



Notice of Funding Availability &  
Application Webinar

Date: February 20, 2025

**HOME-ARP**  
**Nonprofit Capacity Building and**  
**Operating Cost Assistance**  
**(NCO) for Non-Congregate**  
**Shelter (NCS)**

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# Purpose of Today's Webinar

1. Provide an overview of Nonprofit Capacity Building and Operating Cost Assistance (NCO) for Non-Congregate Shelter (NCS).
2. Walk you through the Application and submission requirements.

# Housekeeping



Webinar slides have been made available online at <https://www.tdhca.texas.gov/programs/home-american-rescue-plan>



The NOFA and other relevant documents can be found at the website [Notices of Funding Availability \(NOFAs\) | Texas Department of Housing and Community Affairs](#)



Still have Questions? Email: [peg.mccoy@tdhca.texas.gov](mailto:peg.mccoy@tdhca.texas.gov)

# Overview - HOME-ARP NCO

- **\$750,000** in HOME-ARP Nonprofit Capacity Building and Operating Cost Assistance (NCO) funds
- Eligible activities: To build the capacity and support general operations for nonprofit organizations that plan to undertake Non-Congregate Shelter (NCS) Development
- Eligible entities: Private nonprofit organizations as listed in the NOFA
- Locations: Listed in the NCO NOFA Appendix A for areas potentially needing NCS of 25+ units or more.
- Competitively awarded.

## Eligible Non-Profits

- Demonstrate the need for NCS by having:
  - Counties within MSA or HMFA with FMRs for 1-BR units that increased by 30% or more during 2021 -2025.
  - FY2025 HUD Area MSA or FMRs for 1-BR units that exceed \$1000.

## Ineligible Non-Profits

- Are located in Texas MSAs that already have an award of HOME-ARP NCO funds:
  - Austin-Round Rock MSA

HOME-ARP 2025 NCO NOFA - Eligible Areas

HUD Area Name	Counties within MSA or HMFA	2021 Fair Market Rent	2025 Fair Market Rent	2021-2025 percent change
Andrews County, TX		\$838	\$1,252	49%
Atascosa County, TX HMFA		\$773	\$1,068	38%
*College Station-Bryan, TX MSA	Brazos, Burleson, Robertson	\$774	\$1,089	41%
Corpus Christi, TX MSA	Nueces, San Patricio	\$864	\$1,128	31%
Dallas, TX HMFA	Collin, Dallas, Denton, Ellis, Hunt, Kaufman, Rockwall	\$1,134	\$1,606	42%
El Paso, TX HMFA	El Paso	\$687	\$1,020	48%
Fort Worth-Arlington, TX HMFA	Johnson, Parker, Tarrant	\$1,021	\$1,461	43%
*Houston-The Woodlands-Sugar Land, TX HMFA	Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, Waller	\$983	\$1,279	30%
Kendall County, TX HMFA	Kendall	\$1,061	\$1,408	33%
Lubbock, TX HMFA	Crosby, Lubbock	\$733	\$1,007	37%
Martin County, TX HMFA	Martin	\$595	\$1,589	167%
Midland, TX HMFA	Midland	\$1,128	\$1,591	41%
*Odessa, TX MSA	Ector	\$924	\$1,295	40%
San Antonio-New Braunfels, TX HMFA	Bandera, Bexar, Comal, Guadalupe, Wilson	\$912	\$1,231	35%
Sherman-Denison, TX MSA	Grayson	\$792	\$1,113	41%
Victoria, TX MSA	Goliad, Victoria	\$837	\$1,099	31%
Waco, TX HMFA	McLennan	\$721	\$1,106	53%

\*Only the cities of Bryan, Odessa, and Pasadena will receive a preference under the 2025 NCO NOFA

# Nonprofit Capacity Building and Operating Cost Assistance (NCO)

## Capacity building

- Expand or improve the organization so that it will be able to carry out HOME-ARP activities.
- Must be a reasonable expectation that the nonprofit will apply for HOME-ARP NCS within 9 months of award

## Operating cost assistance

- Support for the existing **general** operating costs
- Cannot be associated with a final cost objective, such as a particular award, internal project, or other direct activity.



## **Nonprofit Capacity Building and Operating Cost Assistance (NCO) (con't)**

- An applicant is required to apply for capacity building funds to also receive operating assistance funds.
- Operating cost assistance alone will not be awarded.

## Eligible Capacity Building/Nonprofit Operating Costs



#	Type	Nonprofit Capacity Building	Nonprofit Operating Assistance
i.	Payroll	Salaries for <u>new</u> hires including wages and other employee compensation and benefits	Existing employee salaries, wages and other employee compensation and benefits, but not project-level expenses
ii.	Training	Costs related to employee training or other staff development that enhances an employee's skill set and expertise	General employee education, training, and travel but not a property-level certification
iii.	Equipment and supplies	Equipment (e.g., computer software or programs that improve organizational processes), and upgrades to materials and equipment and supplies	Equipment, materials, and supplies
iv.	TA and Consultants	Contracts for technical assistance or for consultants with <b>expertise related to the new HOME-ARP activity being undertaken and with qualifying populations</b>	n/a
v.	Operating/Overhead	Renting office space to accommodate increased staffing resulting from participation in the HOME-ARP Program	Rent and utilities for the nonprofit's general office space; communication costs; some types of taxes and insurance

# Eligibility Requirements for NCO

Equipment, materials, and supplies must be tracked and reported if aggregate is over \$10,000

Rental space must have been procured

Taxes are limited to employment taxes

Insurance is specific to Board of Directors and Officers

Property insurance would only be for the general office space

## Ineligible NCO

### **NCO cannot pay for NCS Application Preparation, Soft Costs or Hard Costs**

#### Ineligible NCO costs:

NCS Application Preparation

NCS Soft Costs -- legal fees, architect, consultants, etc.

NCS Hard Costs -- land acquisition, site work, etc.

## Ineligible NCO and NCS

**Staffing and operating expenses of emergency shelters are prohibited.**

Example: services, allocable overhead and staffing costs, property insurance, utilities, etc, of an emergency shelter.

# NCO Minimum and Maximum Amounts

## ➤ Minimum: \$100,000

- \$50,000 in capacity building
- \$50,000 nonprofit operating cost assistance.

## ➤ Maximum: \$750,000

- Capacity building assistance provided to a nonprofit organization may not exceed of 50% of the organization's total operating expenses for that fiscal year.
- Applicants requesting points for being located/serving in Pasadena, Odessa or Bryan:
  - May request up to the maximum award of \$750,000
  - Award may be reduced to \$314,917 if not highest application
  - Limited to proportional amount of funds prioritized for those geographic areas

## NCS Minimum and Maximum Anticipated Amounts

- Minimum: \$2,000,000 for NCS
  - The Contract Term up to 36 months.
- Maximum: \$14,005,338
  - Applicants requesting points for being located/serving in Pasadena, Odessa or Bryan:
    - May request up to the maximum award of \$14,005,338
    - Anticipated award may be reduced to \$4,002,141 if not highest application
    - Limited to proportional amount of funds prioritized for those geographic areas

## Application Due Dates and Submission Requirements

### Intent to Apply

- Intent to Apply is found in Appendix B of this NOFA.
- It should be submitted at least five (5) business days before the Application due date.
- An application will be sent upon receipt of Intent to Apply.



## Application Due Dates and Submission Requirements

## Application Due Dates

### Application Due Dates

- The **first** Application period is **March 3, 2025 to March 31, 2025**. Applications are due under the first Application period by **5:00 pm Austin Local Time, March 31, 2025**.
- The **second** Application period is **July 14, 2025, to December 15, 2025**. Applications are due under the second Application period by **5:00 pm Austin Local Time, December 15, 2025**, unless extended by the Executive Director or his designee.
- Applications submitted during the **first** Application period may receive up to the full allocation of NCO request.
- Applications submitted during the **second** Application period may receive remaining NCO funds after the first Application period awards have been made.

## Application Due Dates and Submission Requirements

## Application Submission Requirements

### Application Submission Materials

1. Interested applicants should submit an Intent to Apply to Peg McCoy, HOME-ARP Manager, at [Peg.McCoy@tdhca.texas.gov](mailto:Peg.McCoy@tdhca.texas.gov)
2. Qualifying applicants that have submitted an Intent to Apply will receive application materials.
3. Application materials must be submitted on forms or in the format provided by the Department, cannot be altered or modified and must be in final form before submitting to the department.

## Application Due Dates and Submission Requirements

## Transmittal Required Steps

### Application Transmittal Required Steps

- All Applications (PDF copy) **must** be uploaded to the Department's secure web transfer server.
- Applicants must confirm the upload to the Department's secure web transfer server was successful.
- Applicants must send an email to HOME-ARP staff when the documents are uploaded to Peg McCoy at [Peg.McCoy@tdhca.texas.gov](mailto:Peg.McCoy@tdhca.texas.gov).

## Application: 4 Sections

1. Threshold – Applicant Information and Experience
2. Scored Application Items
3. Threshold – NCO Use of Funds Plan
4. Threshold – Non-Congregate Shelter Plan

# 1. Threshold – Applicant Information and Experience

## Threshold items required:

- a. Applicant information
- b. Proof of Non-Profit Status
- c. SAM Registration
- d. Board Resolution
- e. Compliance Forms
- f. Demonstration of Need for Shelter
- g. Procurement Policy and Plan
- h. Evidence of Financial Management
- i. Fidelity Bond Requirements
- j. Information Security and Privacy Agreement (ISPA)
- k. HOME-ARP Agreements and Certification

## 1.a. Threshold - Applicant Information

- Full legal nonprofit name, contact information, and signatory information.
- Include the contact person of the staff entering information on the Application.
- This must be the person that will be responsive to deficiency response requests.
- Deficiency requests will be sent to the Application contact person, and not the signatory.

## 1.b. Threshold - Proof of Non- Profit Status

- Documentation of existing Section 501(c) tax-exempt status.
- Documentation of the 9-digit Federal Tax Identification Number from the IRS and evidence of existing 501(c) status as applicable.
- Submit a copy of a letter from the IRS which includes both the Applicant Name and the entire Federal Tax Identification Number.

# 1.c. Threshold - SAM Registration

- Evidence of current and active registration in the System for Award Management (SAM) at <https://sam.gov/SAM>.
- This evidence may be in the form of a printed page from the SAM website which states both the name and UEIN number of the Applicant.



# 1.d. Threshold - Board Resolution

- **Resolution to Apply.** A resolution or other governing body action from the Applicant's direct governing body which includes:
  - Authorization to submit the NCO Application;
  - Intent to submit an NCS Application within 9 months of NCO award;
  - Title of the person authorized to represent the entity; and
  - Date that the resolution was passed by the governing body, which must be not older than 12 months preceding the date the Application is submitted.
- The resolution to apply is the only document that may be submitted up to 60 days after the due date of the Application.

## 1.e. Threshold - Compliance Forms

- The PPR and Single Audit Certification Form should be submitted together and are found at <https://www.tdhca.texas.gov/compliance-forms>.
- Previous Participation Review (PPR) is required by the Department, as outlined in [10 TAC §1.302](#).
- The organization is required to have a current annual operating budget of at least \$500,000 and Single Audit or Audit Certification Form submitted to the Department in a satisfactory format in accordance with [10 TAC §1.403](#).

# 1.f. Threshold - Demonstration of Need For Shelter

Applicant must demonstrate that there is unmet need among qualifying populations in their service area for an emergency shelter of 25+ beds or more through one of these data points:

- Continuum of Care data,
- Public housing and affordable housing waiting lists,
- Point-in-time surveys,
- Housing inventory count, or
- Other relevant data on the need for NCS for the qualifying populations.

# 1.g. Threshold - Procurement Policy and Plan

- The Applicant must submit procurement policy and plan to procure consultants/ technical assistance professionals with expertise related to HOME-ARP qualified populations, as applicable.
- If the plan does not include professionals or consultants, the nonprofit's procurement policy at a minimum must be submitted.

# 1.h. Threshold - Evidence of Financial Management

- Applicant must show documentation that their internal controls align with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards of [2 CFR Part 200](#), as further described by [CPD-21-10](#).
- This includes written internal controls and budget standards such as asset safeguarding, cash management, and allowability of costs (may be pulled from Bylaws, if applicable).

## 1.i. Threshold - Fidelity Bond Requirements

- The fidelity bond must adhere to [10 TAC §1.406](#) and be for a minimum of \$10,000 or an amount equal to the contract if less than \$10,000.
- The bond must be obtained from a company holding a certificate of authority to issue such bonds in the State of Texas.

# 1.j. Threshold - Information Security and Privacy Agreement (ISPA)

- ISPA signed by the person authorized to sign on behalf of the applicant, as indicated in the authorizing Board action.  
<https://www.tdhca.texas.gov/tdhca-information-security-and-privacy-agreement>

# 1.k. Threshold - HOME-ARP Agreements and Certification

- Applicant must agree with the items listed in the certification including, but not limited to:
  - Become knowledgeable of HOME-ARP program guidelines, and Federal and State Rules and Regulations;
  - Receive both nonprofit capacity building and nonprofit operating funds, with the minimum amount being \$50,000 for each fund; and
  - **Be the fee simple Owner, the Sole General Partner (with no special limited partner), or the Sole Managing Member to develop a NCS of 25+ units;**
- Applicants must submit an executed certification document by the signature authority.



## 2. Scored Application Items

	Criteria	Point Range
a.	Experience rehabbing, converting or constructing NCS or congregate emergency shelters within the last 10 years.	10
b.	Experience managing or administering an NCS or congregate emergency shelters	10
c.	Governing Board Representation	5
d.	Community Engagement	5
e.	History of fundraising or awards for homeless program activities to ensure the future non-congregate shelter developments will be able to raise funds to operate and serve shelter occupants	5

## 2. Scored Application Items (con't)

	Criteria	Point Range
f.	Collaboration with service providers	5
g.	TDHCA Monitoring History	5
h.	Investigation of potential NCS site	10
i.	Located in or serving Bryan, Odessa and/or Pasadena.	5
	<b>Total</b>	<b>60</b>

**2.a.**  
**Scored Items:**  
**Experience**  
**rehabbing,**  
**converting or**  
**constructing NCS**  
**or congregate**  
**emergency**  
**shelters within**  
**the last 10 years.**

- If yes, did the emergency shelter have 25 or more beds = 10 points
- If yes, did the emergency shelter have between 10 and 24 beds = 5 points
- If no, or a shelter with less than 10 beds = 0 points
- **Maximum of 10 point for this scoring criteria**

**2.b.**  
**Scored Items:**  
**Experience**  
**managing or**  
**administering NCS**  
**or congregate**  
**emergency**  
**shelters**

- Ten or more years of experience = 10 points
- Five to nine years of experience = 5 points
- Two to four years of experience = 2 points
- Under two years of experience = 0 points
- **Maximum of 10 points for this scoring criteria**

## 2.c. Scored Items: Governing Board Representation

- Applicants with a Governing Board that has had one or more officials from local governments (e.g., cities or counties) or one or more elected officials as members for at least 6 months prior to application submission will receive 5 points.
- Officials from local governments can include decision-making government staff such as directors or managers of planning, housing, parks and recreation, social services or homeless services.
- Elected officials can include mayors, city council members, or judges. Retired elected officials will count toward this criteria.
- **Maximum of 5 points for this scoring criteria**

## 2.d. Scored Items: Community Engagement

- Applicants with experience facilitating communication with the public about shelter development and homeless services between December 2021 and November 2024 may receive up to five points.
- Participation in discussion at a city council/county board meeting = 5 points
- Consultation with community groups at a publicized event organized by the Applicant = 4 points
- Participation in discussion at neighborhood organization = 3 points
- Submitted documentation max: 10 pages
- **Maximum of 5 points for this scoring criteria**

2.e.

Scored Items:

History of fundraising or awards for homeless program activities to ensure the future non-congregate shelter developments will be able to raise funds to operate and serve shelter occupants

- Demonstration that the organization has experience raising funds or receiving government awards to serve persons experiencing homelessness. Funds awarded through the US Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 and the American Rescue Plan Act of 2021 are excluded from this point item.
- More than \$400,000 = 5 points
- Funds raised from \$150,000 to \$400,000 = 3 point
- Less than \$150,000 = 0 points
- **Maximum of 5 points for this scoring criteria**

## 2.f. Scored Items: Collaboration with Service Providers

- Demonstration that the current organization has experience collaborating with service partners for clients.
- Three or more organizations = 5 points
- Two other organization = 2 points
- Less than two agencies = 0 points
- Submitted documentation max: 10 pages
- **Maximum of 5 points for this scoring criteria**



**2.g.**  
**Scored Items:**  
**TDHCA**  
**Monitoring**  
**History**

Monitoring History?	Close-Out Letters w/ Findings	# of Findings	Type of Findings	Pts
No	No	0	N/A	5
Yes	Yes	0	N/A	5
Yes	Yes	Any	Not related to Household eligibility, habitability/ safety, or violations of procurement requirements	3
Yes	Yes	2 or Less	Related to Household eligibility, habitability/safety, or violations of procurement	2
Yes	Yes	3 to 4	Related to Household eligibility, habitability/safety, violations of procurement requirements OR resulted in disallowed costs between \$1,000 and \$4,999	1
Yes	Yes	5 or more	Related to Household eligibility, habitability/safety, violations of procurement requirements OR resulted in disallowed costs in excess of \$5,000 which required repayment to the Department	0

## 2.h. Scored Items: Investigation of Potential NCS site

- Site control is not required, but is an additional high-value way of showing ability to proceed.
- Applicant has site control including an option to purchase or an option for a lease for at least fifty years= 10 points
- Criteria for site identified and site search has begun with agent = 7 points
- Criteria for site identified and steps outlined to obtain site = 3 points
- Not present or extremely general plan = 0
- Submitted documentation max: 10 pages
- **Maximum of 10 points for this scoring criteria**

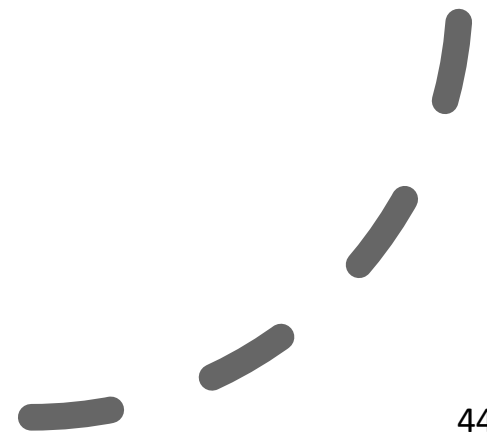
## 2.i. Scored Items: Located in or serving Bryan, Odessa and/or Pasadena

- Organizations that have in-person office space located in Bryan, Odessa, or Pasadena, or organizations that have an active grant or award for a federally funded shelter, housing, or services for the homeless population in Bryan, Odessa or Pasadena will receive additional points:
  - Location or service in Bryan, Odessa or Pasadena Texas = 5 points
  - Not located in or serving Bryan, Odessa or Pasadena Texas = 0 points
  - Evidence must include physical location of offices with lease agreements or utility agreements, or grant award letters/contracts showing service area in Bryan, Odessa, or Pasadena.
  - If NCO amount is higher than \$314,917 or anticipated NCS amount is greater than \$4,002,141, then these points will not be awarded.
  - **Maximum of 5 points for this scoring criteria**

### 3. Threshold: NCO Use of Funds Plan

The NCO Use of Funds Plan has four criteria:

- a. Description of the Capacity Building Approach
- b. Description of the Operating Expense Assistance Approach
- c. Existing Budget
- d. Proposed Budget



## 3.a. Description of the Capacity Building Approach

- An applicant must describe their approach to implementing the capacity building assistance through allowable activities.
- A narrative must also answer the questions: How will funds be used? How does the use of the funds in that way build capacity specific to NCS?
- Plan includes training needs identified and timeline for training.
- **Submitted documentation max: 5 pages**

## 3.b. Threshold - Description of the Operating Expense Assistance Approach

- An applicant will describe the need for operating cost assistance through allowable activities.
- Describe how the requested operating expense assistance will support an Application for NCS development within the next 9 months.
- Plan includes equipment, supplies, and staffing needs.
- **Submitted documentation max: 5 pages**

## 3.c. Threshold - Existing Budget

- Submit the existing organization's current operating budget for the fiscal year.

## 3.d. Threshold - Proposed Budget

- Submitted grant budget must be reasonable and well prepared and include major expenses.
- It must specifically include any equipment the applicant plans to purchase or lease over \$5,000 and must clearly show the difference between the capacity building and operating cost assistance.



## 4. Threshold - Non-Congregate Shelter Plan

The Non-Congregate Shelter Plan has three criteria:

- a. Demonstration of Ability to proceed with an NCS Application
- b. Timeline with benchmarks
- c. Plan to build community support for new NCS



## 4.a. Threshold - Demonstration of Ability to Proceed with an NCS Application

Applicant should submit a clear plan and strategy for how it will prepare for and complete an NCS Application within the next 9 months.

This section should include specific features including, but not limited to:

1. Approximate number of beds;
2. Potential services and partners;
3. Staffing plan for shelter;
4. Description of any funds already raised for shelter;
5. Estimated financial requirements and funding needs/gaps;
6. A plan for research/technical assistance for funding future NCS operating costs and service provision;
7. Budget estimate for construction or rehabilitation of future NCS.

## 4.b. Threshold - Timeline with benchmarks

- Timeline submitted with benchmarks that have measurable goals at least every 3 months

4.c.

**Threshold -  
Plan to build  
community  
support for  
new NCS**

- Plan includes detailed strategy for building community support for NCS through work groups, local governments, existing shelters, eviction courts, neighborhood organizations
- **Submitted documentation max: 5 pages**

# Scoring Summary

Applicant must enter  
their self-score.

You filled out the  
NCO application!

# Review of Today's NCO Webinar

Overview of NCO

Program Highlights

NCO Application

## Additional Information Found on HOME-ARP website

Please refer to the website for  
information regarding:

- NCO Application Materials
  - Contract terms and benchmarks
  - Post award requirements and monitoring
  - Award selection process
- NCO guidance in HOME-ARP Handbook



**Questions?**

