



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2017-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
FOURTH AMENDMENT

THIS AMENDMENT SUBTRACTS \$9,086,316 IN HOME FUNDS FROM THE GENERAL SET-ASIDE PURSUANT TO BOARD ACTION TAKEN AT THE BOARD MEETING OF SEPTEMBER 7, 2017. THE SUBTRACTED HOME FUNDS ARE BEING REPROGRAMMED FOR SINGLE FAMILY DISASTER ASSISTANCE ACTIVITIES. ALL OTHER TERMS AND CONDITIONS OF THE 2017-1 NOFA REMAIN AS ORIGINALLY PUBLISHED.

- 1) Summary.** The Texas Department of Housing and Community Affairs (the “Department”) announces the availability of up to **\$37,073,353** in Multifamily Direct Loan funding for the development of affordable multifamily rental housing for low-income Texans. The availability and use of these funds are subject to 10 TAC Chapters 1 (“Administration”), 2 (“Enforcement”), 10 (“Uniform Multifamily Rules”), 13 (“Multifamily Direct Loan Rule”), and Chapters 11 (“Qualified Allocation Plan”) and 12 (“Multifamily Housing Revenue Bonds”) as applicable, as well as Chapter 2306 of the Texas Government Code. Applications proposing development of affordable multifamily rental housing will be subject to the Department of Housing and Urban Development (“HUD”) HOME regulations governing the HOME and NSP1-PI programs found at 24 CFR Part 92 (“HOME Final Rule”) except when NHTF – which is governed by 24 CFR Part 93 – is awarded and these regulations differ. Other regulations that apply to federal funds include, but are not limited to, fair housing (42 U.S.C. 3601-3619), environmental requirements (42 U.S.C. 4321; and 24 CFR part 50 or part 58 depending on the type of activity), Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and HUD Handbook 1378, Section 104(d) of Housing and Community Development Act of 1974. HOME funds are further regulated by Davis-Bacon and Related Labor Acts for labor standards (40 U.S.C. §3141-3144 and 3146-3148, 24 CFR §92.354, and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs). HOME-funded developments must comply with HUD Section 3 requirements (24 CFR Part 135). Section 3 requires HOME-funded housing and community development activities to give, to the greatest extent feasible (and consistent with existing Federal, State and local laws and regulations) job training, employment, contracting and other economic opportunities to Section 3 residents and business concerns.
- 2) Sources of Multifamily Direct Loan Funds.** Multifamily Direct Loan funds are made available through program income generated from prior year HOME allocations, de-obligated funds from prior HOME allocations, the 2015 and 2016 Grant Year HOME allocations, loan repayments

from the Tax Credit Assistance Program (“TCAP Repayment funds” or “TCAP RF”), program income generated from Neighborhood Stabilization Program Round 1 (“NSP1 PI”), and the 2016 Grant Year National Housing Trust Fund (“NHTF”) allocation.

- 3) Set-Asides.** All funds – except TCAP Repayment Funds that were added to the 2017-1 NOFA by the First Amendment, NSP1-PI funds added to the 2017-1 NOFA by the Second Amendment, and NHTF funds added to the 2017-1 NOFA by the Third Amendment – will be subject to the Regional Allocation Formula (“RAF”, located in Attachment A) until February 9, 2017, and then available on a statewide basis within each set-aside. NHTF funds added to the 2017-1 NOFA by the Third Amendment will be subject to the Regional Allocation Formula June 30, 2017, through August 14, 2017, as reflected in Attachment B, and then available on a statewide basis August 15, 2017, through October 31, 2017. Applications under any and all set-asides may or may not be layered with 9% or 4% Housing Tax Credits (“HTC”). The funds made available under this NOFA are available under three set-asides:

Set-Aside	Amount Available	Maximum Request
CHDO (HOME only)	\$4,723,589	\$3,000,000
Supportive Housing/ Soft Repayment (TCAP RF and NHTF)	\$8,310,529	\$800,000 ¹
		\$1,500,000 ²
General	\$24,039,235	
	New Construction	\$3,000,000
	Rehabilitation	\$2,000,000

1: Applications received through June 29, 2017.

2: Applications received June 30, 2017, through October 31, 2017.

- a. **CHDO Set-Aside.** At least **\$4,723,589** in HOME funds are set aside for eligible Community Housing Development Organizations (“CHDO”).
- b. **Supportive Housing/ Soft Repayment Set-Aside.** Up to **\$8,310,529** of **TCAP RF and NHTF funds** are available in this set-aside.
- c. **General Set-Aside.** Up to \$7,000,000 in NSP1-PI as well as all remaining TCAP RF , HOME and NSP1-PI funds available (currently anticipated to be approximately \$24,039,235 total). Staff will prioritize the use of NSP1 PI funds for applications that are also planning on utilizing FHA-insured 221(d)(4) loans, or other federal funds since those sources are subject to many of the same cross-cutting requirements as NSP1 PI funds.

4) Timelines for Awards

Awards for the development of affordable multifamily rental housing will be made subject to the requirements in 10 TAC §13.11. Applications that are unable to progress on the timelines described herein due to incomplete information or lack of responsiveness will be given notice and a five day period to cure the incomplete information or non-responsiveness. Failure to cure the notice will result in a reestablishment of the application submission date to the date at which the cure to the notice was provided. As such, an applicant could be de-prioritized in favor of another application received prior to the new application submission date. Applications will be

prioritized for an award as described in §13.4(c). **The application submission deadline for all applications submitted under this NOFA is October 31, 2017.**