



**HOME Investment Partnerships Program (“HOME”)
CFDA# 14.239**

**2017 HOME Single Family Development Program
Notice of Funding Availability (“NOFA”)**

1) Summary.

- a) The Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”) announces a NOFA of approximately \$2,000,000 in funding from the HOME Investment Partnerships Program (“HOME”) for Community Housing Development Organizations (“CHDOs”) contract awards to develop single-family housing for low-income Texans.
- b) The availability and use of these funds are subject to the HOME rules including, but not limited to the following Texas Administrative Code (“TAC”) rules in effect at the time of application: Title 10, Part 1, Chapter 1, Administration; Chapter 2, Enforcement; Chapter 20, the Single Family Programs Umbrella Rule; Chapter 21, the Minimum Energy Efficiency Requirements for Single Family Construction Activities; Chapter 23, the Single Family HOME Program, effective August 30, 2015, (“State HOME Rules”); and Tex. Gov’t Code §2306. Other federal and state regulations include but are not limited to, 24 CFR Part 58 for environmental requirements, 24 CFR Part 200 for Uniform Administrative Requirements, 24 CFR §135.38 for Section 3 requirements, 24 CFR Part 5, Subpart A for fair housing, (“Federal HOME Rules”). Units of local government must adhere to the Uniform Grant Management Standards (“UGMS”) as outlined in Chapter 783 in the Texas Local Government Code. Applicants must familiarize themselves with all of the applicable state and federal rules that govern the HOME Program.
- c) Capitalized terms in this NOFA have the meanings defined herein or as defined in State HOME Rules, Tex. Gov’t Code §2306 or the Federal HOME Rules.
- d) In the event that the Resale and Recapture provisions in 10 TAC §23.29 conflict with the Resale and Recapture provisions in the Department’s action plan as approved by the U.S. Department of Housing and Urban Development (“HUD”), the provisions in the action plan will prevail, in accordance with 24 CFR §92.254(a)(5).

- e) If changes to the contract are required during the contract term due to required changes in Federal or State law, the Department may initiate an amendment process to ensure compliance.

2) Source of Funds. Funds totaling approximately \$2,000,000 are made available for Single Family Development from prior year HOME allocations in accordance with 10 TAC, Chapter 1, §1.19, Reallocation of Financial Assistance. The Department, in its sole discretion, may also release additional unallocated HOME funds, deobligated funds, Program Income, and funds reallocated from undersubscribed set-asides, as allowable and available, under this NOFA. In accordance with Tex. Gov't Code §2306.111(d), these funds are not subject to the Regional Allocation Formula. The Department, in its sole discretion, also reserves the right to cancel or modify the amount available in this NOFA.

3) Eligible Activities.

- a) These funds are made available through the Department's allocation of HOME funds from the U.S. Department of Housing and Urban Development ("HUD"). The program is designed to create housing options affordable to individuals and families of low income who may otherwise reside in substandard housing. All funds released under this NOFA are to be used for the creation of affordable housing for sale to low-income Texans earning 80% or less of the Area Median Family Income ("AMFI").
- b) Funds provided under this NOFA may be used for pre-development costs, acquisition, lot development, onsite infrastructure, construction, rehabilitation and down payment assistance to qualified homebuyers. Onsite infrastructure includes costs for individual service lines, approved septic installation, sidewalks, curbs and site improvements. Examples of excluded infrastructure costs are water, sewer, electrical, main or transfer lines, streets and other improvements that serve areas outside the development site. First-lien loans made to homebuyers under this NOFA shall not subordinate if the homebuyer obtains a home equity loan during the term of the loan. Second-lien loans for downpayment assistance and/or closing costs may subordinate in the event of a refinance if the new loan amount is at least \$1,000 more than the amount owed on the second-lien loan.
- c) CHDO Applicants must be the owner, developer, and construction loan borrower for the proposed development, and must be in sole charge of construction in accordance with 24 CFR §92.300(a)(6).
- d) Specific program guidelines can be found at 10 TAC, Chapter 23, Single Family HOME Program, Subchapter G, Single Family Development Program §§23.70-23.72.

4) Eligible Applicants.

- a) Eligible Applicants are private nonprofit organizations that have submitted an application for CHDO Certification to the Department in conjunction with the application for award under this NOFA. Applicants that are determined to meet the definition of a CHDO and that may be certified as a CHDO by the Department may be eligible for award under this NOFA.

- b) If an Applicant that is a private nonprofit organization is requesting a waiver of the grant application fee, they must do so in a board resolution authorizing the submittal of the application to the Department, and must state that the nonprofit organization offers expanded services such as child care, nutrition programs, job training assistance, health services, or human services; and must provide evidence of such expanded services.
- c) Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.
- d) All Applicants will be subject to a Previous Participation Review by the Department pursuant to 10 TAC §1.302. Staff will not recommend applications for funding unless the Applicant has successfully completed a previous participation review as outlined in 10 TAC §1.302.
- e) Audit Requirements. An Applicant is not eligible to receive funds or any other assistance from the Department unless a past audit or Audit Certification Form has been submitted to the Department in a satisfactory format in accordance with 10 TAC §1.403. This is a threshold requirement outlined in the application, therefore applications that have outstanding past audits will be disqualified.

5) Prohibited Activities.

- a) Prohibited activities include those at 24 CFR §92.214 and in the State HOME Rules.
- b) Funds provided under this NOFA are not eligible for use in a Participating Jurisdiction ("PJ").

6) Allocation of HOME Funds.

- a) In accordance with 10 TAC §23.22(a), an application received by the Department in response to an Open Application Cycle will be assigned a "Received Date and Time" and will be prioritized for review based on a first-come, first-served basis.
- b) Applications that do not meet minimum threshold as described in 10 TAC §23.25 and 10 TAC §23.70 will not be considered for funding.
- c) Only Applications proposing activities located entirely within a Colonia will be accepted until **Friday, April 3, 2017, 5:00 p.m. Austin local time**. After this date funds will be available statewide except for within areas served by other Participating Jurisdictions. Colonia designation and the state issued ID number is available on the Secretary of State website and must be included in Applications submitted on or before **Friday, April 3, 2017, 5:00 p.m. Austin local time**.
- d) Based on the availability of funds, applications proposing to serve any area of the state, excluding Participating Jurisdictions, will be accepted from **Monday, April 5th, 8:00 a.m. Austin local time until Thursday, June 1, 2017, 5:00 p.m. Austin local time**.
- e) Funding recommendations for Awards will be presented to the Department's Executive Award and Review Advisory Committee ("EARAC"), which will in turn make its

recommendations to be presented to the Governing Board based on eligibility and previous participation review. Recommendations are limited by the total amount of funds available under this NOFA and the maximum award amount limitations for each Activity type.

- f) The Department may decline to consider any Application if the proposed activities would not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications that are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process or making awards. The Department reserves the right to request clarification on individual elements of any Application.
- g) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

7) Administrative Deficiencies. Administrative deficiencies noted during the review of an Application during an Open Application Cycle are subject to the administrative deficiency process outlined in 10 TAC §23.24(c). The time period for responding to a deficiency notice commences on the first business day following the deficiency notice date. If an administrative deficiency is not resolved to the satisfaction of the Department by 5:00 p.m. Austin local time on the fifth business day following the date of the deficiency notice, the Application shall be terminated. Applicants that have been terminated may reapply during the application acceptance period.

8) Limitations on Funds.

- a) The Department awards HOME funds to eligible recipients for the provision of housing for low, very low and extremely low-income individuals and families, pursuant to 10 TAC §23.71. The maximum amount of Project funds awarded to a contact under an Open Application Cycle is established in the NOFA in accordance with 10 TAC §23.26(a). Award amounts for Project funds in this NOFA are limited to no more than \$500,000 per application and per CHDO.
- b) Each CHDO that is awarded Project funds under this NOFA may also be eligible to receive a grant for CHDO Operating Expenses, which are defined in 24 CFR §92.208 as including salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; and equipment, materials, and supplies. Applicants will be required to submit organizational operating budgets, audits and other financial and non-financial materials detailed in the HOME application. The award amount for CHDO Operating Expenses shall not exceed \$50,000. Funds for CHDO Operating Expenses may be drawn in an amount not to exceed \$25,000 prior to submission of eligible projects in accordance with the performance benchmark requirement defined in 10 TAC 23.26(c). In the event that the CHDO does not comply with the performance benchmark requirements, the remaining funds awarded for CHDO Operating Expenses may be deobligated. The Department reserves the right to limit an Applicant to receive not more than one award of CHDO Operating Expenses during the same fiscal year and to further limit the award of CHDO Operating Expenses.
- c) In accordance with 10 TAC §23.26(f), the Administrator may incur and be reimbursed for eligible costs incurred before the effective date of the HOME contract in accordance with 24 CFR §92.212 and at the sole discretion of the Department.

9) Threshold Requirements.

- a) General Threshold and Selection Criteria are established in 10 TAC §23.25 for all Set-Aside types. Additional threshold requirements for Single Family Development are located at 10 TAC §23.70.
- b) Applications submitted in response to an Open Application Cycle which do not meet threshold will be issued a deficiency notice as noted above and threshold must be satisfied prior to a recommendation for funding.
- c) Pursuant to 10 TAC §23.25(a)(5), if a submitted Application has an entire Volume of the application missing; has excessive omissions of documentation from the Threshold Criteria or uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department, will be terminated with notice and rights to appeal but without being processed as an Administrative Deficiency. To the extent that a review was unable to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.

10) Application Requirements.

- a) Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, cannot be altered or modified, and must be in final form before submitting them to the Department.
- b) All Application materials including manuals, program guidelines, and applicable HOME rules, are available on the Department's website at <http://www.tdhca.state.tx.us/home-division/applications.htm>.
- c) All Applications must be submitted in accordance with the 2017 Application Submission Procedures Manual ("ASPM") forms and instructions.

11) Public Notifications. The Department will notify all persons and organizations regarding the proposed development as required by §2306.1114, Tex. Gov't Code within fourteen (14) Days of Application receipt. In order to meet this requirement, the Applicant must request a list of Neighborhood Organizations on record with the county and state whose boundaries include the proposed Development Site from local elected officials as follows:

- a) Not later than fourteen (14) days prior to submission of the Application, the Applicant must e-mail, fax or mail with registered receipt a completed "Neighborhood Organization Request" letter as provided in the Application to the local elected official for the city and county where the Development is proposed to be located. If the Development is located in an Area that has district based local elected officials, or both at-large and district based local elected officials, the request must be made to the city council member or county commissioner representing that district; if the Development is located an Area that has only at-large local elected officials, the request must be made to the mayor or county judge for the jurisdiction. If the Development is not located within a city or is located in the Extra Territorial Jurisdiction (ETJ) of a city, the county local elected official must be contacted. In

the event that local elected officials refer the Applicant to another source, the Applicant must request Neighborhood Organizations from that source in the same format;

- b) If no reply letter is received from the local elected officials by seven (7) days prior to the submission of the Application, then the Applicant must certify to that fact in the "Application Notification Certification Form" provided in the Application;
- c) The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as outlined by the local elected officials, or that the Applicant has knowledge of as of the submission of the Application, in the "Application Notification Certification Form" provided in the Application.

12) Application Submission.

- a) All applications submitted under this NOFA must be received on or before **June 1, 2017, 5:00 p.m. Austin local time**, regardless of method of delivery. The Department will accept applications from **8:00 a.m. Austin local time to 5:00 p.m. Austin local time** each business day, excluding federal and state holidays, from the date this NOFA is published on the Department's web site until the deadline. For questions regarding this NOFA please contact Abigail Versyp at (512) 475-0908 or via e-mail at abigail.versyp@tdhca.state.tx.us.
- b) Applications can be sent via overnight delivery to:

Texas Department of Housing and Community Affairs
HOME and Homeless Programs Division
221 East 11th Street
Austin, TX 78701-2410

Or via the U.S. Postal Service to:

Texas Department of Housing and Community Affairs
HOME and Homeless Programs Division
PO Box 13941
Austin, TX 78711-3941

- c) Applicants must submit a completed Application, required documentation, and associated application materials, as described in this NOFA ASPM. All scanned copies must be scanned in accordance with the guidance provided in the ASPM.
- d) All Application materials including manuals, this NOFA, program guidelines, and applicable HOME rules are available on the Department's website at <http://www.tdhca.state.tx.us/home-division/applications.htm>. Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, cannot be altered or modified, and must be in final form before submitting them to the Department.

- e) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$300 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash. Pursuant to Tex. Gov't Code §2306.147(b), the Department will 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 an allowable or reimbursable cost under the HOME Program.
- f) This NOFA does not include text of the various applicable regulatory provisions that may be important to the HOME Program. For proper completion of the application, the Department strongly encourages potential Applicants to review the State and Federal regulations, and contact the HOME Division for guidance and assistance.

13) Dispute Resolution/Appeal.

- a) In accordance with Tex. Gov't Code §2306.082 and 10 TAC §1.17, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Tex. Gov't Code Chapter 2009, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at any time an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's Rule on ADR at 10 TAC §1.17.
- b) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.