,000	\$200,000	(\$100,000)	(33.3%)	
TEXASONLINE E.1.4	\$0	\$0	\$0	0.0%	
<b>Total, Goal E, MANUFACTURED HOUSING</b>	<b>\$700,000</b>	<b>\$600,000</b>	<b>(\$100,000)</b>	<b>(14.3%)</b>	
CENTRAL ADMINISTRATION F.1.1	\$0	\$0	\$0	0.0%	
INFORMATION RESOURCE TECHNOLOGIES F.1.2	\$0	\$0	\$0	0.0%	
OPERATING/SUPPORT F.1.3	\$0	\$0	\$0	0.0%	
<b>Total, Goal F, INDIRECT ADMIN AND SUPPORT COSTS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	

Section 2

Department of Housing and Community Affairs  
 Summary of Recommendations - Senate, By Method of Finance -- FEDERAL FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
<b>Grand Total, All Strategies</b>	<b>\$2,678,637,523</b>	<b>\$326,050,412</b>	<b>(\$2,352,587,111)</b>	<b>(87.8%)</b>	<p>The bill decrease Federal Funds by approximately \$2.3 billion due to reduced federal receipts.</p> <p>The bill reflects a decrease of \$1.2 billion in traditional federal funds:</p> <ul style="list-style-type: none"> <li>- \$100,000 Manufactured Housing Inspections;</li> <li>- \$1,053,606,111 Community Development Block Grants for Ike and Dolly disasters;</li> <li>- \$508,253 National Foreclosure Mitigation Counseling Program</li> <li>- \$160,530,646 Low-Income Home Energy Assistance</li> <li>- \$412,169 Alternative Housing Pilot Funds</li> </ul> <p>The bill also reflects an increase of approximately \$9.6 million in traditional federal funds:</p> <ul style="list-style-type: none"> <li>- \$1,700,000 Emergency Shelter Grants Program</li> <li>- \$1,254,433 HOME Investment Partnerships Program</li> <li>- \$1,705,739 Weatherization Assistance for Low-Income</li> <li>- \$4,985,363 Community Services Block Grant</li> </ul> <p>The bill reflects a decrease of \$1.1 billion in federal funds from the Federal American Recovery and Reinvestment Fund (ARRA):</p> <ul style="list-style-type: none"> <li>- \$40,855,156 Homeless Prevention</li> <li>- \$148,354,769 Tax Credit Assistance Program</li> <li>- \$594,091,929 Housing Tax Credit (HTC) Exchange Program</li> <li>- \$315,625,815 Weatherization</li> <li>- \$48,148,071 Community Service Block Grant</li> </ul>

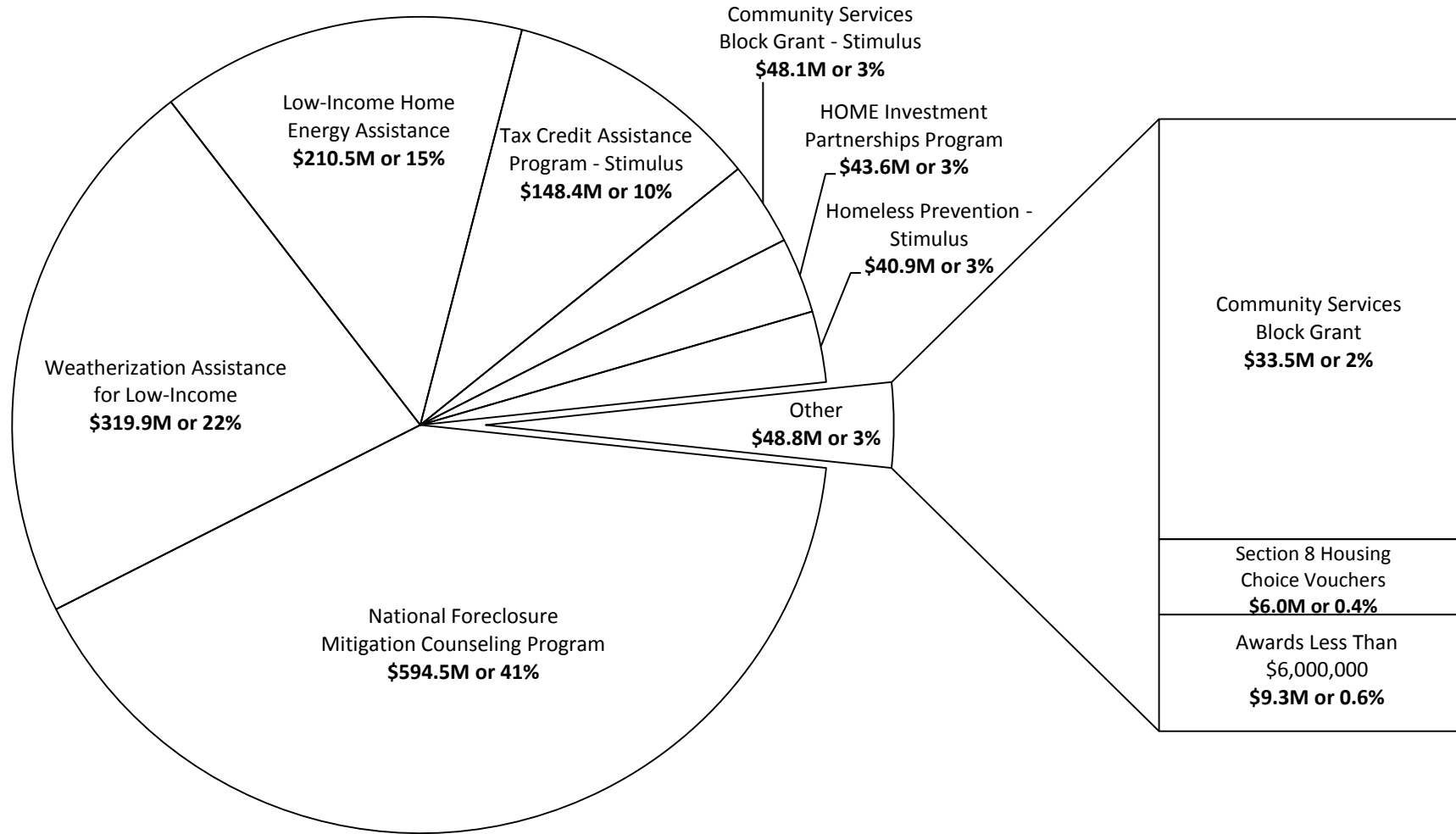
Section 2

**Department of Housing and Community Affairs  
Summary of Recommendations - Senate, By Method of Finance -- OTHER FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
MRB PROGRAM - SINGLE FAMILY A.1.1	\$2,636,960	\$2,893,848	\$256,888	9.7%	
HOME PROGRAM A.1.2	\$0	\$0	\$0	0.0%	
HOUSING TRUST FUND A.1.3	\$0	\$0	\$0	0.0%	
SECTION 8 RENTAL ASSISTANCE A.1.4	\$0	\$0	\$0	0.0%	
FEDERAL TAX CREDITS A.1.5	\$2,885,505	\$3,531,685	\$646,180	22.4%	
MRB PROGRAM - MULTIFAMILY A.1.6	\$473,180	\$894,066	\$420,886	88.9%	
<b>Total, Goal A, AFFORDABLE HOUSING</b>	<b>\$5,995,645</b>	<b>\$7,319,599</b>	<b>\$1,323,954</b>	<b>22.1%</b>	
HOUSING RESOURCE CENTER B.1.1	\$1,127,347	\$1,188,504	\$61,157	5.4%	
COLONIA SERVICE CENTERS B.2.1	\$545,863	\$564,902	\$19,039	3.5%	
<b>Total, Goal B, INFORMATION &amp; ASSISTANCE</b>	<b>\$1,673,210</b>	<b>\$1,753,406</b>	<b>\$80,196</b>	<b>4.8%</b>	
POVERTY-RELATED FUNDS C.1.1	\$0	\$0	\$0	0.0%	
ENERGY ASSISTANCE PROGRAMS C.2.1	\$1,245,000	\$1,380,000	\$135,000	10.8%	
<b>Total, Goal C, POOR AND HOMELESS PROGRAMS</b>	<b>\$1,245,000</b>	<b>\$1,380,000</b>	<b>\$135,000</b>	<b>10.8%</b>	
MONITOR HOUSING REQUIREMENTS D.1.1	\$3,904,221	\$5,119,649	\$1,215,428	31.1%	
MONITOR CONTRACT REQUIREMENTS D.1.2	\$0	\$0	\$0	0.0%	
<b>Total, Goal D, ENSURE COMPLIANCE</b>	<b>\$3,904,221</b>	<b>\$5,119,649</b>	<b>\$1,215,428</b>	<b>31.1%</b>	
TITLING & LICENSING E.1.1	\$2,900,741	\$3,670,349	\$769,608	26.5%	
INSPECTIONS E.1.2	\$2,807,512	\$3,407,047	\$599,535	21.4%	
ENFORCEMENT E.1.3	\$2,661,728	\$3,440,748	\$779,020	29.3%	
TEXASONLINE E.1.4	\$0	\$0	\$0	0.0%	
<b>Total, Goal E, MANUFACTURED HOUSING</b>	<b>\$8,369,981</b>	<b>\$10,518,144</b>	<b>\$2,148,163</b>	<b>25.7%</b>	
CENTRAL ADMINISTRATION F.1.1	\$7,005,500	\$7,587,106	\$581,606	8.3%	
INFORMATION RESOURCE TECHNOLOGIES F.1.2	\$2,515,421	\$2,553,484	\$38,063	1.5%	
OPERATING/SUPPORT F.1.3	\$915,700	\$955,701	\$40,001	4.4%	
<b>Total, Goal F, INDIRECT ADMIN AND SUPPORT COSTS</b>	<b>\$10,436,621</b>	<b>\$11,096,291</b>	<b>\$659,670</b>	<b>6.3%</b>	
<b>Grand Total, All Strategies</b>	<b>\$31,624,678</b>	<b>\$37,187,089</b>	<b>\$5,562,411</b>	<b>17.6%</b>	Recommendations increase Appropriated Receipts by approximately \$5.6 million in alignment with the agency's request. The agency anticipates increases in housing-related and manufactured housing-related receipts.

Section 3

**Department of Housing and Community Affairs**  
*Summary of Federal Funds (Estimated 2010)*  
**TOTAL = \$1,454.8M**





**Section 3**

**Department of Housing and Community Affairs**  
*Summary of Federal Funds (Estimated 2010)*  
**TOTAL = \$1,454.8M**

<b>CFDA</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>Req 2012</b>	<b>Req 2013</b>	<b>Rec 2012</b>	<b>Rec 2013</b>	<b>Est 2010 % total</b>
National Foreclosure Mitigation Counseling Program	\$0.5	\$594.5	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	40.9%
Weatherization Assistance for Low-Income	\$19.9	\$319.9	\$11.3	\$11.3	\$6.0	\$11.3	\$6.0	22.0%
Low-Income Home Energy Assistance	\$169.2	\$210.5	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0	14.5%
Tax Credit Assistance Program - Stimulus	\$0.0	\$148.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	10.2%
Community Services Block Grant - Stimulus	\$0.0	\$48.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	3.3%
HOME Investment Partnerships Program	\$43.9	\$43.6	\$45.0	\$44.9	\$44.9	\$44.9	\$44.9	3.0%
Homeless Prevention - Stimulus	\$0.0	\$40.9	\$0.3	\$0.3	\$0.0	\$0.3	\$0.0	2.8%
Community Services Block Grant	\$33.5	\$33.5	\$33.5	\$36.0	\$36.0	\$36.0	\$36.0	2.3%
Section 8 Housing Choice Vouchers	\$6.3	\$6.0	\$6.0	\$6.0	\$6.0	\$6.0	\$6.0	0.4%
Emergency Shelter Grants Program	\$5.3	\$5.3	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	0.4%
Community Development Block Grants	\$749.7	\$3.3	\$1,070.3	\$10.0	\$10.0	\$10.0	\$10.0	0.2%
Manufactured Housing Inspections	\$0.6	\$0.4	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	0.0%
Alternative Housing Pilot	\$0.1	\$0.3	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
<b>TOTAL:</b>	<b>\$1,029.0</b>	<b>\$1,454.8</b>	<b>\$1,223.8</b>	<b>\$165.8</b>	<b>\$160.2</b>	<b>\$165.8</b>	<b>\$160.2</b>	

## Section 3

### Department of Housing and Community Affairs Selected Fiscal and Policy Issues

1. **Capital Budget Authority.** The bill removes capital budget authority for Information Technology items. This will delay the agency's scheduled replacement of personal computers, laptops, printers and computer software and hardware. The bill does not remove Federal Funds and Appropriated Receipts authority related to capital budget reductions. Funds will be available for the agency to use in the HOME program, poverty related programs, energy assistance programs and to monitor contract requirements. (See Rider Highlights #2 and Items Not Included in the Recommendations #2).
2. **Program Funding and Staffing Levels.** The bill decreases All Funds by \$2.4 billion in fiscal years 2012-13. The bill relates to the following:
  - **General Revenue:** The bill reduces General Revenue by \$30.3 million for Housing Trust Fund (HTF) grants and homeless housing and services.
    - \$10.3 million decrease in General Revenue for HTF grants. The bill decreases funding in the HTF strategy for the Veterans Housing Support Program, the Amy Young Barrier Removal Program for Persons with Disabilities, the Rural Housing Expansion Program, the Homeownership Program and the Affordable Housing Match Program. The bill provides \$3 million in General Revenue funding for the statutorily required Texas Bootstrap Owner-Builder Loan Program. The bill also includes \$1.5 million in General Revenue for the agency to administer the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company. The HTF program operates with funds available and located outside the Treasury in the HTF (estimated to be \$1.5 million each year minimum) and appropriations made in Strategy A.1.3, which totals \$11.7 million for the biennium (See Rider Highlights #7).
    - \$20 million decrease in General Revenue for Homeless Housing and Services. The bill eliminates one-time funding appropriated during the 81<sup>st</sup> Legislative Session for case management and housing placement and retention services for homeless individuals and families.
  - **Federal Funds:** \$2.3 billion reduction in Federal Funds due to a decrease in federal receipts.

The bill reflects a decrease of approximately \$1.2 Billion in Federal Funds in fiscal years 2012-13:

- \$100,000 Manufactured Housing Inspections;
- \$1,053,606,111 Community Development Block Grant Disaster Funds for Ike and Dolly hurricanes;
- \$508,253 National Foreclosure Mitigation Counseling Program
- \$160,530,646 Low-Income Home Energy Assistance
- \$412,169 Alternative Housing Pilot Funds

## Section 3

The bill also reflect an increase of approximately \$9.6 million in Federal Funds which include:

- \$1,700,000 Emergency Shelter Grants Program
- \$1,254,433 HOME Investment Partnerships Program
- \$1,705,739 Weatherization Assistance for Low-Income
- \$4,985,363 Community Services Block Grant

The bill reflects a decrease of \$1.1 Billion in funds from the Federal American Recovery and Reinvestment Fund (ARRA) which include:

- \$40,855,156 Homeless Prevention
- \$148,354,769 Tax Credit Assistance Program
- \$594,091,929 Housing Tax Credit (HTC) Exchange Program
- \$315,625,815 Weatherization
- \$48,148,071 Community Service Block Grant

The agency was appropriated approximately \$565 million in the GAA in fiscal years 2010. The adjustments noted above reflect additional funding received by the agency in fiscal year 2011.

- **Other Funds:** \$5.6 million increase, which includes additional Appropriated Receipts (\$5,558,907) and Interagency Contracts (\$3,504) in alignment with the agency's request. Additional funding for appropriated receipts includes Housing Fees kept outside the treasury. The agency reports more fees than anticipated due to Disaster Recovery/Housing and Economic Recovery Act Tax Credits during fiscal year 2010. The agency anticipates increases in housing related and manufactured housing-related receipts in fiscal years 2012-13.
- **Full-Time Equivalent Positions:** The bill provides for 417.0 FTEs in fiscal year 2012 and 387.0 FTEs in fiscal year 2013. The recommendations include:
  - 314.0 FTEs each fiscal year from part federally funded and non-federally funded appropriations; and
  - 103.0 FTEs in fiscal year in 2012 and 73.0 FTEs in 2013 for anticipated 100 percent federally funded positions.

3. **Employment Limitations.** The bill does not include the agency's request to add a new rider for employment limitations. The proposed language states that in addition to the authority provided in Article IX, Section 6.10, the agency after notifying the State Auditor, the Comptroller, the Legislative Budget Board, and the Governor can add full-time equivalent positions (FTEs) above the number of FTEs allowed in the agency's bill pattern if the agency certifies that: a) the employees are associated with implementation of a new, unanticipated federally-mandated project or expansion of an existing project; b) all costs associated with such increased FTEs are 100 percent funded with legally permissible fees not previously included in the Department's appropriations or in state revenue estimates; c) there will be no costs to state General Revenue; and d) the FTEs are required to maintain adequate levels of program performance. Article IX, Section 6.10, Limitation on State Employment Levels, currently requires the agency to receive written approval from the Governor and the Legislative Budget Board before exceeding their full-time equivalent positions (See Items Not Included in Recommendations #3).

### Section 3

4. **Fiscal Year 2011 Request to Exceed.** The agency requested authority to expend an additional \$1.9 million in Appropriated Receipts in fiscal year 2011 from fees collected from Disaster Recovery Tax Credit Commitment Fees and new Asset Management Fees to contract for services and hire additional staff within its General Appropriations Act FTE cap (these staff would replace staff currently paid through federal funds or General Revenue) to administer additional duties associated with the Tax Credit Assistance Program (TCAP) and the Tax Credit Exchange Program (TCEP). Rider 7, Additional Appropriated Receipts in the agency's bill pattern directs TDHCA to submit a finding of fact along with a written plan outlining the source, use and projected impact of the funds to the Legislative Budget Board and the Governor for review and approval prior to expending any funds above estimated amounts in the agency's bill pattern. The funds will be used for the following:
  - \$1,746,879 for professional fees and services/salaries and Wages/Payroll Related Costs; and
  - \$136,028 for other operating costs.
5. **Sunset Review.** The agency is currently undergoing Sunset review. The Sunset Commission recommended continuing the agency for 12 years (See Rider Highlights #18).
6. **Budget Structure Changes.** Structure changes were approved for the agency during the Strategic Planning Process. The Legislative Budget Board and the Governor's office approved the agency's request to merge Housing Trust Fund Strategies for Single and Multifamily. Approved changes will allow the agency flexibility in the use of funds for these purposes (See Rider Highlights #7 and #8).
7. **Additional Appropriated Receipts Rider.** The bill amends this rider to allow the Legislative Budget Board and Legislative Offices additional time to review requests by the agency to expend additional appropriated receipts. This is consistent with other similar approval of riders elsewhere in the General Appropriations Act. Current language in the rider states that the 10 day review period for approval/disapproval begins when the LBB receives a copy of the finding of fact and written plan. The bill changes the review period to begin when our office has completed its review and forwards its findings of fact along with conclusions or comments to the Chair of Housing Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House and Lieutenant Governor. (See Rider Highlights #11).

**Section 4**

**Department of Housing and Community Affairs  
Performance Review and Policy Report Highlights**

<b>Reports &amp; Recommendations</b>	<b>GEER Report Page</b>	<b>Savings/ (Cost)</b>	<b>Gain/ (Loss)</b>	<b>Fund Type</b>	<b>Is included in the Introduced Bill</b>	<b>Action Required During Session</b>
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**NO RELATED RECOMMENDATIONS**

## Section 5

### Department of Housing and Community Affairs Rider Highlights

2. **(former) Capital Budget Items.** The bill deletes this rider. All authority for capital budget items was removed from the recommendations. This will delay the agency's scheduled replacement of personal computers, laptops, printers and computer software and hardware. The bill does not remove Federal Funds and Appropriated Receipts authority related to capital budget reductions. Funds will be available for the agency to use in federal programs administered by the agency. (See Fiscal and Policy Issues #1 and Items not Included in the Recommendations #2).
7. **(former) Bond Refinancing.** The bill deletes this rider. The current rider directs TDHCA to transfer any funds acquired through refinancing of bonds to the Housing Trust Fund and states that the first \$3 million each year in savings from the refinancing of any bonds shall be used to fund mortgage loans under the Bootstrap Self-Help Housing Loan Program. Historically the agency has not made any transfers based on the language of this rider because federal law limiting the earnings TDHCA can retain and requirements of the bond indenture (i.e. the commitment made to bond investors) takes precedence. Federal law restricts the bond yield (the amount TDHCA can earn) to 1.125% while the bond indenture promises investors that we will retain savings achieved through refinancing within the indenture. The allowable savings can be used to reduce interest rates, offer down-payment assistance, increase reserves within the indenture, or other activities in support of the indenture but they cannot be transferred out for use in separate programs.
7. **Appropriation: Housing Trust Fund Interest Earnings and Loan Repayments.** The bill increases interest earnings and loan repayments received from loans made through the Housing Trust Fund Program from \$1,000,000 each year for the 2010-11 biennium to \$1,550,000 each fiscal year for the 2012-13 biennium, in alignment with the agency's estimates and request. The bill also modifies language in this rider to strike "Single Family." The Housing Trust Fund - Single Family A.1.3 and Housing Trust Fund – Multifamily, A.1.6 strategies were merged during strategic planning, in alignment with the agency's request.
8. **Housing Trust Fund Deposits to the Texas Treasury Safekeeping Trust Company.** The bill amends rider language to strike "Single Family and Multifamily." The Housing Trust Fund - Single Family A.1.3 and Housing Trust Fund – Multifamily, A.1.6 strategies were merged during strategic planning, in alignment with the agency's request. Recommendations also increase interest earnings and loan repayments deposited to the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company to \$1,550,000 each fiscal year of the biennium.
10. **Additional Appropriated Receipts.** The bill amends this rider which requires the agency to submit a finding of fact along with a written plan outlining the source, use, and projected impact of receiving authority to expend additional appropriated receipt funds. This amendment is consistent with other similar approved riders elsewhere in the General Appropriations Act. The rider states that except during an emergency as defined by the Governor, no appropriation of appropriated receipts in addition to the estimated amounts in the agency's bill pattern may be expended by the agency without the approval from the Legislative Budget Board and the Governor. The bill includes the following changes:
  - to delete section a. (2) – neither the Legislative Budget Board nor the Governor issue a written disapproval not later than 10 business days within receipt of the finding of fact and the written plan and replace with;

## Section 5

- a. (2) – neither the Legislative Budget Board nor the Governor issues a written disapproval not later than: the 10<sup>th</sup> day after the date the staff of the Legislative Budget Board concludes its review of the findings of fact and forwards those findings of fact along with the conclusions or comments of the Legislative Budget Board staff to the Chair of the Housing Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and within 10 business days of the receipt of the finding of fact by the Governor and the written plan, which would not prohibit the agency from responding in an emergency (See Selected Fiscal and Policy Issues #7).

15. **Travel Expenditures.** The bill amends this rider language to provide clarification on the limitation of funds for out-of-state travel associated with federal programs and paid out of federal funds from the Article IX travel cap limitation.
16. **(new) Sunset Contingency.** The bill includes a rider making agency appropriations in 2013 contingent upon the continuation of the agency and requiring appropriations for 2012 to be used to provide for the phase out of agency operations if the agency is not continued (See Selected Fiscal and Policy Issues #5).
17. **(former) Capacity Building Performance Measures.** The bill deletes this rider. The rider directed the agency to use funds from appropriations in the Housing Trust Fund to develop a performance measure assessment tool for any organization receiving awards for the purpose of capacity building. The assessment tool must prioritize housing unit production as a key measure along with other benchmarks including capacity building, human resources, fundraising, grants, households served, and financial administration (See Items Not Included in the Recommendations #1 and Selected Fiscal and Policy Issues #2).
18. **(former) Homeless Housing and Services.** The bill deletes this rider. All one-time General Revenue funding appropriated for this purpose was removed from the recommendations. The recommendations decrease General Revenue funding by \$10 million each year for the purposes of assisting regional urban areas in providing services to homeless individuals and families, including services such as case management, and housing placement and retention (See Selected Fiscal and Policy Issues #2).
19. **(former) Financial Assistance for Local Initiatives Regarding the Homeless.** The bill deletes this rider. The bill decreases General Revenue funding by \$20 million for grants for homeless initiatives. The rider directed the agency to provide financial assistance to political subdivisions, housing finance corporations, for-profit corporations, and nonprofit organizations to support local initiatives regarding homeless individuals and families (See Selected Fiscal and Policy Issues #2 and #18 above).

**Section 6**

**Department of Housing and Community Affairs  
Items not Included in Recommendations**

	<b>2012-13 Biennial Total</b>	
	<b>GR &amp; GR- Dedicated</b>	<b>All Funds</b>
<b>Agency Requested Items</b>		
1. Restoration of General Revenue funding for Housing Trust Fund (See Selected Fiscal and Policy Issues #2)	\$ 9,377,750	\$ 9,377,750
2. Restoration of capital budget authority only for information technology items, including the scheduled replacement of personal computers, laptops, printers, software and hardware (\$95,000 in 2012 and \$95,000 in 2013). (See Selected Fiscal and Policy Issues #1)	\$ -	\$ -
a. Community Affairs Federal Fund No. 127 - \$38,159 in 2012 and \$34,981 in 2013		
b. Appropriated Receipts - \$56,841 in 2012 and \$60,019 in 2013		
<b>Agency Exceptional Items Not Included</b>		
3. Add new rider for Employment Limitations. The bill does not include this rider (See Selected Fiscal and Policy Issues #3).	\$ -	\$ -
<b>Total, Items Not Included in the Recommendations</b>	<b>\$ 9,377,750</b>	<b>\$ 9,377,750</b>