



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2025-2 INVITATION TO APPLY

(1) Summary. The Texas Department of Housing and Community Affairs (the Department) announces the availability of \$10,000,000 of Tax Credit Assistance Program Repayment Funds (TCAP-RF) funding for the development of affordable multifamily rental housing for low-income Texans. Applicants under the 2025-2 Invitation will be accepted from **March 7, 2025**, through **May 1, 2025** (if sufficient funds remain). This funding is available to 2024 9% Housing Tax Credit applications that were not awarded 9% Housing Tax Credits during the funding round, but which later received a Carryforward Designation Certificate from the Texas Bond Review Board on or before December 31, 2024.

Developments that are layered with a Federal Housing Administration (FHA) loan subject to the MAP Guide are not eligible to apply under this NOFA.

TCAP-RF Applicants are required to submit eligible rental activities under the HOME Program, meet HOME Match requirements, and must follow other HOME rules as otherwise noted herein or in the Department's rules. Requirements for an activity to be considered eligible under the HOME program include, but are not limited to:

- The proposed activity must include an ownership structure that is eligible under that program.
- The proposed activity must comply with the requirements of that program regarding eligible and ineligible costs.

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. U.S. Department of Housing and Urban Development (HUD) Program Regulations for activity type, eligible costs, and HOME Match requirements:

24 CFR Part 92 ([HOME Investment Partnerships Program Final 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 that apply:

Environmental Compliance and Lead Based Paint

24 CFR Part 50 or 24 CFR Part 58 do not apply unless required by another federal funding source in the Development, but the Development must meet the lead-based paint requirements of 24 CFR Part 35

Accessibility

In addition to the requirements in the QAP and 10 TAC Chapter 1, Subchapter B, the Development must follow 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131–12189) implemented at 28 CFR Parts 35 and 36, as applicable. Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.

f. Unit Characteristics

- i. All TCAP-RF Units will be Floating, unless required to be Fixed by another fund source.
- ii. All Units at the Development must be TCAP-RF or HOME Match Units, unless prohibited by federal subsidy layering requirements or other federal restriction.

(2) Loan Terms

- a) **Product: Construction-to-Permanent Loans.** All Direct Loan Applications will be structured as construction-to-permanent loans. All products will carry a 2% interest rate.
- b) **Construction-to-Permanent Loan Structure.**
 - I. , 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.

(3) 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 Limits¹		
Bedrooms	Non-elevator property	Elevator-served property
0 bedroom	\$169,005.60	\$179,956.80
1 bedroom	\$194,870.40	\$203,884.80
2 bedroom	\$235,020.00	\$247,924.80
3 bedroom	\$300,830.40	\$320,738.40
4 bedroom or more	\$338,652	\$355,765

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.

(4) Accommodations for Unique Circumstances

If the Department deems an Application to be better suited for another fund source 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.

¹ If these limits are updated prior to expiration of this Invitation, the Department will provide notice via its website and revise the Invitation accordingly, and then will accept Applications based on the updated limits. Applications pending contracts 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.

(5) Application Submission Requirements

- a) **Application Acceptance Period.** Applications under this Invitation will be accepted starting at 8:00 a.m. Austin local time on March 7, 2025, through May 1, 2025 at 5:00 p.m. Austin local time (if sufficient funds remain). Applications received March 7-April 7, 2025 will have an April 7, 2025 Application Acceptance Date, with other applications received after April 7, 2025 having the Application Acceptance Date as the business day of receipt. An Applicant may have only one active Application per Development at a time under this or any other Department Invitation or 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.texas.gov. 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) **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 accordance with the guidance provided in the Manual in effect at the time the Application is submitted.
- d) **Match Submission Requirements.**
 - I. The Department will claim the TCAP-RF investment as HOME Match in accordance with 24 CFR 92.220(a)(iii). Additional HOME matching funds are not required.
 - 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 in HUD Notice CPD 97-03.
- e) **Bond Reservation.** All 4% HTC-layered applications must provide evidence of a Reservation with submission of the MFDL Application submission.
- f) **Application Fee.** An Applicant under the General Set-Aside who is not simultaneously applying for 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.

- g) 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.texas.gov
- (6) 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, legal fees, 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.

(7) Miscellaneous

- a) This Invitation 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 Invitation, 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 Invitation, please contact Connor Jones, Multifamily Direct Loan Program Manager, at connor.jones@tdhca.texas.gov.