



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2025-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
ANNUAL NOFA

(1) Summary. The Texas Department of Housing and Community Affairs (the Department) announces the availability of \$20,033,361 of national Housing Trust Fund (NHTF) funding for the development of affordable multifamily rental housing for low-income Texans. Applicants under the 2024-1 NOFA will be accepted from **January 21, 2025**, through **June 1, 2025** (if sufficient funds remain). 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.

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>
- c. 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

An environmental review in accordance with 24 CFR Part 93 is required.
<https://www.tdhca.state.tx.us/program-services/environmental/index.htm>

Minimizing Resident Displacement

Applicants must follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
<https://www.tdhca.state.tx.us/program-services/ura/index.htm>

Employment Opportunities

NHTFs require compliance with 24 CFR Part 75 (Section 3).
<https://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm>

- (2) **Set-Asides.** NHTF funds will be subject to the Regional Allocation (located in Attachment A) from **January 21, 2025**, until **February 19, 2025**. Those who apply during the Regional Distribution period must request at a minimum the amount available in the subregion, or if more than \$4,000,000 is available in the subregion during the Regional Allocation, Applicants must request a minimum of \$4,000,000.

Applicants in the General Set-Aside that did not apply during the Regional Distribution period must request, at a minimum, \$4,000,000.

The funds made available under this NOFA are offered under the following Set-Asides:

- a. **General Set-Aside.** This set-aside consists of NHTF in the amount of \$20,033,361. Applicants may only select NHTF funds and restrict rent and income for all Direct Loan-assisted units to 30% AMI as defined in 24 CFR Part 93. Applicants are required to initially provide 110% of the minimum required number of MFDL units, as established by 10 TAC §13.7. This minimum required number will be reviewed and set by MFDL staff upon initial review of the application. Applicants will not be required to provide additional units between initial review of the Application and Project Completion, so long as the 110% continues to be sufficient to meet the federally required number of units.

Set-Aside	Eligible Activities and Geographic Scope	Fund Source and Amount Available		Maximum Request ¹
General	NC	NHTF	\$20,033,361	\$8,000,000, or for the Regional Allocation the amount available in the Region

Key:

NC – New Construction (Reconstruction, Adaptive Reuse and Rehabilitation is not allowed under this NOFA)

(3) Application Acceptance Dates and Priorities. Applicants may submit during one of several Application acceptance periods. Within those windows, applications will be reviewed in accordance with the listed priorities.

a. General Set-Aside Application Periods: NHTF funding will be distributed in accordance with the following timelines. Each application period has certain conditions that must be met for staff to assign an Application Acceptance Date. Dates and relevant restrictions are listed below.

a. Regional Distribution: NHTF funds will be subject to the Regional Distribution from January 21, 2025 to February 19, 2025, at 5:00 pm Austin Local Time. All eligible Applications submitted during this period will be given an Application Acceptance Date of February 19, 2025. The only eligible Applications during the Regional Distribution period are those that were awarded 9% Housing Tax Credits in 2024, have not previously received awards of federal funding from the Department, and that are replacing all the original Application’s permanent debt with the MFDL Regional Distribution request. For subregions with less than \$4,000,000 available, the minimum request during this period is the maximum amount available in the subregion. If more than \$4,000,000 is available in the subregion, then the minimum request amount is \$4,000,000.

b. First Lien, All Debt: From February 19, 2024 to February 21, 2025, at 5:00 pm Austin Local Time. All eligible Applications submitted during this period and those not Applications not selected during the Regional

¹ 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.

Distribution will have an Application Acceptance Date of February 21, 2025, conditional upon being listed as first lien during the permanent period on the Sources and Uses tab, and containing only the Department's MFDL funds as the source of permanent debt. Any application submitted with the MFDL funding request listed in another position, or with non-Department permanent debt will not be accepted as this time. The minimum request during this period is \$4,000,000.

- c. **First Lien:** From February 24, 2025, to February 25, 2025, at 5:00 pm Austin Local Time. All eligible Applications submitted during this period and those Applications not selected during the First Lien, All Debt will have an Application Acceptance Date of February 25, 2024, conditional upon being listed as first lien during the permanent period on the Sources and Uses tab. The minimum request during this period is \$4,000,000.
 - d. **Non First Lien:** From February 26, 2025 to February 27, 2025, at 5:00 pm Austin Local Time. All eligible Applications submitted during this period and those Applications not selected during the First Lien will have an Application Acceptance Date of February 27, 2025, conditional upon a minimum \$4,000,000 request being listed on the Sources and Uses tab.
 - e. **Open Applications: Starting on February 28, 2025,** all eligible Applications will have an Application Acceptance Date on the business date of receipt ending at 5:00 pm Austin Local Time, or for those Applications not selected during the Non First Lien, an Application Acceptance Date of February 28, 2025.
- b. **Priorities:** Within each of the above Application acceptance periods, except the Regional Distribution period, staff will determine application priority based upon three clearly delineated criteria. The order of reviews and eventual funding will first be based upon Priority 1. Staff will move on to Priorities 2 and 3 only if a tie occurs and each Application cannot be funded. During the Regional Distribution Application Acceptance Period, Priorities 2 and 3 will be used.
- a. **Priority 1:** Staff will first prioritize applications with the same Application Acceptance Date based upon the amount of NHTF funds requested. Staff will give priority to applications requesting larger amounts.
 - b. **Priority 2:** If multiple applications with the same Application Acceptance Date cannot be funded, staff will review each in accordance with **10 TAC §11.7** and give precedence to the most competitive application as determined by the tie-breaker.

c. Priority 3: If a tie persists, staff will fund the application that provides a higher match percentage of the Direct Loan funds requested.

(4) Loan Terms

a. Product: Construction-to-Permanent Loans. All Direct Loan Applications will be structured as construction-to-permanent loans. All products will reflect the interest rate listed in the table below.

b. Interest Rates

Set-Aside or Priority	Interest Rate
General	2%

a. Loan Structure.

- i. Except for Applicants proposing a Federal Housing Administration (FHA) insured senior loan subject to the MAP Guide, funds must be requested as **Fully Amortizing Loans**. Loans will be structured with regular principal and interest payments sufficient to fully repay the loan within the loan term. Any portion of the loan not repaid will be due the earlier of the end of the Loan Term or upon sale, refinance, or transfer of the Property.
- ii. For Applicants proposing an FHA-insured senior loan subject to the MAP Guide, loan payments will be calculated using 75% of Surplus Cash, as defined by FHA. Any portion of the loan not repaid will be due the earlier of the end of the Loan Term or upon sale, refinance, or transfer of the Property.

(5) 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 2024 Maximum Per-Unit Subsidy Limits table provided in this Section 5:

2024 Maximum Per Unit Subsidy Limits ²		
Bedrooms	Non-elevator property	Elevator-served property
0 bedroom	\$ 169,005.60	\$ 179,956.80
1 bedroom	\$ 194,870.40	\$ 203,884.80

² If these limits are updated prior to expiration of this NOFA, the Department will provide notice via its website and revise the NOFA accordingly, and then will accept Applications based on the updated limits. Applications pending at the time of such revision will be given opportunity to revise their Application without impact to Application Acceptance Date. These limits are inclusive of any federal fund sources in the Development, as applicable.

2 bedroom	\$ 235,020.00	\$ 247,924.80
3 bedroom	\$ 300,830.40	\$ 320,738.40
4 bedroom or more	\$ 335,145.60	\$ 352,080.00

Once the Applicant commits a number of Direct-Loan Units in the Application, the number may be raised or lowered only in the Department’s sole discretion and provided that it would not have impacted the award of an application, to account for a change in Development costs or to account for other federal funding.

(6) Accommodations for Unique Circumstances

If the Department deems an Application to be better suited for another fund source in this NOFA or other Department multifamily NOFA, the Department will provide the Applicant a fourteen calendar day period (which may be extended another fourteen days for information required from third parties) to provide the supplemental information needed to evaluate the Application under that fund source without impact to the Application Acceptance Date.³

(7) Application Submission Requirements

- a. Application Acceptance Period. Applications under this NOFA will be accepted starting at 8:00 a.m. Austin local time on January 21, 2025, through June 1, 2025 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. No updated third-party reports are required, except an updated appraisal and an updated market study.
- c. Application Forms.** 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

³ However, the Applicant will not be given an Application Acceptance Date earlier than what could have been applied for under this NOFA or other Department NOFA.

accordance with the guidance provided in the Manual in effect at the time the Application is submitted.

d. Match Submission Requirements.

a. 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.

b. 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-programmatch-guidance/>

c. In accordance with 24 CFR §92.219(b)(2)(iv), forbearance of fees is not an eligible form of Match for Developments that are not HOME-assisted.

e. **Bond Reservation.** All 4% HTC-layered applications must provide evidence of a Reservation with submission of the MFDL Application submission.

f. Environmental Clearance

a. , If construction has started (except for necessary health and safety repairs) the Applicant must cease construction at application submission until environmental clearance is received, a period which could last 120 or more days; Applications will not be recommended for an award if they do not meet Department standards for environmental clearance.

g. **Application Fee.** An Applicant under the General Set-Aside who is not 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, unless exempted as described at **10 TAC §11.901(3)(B)**. 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.

- h. Developer Fee.** For an Application that has already received an award from the Department, the overall developer fee may not increase from the last approved underwriting report.
- i. Application Transmittal Required Steps.** An Application must be uploaded to the Department's secure web transfer server in accordance with **10 TAC §11.201(1)(C)**, and separate email notification must be made to connor.jones@tdhca.state.tx.us

(8) 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 Page 14 of 17 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 Unique Entity Number (UEI) and be registered in the federal System for Award Management prior (SAM) prior to execution of a Direct Loan contract. The General Services Administration (GSA) has provided tools to assist registering entities entity and obtaining a UEI. Visit the SAM website at <https://sam.gov/content/entity-registration> to access a number of resources related to the UEI implementation. Once an Applicant has a UEI 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.
- f.** Applicants under this NOFA will not be eligible to request table funding during the closing of the NHTF loan. The Department will process all draw requests as interim draws.

(9) Miscellaneous

- a. This NOFA does not include text of the various applicable regulatory provisions pertinent to the fund sources. For proper completion of the application, the Department strongly encourages potential Applicants to review the State and Federal regulations.
- b. Utility allowances must be for HUD-regulated buildings and approved by TDHCA prior to application (**10 TAC §11.614**).
- c. All Applicants must comply with public notification requirements in **10 TAC §11.203**.
- d. 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.
- e. For questions regarding this NOFA, please contact Connor Jones, Multifamily Direct Loan Program Manager, at connor.jones@tdhca.state.tx.us.

Attachment A

NHTF Regional Distribution under the General Set-Aside

NHTF

Region	Region Distribution Amount
1, 12, 13	\$4,356,590.45
2, 3, 4	\$5,331,290.68
5, 6, 8	\$5,261,505.81
9, 7, 10, 11	\$5,083,974.06