



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2020-3 NOTICE OF FUNDING AVAILABILITY (NOFA)
SPECIAL PURPOSE NOFA – DISASTER IMPACTED AREA

- 1) Summary.** The Texas Department of Housing and Community Affairs (the Department) announces the availability of up to **\$4,000,000** in Multifamily Direct Loan funding for the development of affordable multifamily rental housing for low-income Texans. Applications under the 2020-3 NOFA will be accepted from December 13, 2019, through March 20, 2020 (if sufficient funds remain). The availability and use of these funds are subject to the following rules:

Texas Administrative Code

- 10 TAC Chapter 1 (Administration)
- 10 TAC Chapter 2 (Enforcement)
- 10 TAC Chapter 10 (Uniform Multifamily Rules)
- 10 TAC Chapter 11 (Qualified Allocation Plan)
- 10 TAC Chapter 12 (Multifamily Housing Revenue Bonds)
- 10 TAC Chapter 13 (Multifamily Direct Loan Rule)

Texas Government Code

Tex. Gov't. Code Chapter 2306

U.S. Department of Housing and Urban Development (HUD') Program Regulations

The Eligible Costs, and Match Provisions of 24 CFR Part 92 ([HOME Investment Partnerships Program Final Rule](#))

Fair Housing

Federal Fair Housing Act, 42 U.S.C. 3601-19.

- 2) Special Purpose** Funds are available for Application proposing the new construction of affordable housing in areas of the state most affected by natural disasters, that are not also funded by Competitive 9% Housing Tax Credits. Applications will be evaluated for Development sites in Municipalities that comply with the Special Purpose conditions:

- a. a Municipality that had a population of at least 3,500 and not more than 5,000 prior to the natural disaster;
- b. at least 400 and not more than 600 units of long-term rental housing in a Municipality have been lost as the result of a single natural disaster, and they will not be replaced as long-term rental housing by the Owner(s) with insurance proceeds or other means;
- c. the Municipality had at least 2,000 permanent jobs prior to the disaster and replacement of the rental housing is necessary for the economic recovery of the area;
- d. the Municipality has never received an award or allocation of funds from the Department;
- e. an award of CDBG-DR funds from the Texas General Land Office for the construction or reconstruction of multifamily housing as a result of the natural disaster has not been made within the Municipality;
- f. to the greatest extent possible, the Department will consider conditions in the Municipality prior to the disaster; and
- g. no part of this section may be waived by the Board.

3) Loan Structure.

Awards will be structured as a construction-to-permanent loan with 0% interest, fully amortized over a 40-year term.

4) Maximum Per Unit Subsidy Limits. The maximum per unit subsidy limits that an Applicant can use to determine the amount of Direct Loan funds they may request are listed in the 2020 Maximum Per Unit Subsidy Limits table provided in this Section 4:

2020 Maximum Per Unit Subsidy Limits		
Bedrooms	Non-elevator property	Elevator-served property
0 bedroom	\$142,411	\$149,868
1 bedroom	\$164,203	\$171,802
2 bedroom	\$198,034	\$208,913
3 bedroom	\$253,490	\$270,266
4 bedroom or more	\$282,398	\$296,666

5) Application Submission Requirements.

- a. **Application Acceptance Period.** Applications under this NOFA will be accepted starting at 8:00 a.m. Austin local time on December 13, 2019, through March 20, 2020, at 5:00 p.m. Austin local time (if sufficient funds remain). Applications submitted December 13, 2019, through January 6, 2020, will have an Application Acceptance Date of January 6, 2020. All other Applications will have an Application Acceptance on the business day of receipt, in accordance with 10 TAC §13.5(c), unless modified by §13.1(c)(2). An Applicant may have only one active Application per Development at a time under this or any other Department NOFA.
- b. **Application Submission Materials.** All Application materials including manuals, NOFAs, program guidelines, and rules will be available on the Department’s website at www.tdhca.state.tx.us. Applications will be required to adhere to the requirements in effect at

the time of the Application submission including any requirements of federal rules that may apply and subsequent guidance provided by HUD.

- c. An Application must be on forms provided by the Department, and cannot be altered or modified, and must be in final form before submitting it to the Department. An Applicant must submit the Application materials as detailed in the Multifamily Programs Procedures Manual (MPPM) in effect at the time the Application is submitted. All scanned copies must be scanned in accordance with the guidance provided in the MPPM in effect at the time the Application is submitted.
 - i. If an Applicant has an active Application (i.e. the Board has not made a Direct Loan Award), but wishes to apply for additional funds, it must withdraw that Application and submit a new Application.
- d. **Minimum Requests.** The request for funds under this 2020-3 Special Purpose NOFA may not be less than \$4,000,000.00. However, if the underwriting report indicates that the Development will be feasible with an award of less than \$4,000,000, staff may recommend a lower award.
- e. **Match Submission Requirements.** All Applicants must provide Match in the amount of at least 7.5% of the Direct Loan funds requested. Except for Match in the form of the net present value of a below market interest rate loan or a property tax exemption under Sections 11.111, 11.18, 11.181, 11.182, 11.1825, or 11.1827 of Texas Property Tax Code, Match must be documented with a letter from the anticipated provider of Match indicating the provider's willingness and ability to make a financial commitment should the Development receive an award of Direct Loan funds.
- f. An Applicant who is not also simultaneously applying for 2020 4% Housing Tax Credits is required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$1,000.00 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash. Tex. Gov't Code §2306.147(b) requires the Department to waive Application fees for private nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the Application fee. The Application fee is not a reimbursable cost under the Multifamily Direct Loan Program.
- g. An Application must be uploaded to the Department's secure web transfer server in accordance with 10 TAC §11.201(1)(C).

7) Post Award Requirements. Applicants are strongly encouraged to review the applicable Post Award requirements in 10 TAC Chapter 10, Subchapter E, Post Award and Asset Management Requirements and 10 TAC Chapter 13, as well as the Compliance Monitoring requirements in 10 TAC Chapter 10, Subchapter F.

- a. Awarded Applicants may, at the Department's discretion, be charged fees for underwriting, asset management, and ongoing monitoring.
- b. An Applicant will be required to record a Land Use Restriction Agreement (LURA) limiting residents' income and rent for the greater amount of Units required by the Direct Loan Unit Calculation Tool, or as represented in the Application for the term of the LURA.

- c. An Applicant must have a current Data Universal Numbering System (DUNS) number and be registered in the federal System for Award Management prior (SAM) prior to execution of a Direct Loan contract. Applicants may apply for a DUNS number at dnb.com). Once you have the DUNS number, you can [register with the SAM](#).
- d. An awarded Applicant may be required to meet additional documentation requirements in order to draw funds, in accordance with its Previous Participation results.

8) Miscellaneous.

- a. This NOFA does not include text of the various applicable regulatory provisions pertinent to the TCAP RF. For proper completion of the application, the Department strongly encourages potential Applicants to review the State and Federal regulations.
- b. All Applicants must comply with public notification requirements in 10 TAC §11.203.
- c. The Board may on a case by case basis, or in whole, waive procedural provisions of this NOFA where such waiver or exception to the provision(s) are warranted and documented and where such exception is not in violation with any state or federal requirement(s).
- d. Funds will be available under this NOFA only to the extent that sufficient TCAP or TCAP RF repayments are received by the Department by January 6, 2020.
- e. For questions regarding this NOFA, please contact Andrew Sinnott, Multifamily Loan Program Administrator, at andrew.sinnott@tdhca.state.tx.us.