

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JULY 22, 2021

Presentation, discussion, and possible action to amend the 2021-1 Multifamily Direct Loan Notice of Funding Availability

RECOMMENDED ACTION

WHEREAS, the 2021-1 NOFA included \$31,740,258 in HOME for the General Set-Aside funded in the 2021-1 NOFA;

WHEREAS, there has been one award of HOME funds for \$3,000,000 under the the 2021-1 NOFA, and there is one application for \$1,000,000 pending before the Board;

WHEREAS, the General Set-Aside has been consistently undersubscribed in the recent past, with one or two applications each cycle;

WHEREAS, staff concern for risks associated with consistent undercommitment has been mitigated by HUD CPD Notice 18-10, which suspended the 24-month HOME commitment requirement for deadlines occurring in 2016, 2017, 2018, 2019, and 2020 pursuant to various public acts, but staff is aware that this state of affairs cannot be expected to extend such suspensions indefinitely, and wishes to be more aggressive in committing HOME funds;

WHEREAS, preservation of existing affordable housing is a Department priority pursuant to Texas Government Code §2306.802;

WHEREAS, potential Applicants have indicated that the interest rates required on loans in the General Set-Aside, together with the additional requirements placed on federal funds by federal cross-cutting requirements, have made funding less attractive than conventional financing;

WHEREAS, amendment of the 2021-1 NOFA by adding a Preservation activity under the General set-aside will provide greater incentive for Applicants to access the funds;

WHEREAS, staff desires to increase administrative efficiency in moving approved proposals from Board award to MFDL closing, by providing the Real Estate Analysis Division greater flexibility to adjust MFDL terms and payments in response to

superior loan revisions that commonly occur after award, but prior to closing, without increasing risk to the Department;

WHEREAS, staff's consistent experience demonstrates that such administrative efficiency will be improved through waiver of a portion of the requirements in 10 TAC §13.8(b), relating to Closing Memo to the Underwriting Report; specifically, staff recommends that the sentence requiring Board approval for any changes to the principal amount or scheduled payment amounts of superior loans that result in the Debt Coverage Ratio (DCR) fluctuating by more than .05 be waived ((the Department's DCR requirements must still be met and are not waived); and

WHEREAS, 10 TAC §11.207, relating to Waivers, provides that Staff may identify and initiate a waiver request as part of another Board action request;

WHEREAS, staff recommends amendment of the 2020-1 NOFA to add the Preservation activity, under which the Department will make loans at an interest rate of no greater than .5%, and grants of up to \$50,000 available for compliance with federal cross-cutting requirements; and

WHEREAS, staff recommends waiver of the requirement in 10 TAC §13.1(b), relating to Closing Memo to the Underwriting Report, that Board approval is required for DCR fluctuations of greater than .05.

NOW, therefore, it is hereby

RESOLVED, the 2021-1 NOFA is amended to add Preservation as an activity under the General set-aside, which shall provide for loans at an interest rate no greater than .5% and grants of up to \$50,000 for compliance with federal cross-cutting requirements;

FURTHER RESOLVED, waiver the sentence 10 TAC §13.8(b) requiring Board approval for any changes to the principal amount or scheduled payment amounts of superior loans that result in the Debt Coverage Ratio (DCR) fluctuating by more than .05 be waived is approved; and

FURTHER RESOLVED, the Executive Director and staff as designated by the Executive Director are authorized, empowered, and directed, for and on behalf of the Department to execute such documents, instruments, and writings and perform such acts and deeds as may be necessary to effectuate the foregoing.

BACKGROUND

The HOME Investment Partnerships Program is a federal block grant created in 1990 by the Cranston-Gonzalez National Affordable Housing Act (NAHA). The purpose of the HOME Program is to expand the supply of decent, safe, affordable housing and strengthen public-private housing partnerships between units of general local governments, public housing authorities, nonprofits, and for profit entities.

The Department administers the HOME Program on behalf of the State of Texas outside of local Participating Jurisdictions that receive direct funding from HUD, primarily in rural parts of the state. HOME Program funds support a variety of eligible activities including Multifamily Development, Homeowner Reconstruction, Homebuyer Assistance with New Construction, Contract for Deed, Tenant-Based Rental Assistance, and Single Family Development. In addition, the Department has set aside funding for Disaster Relief and Persons with Disabilities, among other set-asides.

Historical program funding is as follows:

Program Year	State of Texas Allocation
2016	\$23,248,302
2017	\$23,199,182
2018	\$34,986,241
2019	\$31,556,262
2020	\$35,354,661

Under the HOME Program, funds must be committed within 24 months from receipt. Section 218(g) of NAHA (42 U.S.C. 12701-12840), as amended, requires that the Department place HOME funds under binding commitment within 24 months after receiving its grant. NAHA also states that the Department loses its right to draw down HOME funds that are not committed to affordable housing within 24 months. This requirement is implemented at 24 CFR § 92.500(d) of the HOME regulations. This requirement is currently waived by HUD CPD Notice 18-10, which notes the waiver has been in place from 2014 to 2020. This is not a guaranteed annual waiver, as it is typically authorized through appropriation.

The Multifamily Development activity under HOME is undertaken through the CHDO and General Set-Asides, and there have only been two qualifying applications since January 1, 2021, leading to concern that the commitment deadline may be endangered when the current waivers expire. HOME has traditionally provided grants for pre-development and operations to Community Housing Development Organizations (CHDOs), a non-profit designation unique to the HOME program. If approved, this will be an expansion of grant-making to the broader MFDL client base that undertakes preservation activities, and will significantly increase the competitiveness of MFDL loans, which should lead to an increase in production and the quality of affordable housing in rural areas of Texas.

To determine how to create more appetite for HOME funding in the General Set-Aside, the Department considered informal feedback from its client base and Rural Rental Housing Association of Texas. All indicated that conventional loans are currently more attractive than General Set-Aside loans once the required interest rate and cost of compliance with federal cross-cutting requirements is incorporated into the analysis. These federal cross-cutting requirements are primarily the Davis-Bacon Act and the Uniform Relocation Act.

Waiver of the limitation on DCR changes that may be approved administratively is included in the Board Action Request for awards under the 2nd Amendment to the 2021-1 NOFA, so that REA is able to accept adjustments at the Closing Memo stage without returning to the Board, so long as those adjustments do not render an Application infeasible. This flexibility will speed the Department's time to closing, and remove an administrative burden for borrowers and the Department.

Staff recommends that this 2nd Amendment to the 2021-1 NOFA be approved which adds the Preservation Activity, reduces interest rates to as low as 0%, and provides for grants funds up to \$50,000 for documented costs associated with compliance of certain cross-cutting requirements.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2021-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
2ND AMENDMENT
EFFECTIVE JULY 23, 2021

1) Summary. The Texas Department of Housing and Community Affairs (the Department) announces the availability of **\$31,740,258** in HOME funds¹ and **\$9,465,974** of National Housing Trust Fund (NHTF)² for the development of affordable multifamily rental housing for low-income Texans. Applicants under the 2021-1 NOFA will be accepted from December 11, 2020, through October 5, 2021 (if sufficient funds remain). The availability and use of these funds are subject to the following rules, as applicable:

a. 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)

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=3&ti=10&pt=1](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=10&pt=1)

b. Texas Government Code

Tex. Gov't. Code Chapter 2306

<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2306.htm>

¹ HOME funds under this NOFA may only be awarded to Applications with Development sites in non-Participating Jurisdictions.

² NHTF funds under this NOFA are subject to federal Commitment deadlines, and the Board may require a Contract Execution Deadline to enable the Department to meet these federal Commitments regardless of any other time period listed in the Texas Administrative Code. Failure to meet that Contract Execution Deadline, could result in the Applicant having the award reduced in whole or in part.

- c. U.S. Department of Housing and Urban Development (HUD) Program Regulations
24 CFR Part 92 ([HOME Investment Partnerships Program Final Rule](#))
24 CFR Part 93 ([Housing Trust Fund Interim Rule](#))
- d. Fair Housing
Federal Fair Housing Act, 42 U.S.C. 3601-19.
<https://www.tdhca.state.tx.us/fair-housing/index.htm>
- e. Other Federal laws and regulations may that apply depending on funding source:

Environmental Compliance

All federal sources must have some type of environmental review in accordance with 24 CFR Part 93 or 24 CFR Part 58 as applicable.

<https://www.tdhca.state.tx.us/program-services/environmental/index.htm>

Minimizing Resident Displacement

All federal sources must follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; HOME must follow Section 104(d) of Housing and Community Development Act of 1974; and all federal sources must follow the HUD Handbook 1378.

<https://www.tdhca.state.tx.us/program-services/ura/index.htm>

Labor Standards

HOME funds are regulated by Davis-Bacon and Related Labor Acts (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).

<https://www.tdhca.state.tx.us/program-services/davis-bacon/index.htm>

Employment Opportunities

HOME, and NHTF require compliance with 24 CFR Part 135 (Section 3).

<https://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm>

NOTE – the Section 3 requirements have changed, Applicants should review the changes to assure they can meet the new hiring and reporting requirements.

If HOME or NHTF funds are awarded and Federal regulations or subsequent guidance imposes additional requirements, such Federal regulations or guidance shall govern.

- f. HUD approval of an amendment to the 2020 Action Plan is required prior to contracting with NHTF funds.

2) Set-Asides. All HOME funds will be subject to the Regional Allocation Formula (RAF, located in Attachment A) until January 12, 2021, and then available on a statewide basis. 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 the following Set-Asides:

- a. **Community Housing Development Organization (CHDO) Set-Aside.** At least \$5,451,382 in HOME funds are reserved for nonprofit organizations that can be certified as Community Housing Development Organizations (CHDOs).
- b. **Soft Repayment Set-Aside.** \$9,465,974 in NHTF is available in this Set-Aside. Applicants within this Set-Aside must restrict rent and income for all Direct Loan-assisted units to 30% as defined in 24 CFR Part 93.
- c. **General Set-Aside.** HOME funds in the amount of \$26,288,876 is available in this Set-Aside; currently anticipated to be \$26,288,876. To qualify for Preservation under this Set-Aside, the Application must be for a Development qualifying as Class A or Class B under Texas Government Code §2306.802 located on the Development site.

Set-Aside	Eligible Activities	Fund Source and Amount Available		Maximum Request ³
CHDO, including Preservation	NC, A/R, R	HOME	\$5,451,382	\$3,000,000
Soft Repayment	NC, A/R, R	NHTF	\$9,465,974	\$3,000,000
General, including Preservation	NC, A/R, R	HOME	\$26,288,876	\$5,000,000

Key:

NC – New Construction (For the Soft Repayment Set-Aside, New Construction includes Reconstruction, as defined in 24 CFR Part 93)

A/R – Acquisition/Rehabilitation

R – Rehabilitation

³ This total includes any other Multifamily Direct Loan Funds previously awarded to the Applicant by the Department for the Development, including any outstanding loan balances that will remain after the Direct Loan closing.

3) Priorities within General and CHDO Set-Asides. Priority 1 Applications will be subject to various Application Acceptance Dates depending on the criteria described below. The Application Acceptance Dates are those that exist in 10 TAC §13.4(c) for Priority 2 or Priority 3 Applications. The Department will utilize the Scoring Criteria in 10 TAC §13.6.

a. Priority 1.

- i. **Applications submitted in the General Set-Aside by January 12, 2021, and CHDO Set-Asides by January 11, 2021, that request less than RAF amount for the subregion in which the Development Site is located.** Applications submitted under the CHDO Set-Aside that request less than or equal to the amount listed for the subregion in which the Development Site is located December 11, 2020 through January 11, 2021, will have an Application Acceptance Date of January 11, 2021. Applications submitted in the General Set-Aside, that request less than or equal to the amount listed for the subregion in which the Development Site is located December 11, 2020 through January 12, 2021, will have an Application Acceptance Date of January 12, 2021.
- ii. **4% HTC-layered Applications with TDHCA as the Bond Issuer that request greater than RAF amount for the subregion in which the Development Site is located, where TDHCA is the Bond Issuer and were not recommended for an award under 3) a i. of this NOFA, or where TDHCA is the Bond Issuer and the Application is submitted under the Soft-Repayment Set-Aside.** Applications submitted under all Set-Asides that meet all of the following requirements will have an Application Acceptance Date of January 13, 2021:
 1. The Application is layered with 2020 4% HTC in which TDHCA is the Bond Issuer;
 2. The Application was not recommended for an award under 3)a i. of this NOFA; and
 3. The Application is submitted December 11, 2021 through January 12 , 2021 .
- iii. **Applications in the Soft Repayment , General, and CHDO Set-Asides, that did not apply for or were not recommended for awards under 3) a. i. and ii, and submitted Applications December 11, 2020 through March 31, 2021, will have an Application Acceptance Date of March 31, 2021.**

b. Priority 2. Applications applying contemporaneously for 2021 9% HTC will have an Application Acceptance Date of April 1, 2021.

c. Priority 3. Applications submitted after April 1, 2021, will have an Application Acceptance Date on the business day of receipt, in accordance with 10 TAC §13.5(c)

4) Priorities within the Soft Repayment Set-Aside.

a. Applications between December 11, 2020, and December 28, 2020, will have an Application Acceptance Date of December 28, 2020.

- b. Applications applying contemporaneously for 2021 9% HTC will have an Application Acceptance Date of April 1, 2021.
- c. Applications applying after December 28, 2020, will have an Application Acceptance Date on the business day of receipt, except as reflected in 4) b of this NOFA.

5) Interest Rates.

- a. **Construction-to-Permanent Loans.** All Direct Loan requests structured as construction-to-permanent loans will be required to use the minimum required interest rate listed in the table below depending on the Set-Aside, Activity, whether or not HTC are also being requested, and whether or not the Direct Loan will be in first lien position during the permanent period. If the Debt Coverage Ratio is less than the minimum 1.15 with the minimum required interest rate as applicable, staff will make adjustments to the financing structure in accordance with 10 TAC §11.302(d)(4)(D)(i), with the exception of 10 TAC §11.302(d)(4)(D)(i)(II)(-a-).

Set-Aside and Priority	Activity	HTC layered	Direct Loan 1 st Lien during Permanent Period	Minimum Required Interest Rate
CHDO or General – 4% HTC with TDHCA as Bond Issuer	NC, A/R, R	Y	Y or N	0%
CHDO or General – all other Applications	NC, A/R, R	Y	Y	2.0%
			N	2.50%
		N	Y	2.75%
			N	3.0%
CHDO or General Preservation	A/R, R*	Y or N	Y or N	0%
Soft Repayment	NC, A/R, R	Y or N	Y or N	0%
*Application must be for a property qualifying as Class A or Class B under Texas Government Code §2306.802, and it must already be on the Development site.				

- b. **Construction-Only Loans.** All Direct Loan requests structured as construction only loans, regardless of the Set-Aside and Activity, may request an interest rate as low as 0% with the principal amount of the Direct Loan due upon the end of the construction loan term as established in 10 TAC §13.8(e)(1).

6) Maximum Per Unit Subsidy Limits and Maximum Rehabilitation 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 2021 Maximum Per Unit Subsidy Limits table provided in this Section 5:

2021 Maximum Per Unit Subsidy Limits⁴		
Bedrooms	Non-elevator property	Elevator-served property
0 bedroom	\$145,685	\$153,314
1 bedroom	\$167,978	\$175,752
2 bedroom	\$202,586	\$213,718
3 bedroom	\$259,20	\$276,482
4 bedroom or more	\$288,893	\$303,490

Smaller per unit subsidies are allowable and incentivized as point scoring items in 10 TAC §13.6. The total amount of MFDL funds requested in an Application, inclusive of both loan and grant funds (if applicable), will be included in the per-unit cost used to calculate the number of MFDL units required. Once the Applicant commits a number of Direct-Loan Units in the Application, the number may be revised, at Department request, to account for a change in Development costs or to account for other federal funding that existed at the time of Application. The Applicant may not request that the number be lowered..

7) Eligibility, grants and waiver of rules for Preservation Applications made between July 23, 2021, and October

- a. Eligible Developments.** The Application must identify in Tab 17 (and attach supporting documentation) identifying an existing Developments that meets the descriptions at Tex. Gov't Code §2306.802:
 - (1) Class A, which includes any federally subsidized multifamily housing development at risk because the contract granting a federal subsidy with a stipulation to maintain affordability is nearing expiration or because the government-insured mortgage on the property is eligible for prepayment or near the end of its mortgage term; and
 - (2) Class B, which includes any other multifamily housing development with low income use or rental affordability restrictions.
- b. Grants.** Up to \$50,000 is available for each Application under the Preservation activity, for eligible and documented relocation costs and costs for certain costs of compliance federal cross-cutting regulations.
- c. Waivers.** The sentence in 10 TAC §13.8(b), "Increases in the principal amount or scheduled payment amounts of any superior loans that cause the total Debt Coverage Ratio (DCR) to decrease by more than .05 require approval by the Board." is waived for Applications for Preservation activities; however, the Development must still meet the Department's DCR requirements or may be subject to termination.

⁴ These limits are inclusive of any federal fund sources in the Development.

8) 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 11, 2020, through October 5, 2021, at 5:00 p.m. Austin local time (if sufficient funds remain). An Applicant may have only one active Application per Development at a time under this or any other Department NOFA, and may only have that Development apply under one Set-Aside at a time.
- 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 (Manual) in effect at the time the Application is submitted. All scanned copies must be scanned in accordance with the guidance provided in the Manual 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 the current Application and submit a new Application.
 - ii. Applicants for Developments that have received an award of Multifamily Direct Loan Funds or Housing Tax Credits prior to the date of the Application under this NOFA, should consult 10 TAC §13.5(g) regarding Eligibility Criteria, and provide the additional information required by 10 TAC §13.5(g), including clear evidence of the circumstances beyond their control that materially impair their ability to provide affordable housing. Evidence will include information from verifiable third-party sources that allows the Board to make an informed decision regarding eligibility.
- d. **Minimum Requests.** The request for funds may not be less than \$500,000 regardless of the Set-Aside under which an application is being submitted. However, if the underwriting report indicates that the Development will be feasible with an award of less than \$500,000, staff may recommend a lower award.
- e. **Match Submission Requirements.**
 - i. All Applicants must provide Match in the amount of **at least 7.5%** of the Direct Loan funds requested, **inclusive of loans and grants**. 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.

- ii. All Applicants will be required to provide HOME Match-Eligible Unit(s) in accordance with 10 TAC §13.2(a)(6) and §13.10(c) and federal guidance at <https://www.hudexchange.info/resource/2676/notice-cpd-97-03-home-program-match-guidance/>

f. The FCC Grant Request Packet must be submitted with the 2021 Uniform Multifamily Application for Applicants applying for FCC Grants described in 7) of this NOFA.

- i. FCC Grant eligible expenses are for compliance with the applicable requirements of Davis-Bacon and Related Labor Acts (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); the Uniform Relocation Act ("URA") under 49 CFR Part 24; Section 104d ("Section 104d") of the Housing and Community Development Act of 1974, and as further described in 24 CFR Part 42; and Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1992, and as further described in 24 CFR Part 75. Salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; ,] supplies (as defined in 2 CFR §200.1 and must not exceed an aggregate of \$5,000); and consulting fees related to complying with these requirements are eligible expenses. Eligible relocation costs under the URA or Section 104d are also eligible grant expenses. Wage differentials resulting from employing the Davis-Bacon Act or Related Labor Acts are not grant eligible expenses.
- ii. An award of HOME funds under the General Set-Aside does not guarantee that the Applicant will receive an FCC Grant.
- iii. An FCC Grant Award will only be executed with the HOME Borrower.
- iv. A FCC Grant Award will not be available for expenditure until the HOME Loan Closing.
- v. If the HOME Borrower is a Political Subdivision the requirements of 2 CFR Part 200 and the Uniform Management Grant Standards will apply to the Grant. If the HOME Borrower is a Nonprofit Organization, the requirements of 2 CFR Part 200 will apply to the grant.

g. The 2021 CHDO Certification Packet must be submitted with the 2021 Uniform Multifamily Application for Applicants applying under the CHDO Set-Aside.

- i. Each CHDO that is awarded HOME funds may also be eligible to receive a CHDO operating grant of up to \$50,000 for CHDO Operating Expenses, which are

defined in 24 CFR §92.208 (except equipment) as including salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; and supplies (as defined in 2 CFR §200.1 and must not exceed an aggregate of \$5,000) .

- ii. An award of HOME funds under the CHDO Set-Aside does not guarantee that a CHDO will receive a grant for CHDO Operating Expenses.
- h. All 4% HTC-layered applications must provide evidence of a Reservation with submission of the MFDL Application submission.
- i. An Applicant under the CHDO, Soft Repayment, and General Set-Asides who is not also simultaneously applying for 9% or 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.
- j. An Application must be uploaded to the Department's secure web transfer server in accordance with 10 TAC §11.201(1)(C).

9) 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, Subchapters F and G.

- 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 along with any require HOME Match-eligible units, 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 Applicant may be required to meet additional requirements prior to contract, as determined by the Board, or federal or state requirements.

- e. An awarded Applicant may be required to meet additional documentation requirements in order to draw funds, in accordance with its Previous Participation results.

10) Miscellaneous.

- a. This NOFA does not include text of the various applicable regulatory provisions pertinent to the HOME and NHTF fund sources. 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. Waivers of any substantive or procedural provision of this NOFA, if available, will be treated in accordance with 10 TAC §13.1(c). 10 TAC §13.1(c) may not be waived.
- d. For questions regarding this NOFA, please contact Charlotte Flickinger, Multifamily Direct Loan Manager, at charlotte.flickinger@tdhca.state.tx.us.

Attachment A

Regional Allocation Formula under the General Set-Aside – URBAN

Region	Subregion Allocation Amount
1	\$288,603.27
2	\$139,633.77
3	\$5,799,818.99
4	\$1,488,351.39
5	\$580,792.85
6	\$1,332,334.05
7	\$3,044,137.09
8	\$1,308,085.68
9	\$968,530.99
10	\$771,726.72
11	\$1,055,830.54
12	\$704,859.28
13	\$1,018,716.22

Regional Allocation Formula under the General Set-Aside – RURAL

Region	Subregion Allocation Amount
1	\$1,106,385.39
2	\$762,194.82
3	\$914,370.13
4	\$2,171,994.39
5	\$1,665,351.73
6	\$823,976.47
7	\$437,915.88
8	\$1,118,636.89
9	\$830,730.90
10	\$1,079,101.93
11	\$1,588,424.32
12	\$649,856.55
13	\$89,897.75