



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2026-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
ANNUAL NOFA**

(1) Summary. The Texas Department of Housing and Community Affairs (TDHCA) announces the availability of \$35,235,073 in HOME Investment Partnerships Program¹ funding to support the development of affordable multifamily rental housing for low-income Texans.

In accordance with Texas Government Code §2306.111, these funds are not available in areas that are covered by another HOME Participating Jurisdiction. Before applying, please confirm that the Development Site is not located within another jurisdiction that administers HOME funds.

Application Period: February 27, 2026 – June 1, 2026 (if sufficient funds remain).

The availability and use of these funds are subject to the following rules, as applicable:

- Texas Administrative Code: 10 TAC Chapters 1, 2, 10, 11, 12, and 13
- Texas Government Code: Chapter 2306
- Federal Regulations: 24 CFR Part 92, the 2025 HOME Final Rule
- Fair Housing Requirements: 42 U.S.C. 3601-19 and 24 CFR Part 100
- Environmental Review: 24 CFR Part 58 and also 24 CFR Part 50 (if applicable)
- Displacement Policies: Uniform Relocation Act, Section 104d, HUD Handbook 1378
- Section 3 Requirements: 24 CFR Part 75
- Davis-Bacon and Labor Standards: 24 CFR §92.354 and HUD Handbook 1344.1
- Build America, Buy America: 24 CFR Part 5, Subpart E

¹ Funds are subject to federal completion and expenditure deadlines, and the Board may require a Contract Execution Deadline or Project Completion 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 or Project Completion deadlines may result in the Applicant having the award reduced in whole or in part or may trigger repayment.

Funding and Set-Asides. Applicants are required to provide 120% of the minimum required number of HOME units, as established by 10 TAC §13.7. This minimum required number will be reviewed and set by MFDL staff upon review of the application. Applicants will not be required to provide additional units between initial Application and Project Completion so long as the reviewed and set 120% continues to be sufficient to meet the required number of HOME Units under 24 CFR Part 92 and 10 TAC Chapters 11 and 13.

Funds in this NOFA are available in the following Set-Asides:

a. General Set-Aside

- **Eligible Activities:** Acquisition/New Construction, Rehabilitation with or without Acquisition, or Reconstruction with or without Acquisition,
- **Geographic Scope:** Statewide
- **Available Funding:** \$24,500,136
- **Maximum Request:** \$8,000,000², unless limited by the Regional Distribution described below.

b. Community Housing Development Organization (CHDO) Set-Aside

- **Eligible Activities:** As listed for General Set-Aside
- **Geographic Scope:** Statewide
- **Available Funding:** \$10,434,936
- **Maximum Request:** \$8,000,000², unless limited by the Regional Distribution described below.
- **Operating Grants:** CHDOs that are awarded HOME funds through this set aside may also be eligible to receive an operating grant in accordance with 24 CFR §92.208. See the Miscellaneous section at the end of this NOFA for further information. \$300,000 is available for this purpose.

(2) Application Acceptance Periods and Priorities. Applicants may submit Applications during designated acceptance periods. The Department will publish a log of Applications, ranked in accordance with the Regional Distributions, Application Acceptance Dates, and priorities described in this NOFA. Applications will be selected for review following this ranking. During the Regional Distribution Period, each published funding amount is first-available to applications submitted in the subregions and then regions established in Attachment A. If insufficient funds remain to fund the next Application on the log, the Department will provide a seven-day opportunity for that Applicant to amend its funding request to the amount available, which may result in a funding request that is less than the published minimum.

- Applications must meet the stated requirements to be assigned an Application Acceptance Date.

² 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.

- Applications containing a Development Site that was owned prior to January 27, 2026 by the Applicant or an Affiliate of the Applicant are not eligible to have acquisition costs included as part of the Multifamily Application.
- Applications under the General Set-Aside, where construction has started are not eligible to apply under this NOFA, unless the Applicant previously underwent a 24 CFR Part 58 review and received HOME funds from TDHCA or another Participating Jurisdiction.
- Applications under the CHDO Set-Aside where construction has started are not eligible to apply under this NOFA.
- Regional Distribution amounts are shown in Attachment A.

a. General Set-Aside Application Periods:

I. Subregional and Regional Distribution:

- Acceptance Period: January 27, 2026 to February 27, 2026, at 5:00 pm Austin Local Time
- Application Acceptance Date: February 27, 2026
- Request 1: the Subregional Distribution amount
- Request 2: the Regional Distribution amount
- Eligible Applications: Applications that are concurrently applying for 2026 9% Housing Tax Credits. If the Regional Distribution Period is oversubscribed, funding priority will go to Applications that requested the amount available in the subregion.

II. First Lien, All Debt:

- Acceptance Period: February 28, 2026 to March 2, 2026, at 5:00 pm Austin Local Time
- Application Acceptance Date: March 2, 2026
- Minimum Request: \$4,000,000
- Maximum Request: \$8,000,000
- Eligible Applications: Applications that include the HOME loan as first lien during the permanent period on the Sources and Uses tab, with no other sources of permanent, hard-pay debt.

III. First Lien:

- Acceptance Period: March 3, 2026 to March 4, 2026, at 5:00 pm Austin Local Time
- Application Acceptance Date: March 4, 2026
- Minimum Request: \$4,000,000
- Maximum Request: \$8,000,000
- Eligible Applications: Applications that include the HOME loan as first lien during the permanent period on the Sources and Uses tab.

IV. Open Applications:

- Acceptance Period: March 4, 2026 to June 1, 2026, at 5:00 pm Austin Local Time
- Application Acceptance Date: The business date of receipt
- Minimum Request: \$4,000,000
- Maximum Request: \$8,000,000
- Eligible Applications: All Applications eligible in accordance with applicable federal and state requirements.

b. CHDO Set-Aside Application Periods:

I. Subregional Distribution:

- Acceptance Period: January 27, 2026 to February 27, 2026, at 5:00 pm Austin Local Time
- Application Acceptance Date: February 27, 2026
- Minimum Request: the Subregional Distribution amount
- Maximum Request: the Subregional Distribution amount

II. Open CHDO Applications:

- Acceptance Period: February 28, 2026 to March 30, 2026, at 5:00 pm Austin Local Time
- Application Acceptance Date: March 30, 2026
- Minimum Request: \$4,000,000
- Maximum Request: \$8,000,000

c. **Priorities:** When two or more Applications have the same Acceptance Date, staff will determine priority using the following criteria.

- I. Priority 1: Except in the General Set-Aside during the Regional Distribution Period, Priority will be given to the Application with the largest HOME request. Priority during the Regional Distribution Period is described in that section of the NOFA.
- II. Priority 2: If a tie persists (including during the Regional Distribution Period), priority will be given to the application that provides the greater amount of matching funds as a percentage of the HOME request.
- III. Priority 3: If a tie persists (including during the Regional Distribution Period), priority will be determined using the Tie Breaker established at 10 TAC §11.7(2)(A).

(3) Loan Terms

- a. **Loan Product:** All loans will be structured as construction-to-permanent loans.
- b. **Interest Rates:** All loans will carry an interest rate of 3%.

c. Loan Structure.

- I. For any Development that proposes a Federal Housing Administration (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.
- II. All other loans will be fully amortizing and will be due the earlier of the end of the Loan Term or upon sale, refinance, or transfer of the Property.

(4) Maximum Per-Unit Subsidy Limits and Maximum Rehabilitation Per-Unit Subsidy Limits.

The following are the maximum per-unit subsidy limits that an Applicant can use to determine the amount of Direct Loan funds that may be requested:

2024 Maximum Per Unit Subsidy Limits		
Bedrooms	Non-elevator property	Elevator-served property
0 bedroom	\$194,011	\$204,174
1 bedroom	\$223,703	\$234,054
2 bedroom	\$269,792	\$284,617
3 bedroom	\$345,346	\$368,204
4 bedroom or more	\$384,731	\$404,171

2024 Maximum Per Unit Rehabilitation Subsidy Limits		
Bedrooms	Non-elevator property	Elevator-served property
0 bedroom	\$174,598	\$188,603
1 bedroom	\$198,204	\$216,216
2 bedroom	\$239,579	\$262,923
3 bedroom	\$300,709	\$340,129
4 bedroom or more	\$339,797	\$373,369

(5) Application Submission Requirements

a. Application.

- I. 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.
- II. All Application materials including manuals, NOFAs, program guidelines, and rules will be available on the Department's website at <http://www.tdhca.texas.gov>. Applicants must submit the Application in the form prescribed by the Department. 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.

b. HOME Match Contribution.

- I. All Applicants must provide Match in the amount of at least 7.5% of the Direct Loan funds requested.
- II. 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.
- III. All Applicants are required to provide HOME Match-Eligible Unit(s) in accordance with 10 TAC §13.2(a)(6), §13.10(c), and federal guidance.

c. 4% HTC-Layered Transactions.

- I. All 4% HTC-layered applications must provide evidence of a Reservation with submission of the MFDL Application, to receive an Application Acceptance Date
- II. The Department will make good faith efforts to close its HOME loan with the Development's other financing; however, simultaneous closings cannot be guaranteed. Applicants with 4% HTC-layered Developments must be prepared to close on the HOME loan after other financing.

d. Acquisition and Construction Commencement.

- I. Acquisition and Construction may not commence until environmental clearance is received. If construction has started, the Applicant must cease construction at application submission until environmental clearance is received. Applications will not be recommended for an award if they do not meet standards for environmental clearance.
- II. Construction may not commence until Davis-Bacon clearance is received.

e. Application Fee. Applicants under the General Set-Aside who are not also concurrently applying for 9% or 4% Housing Tax Credits must submit a non-refundable \$1,000 application fee payable to the Texas Department of Housing and Community Affairs (TDHCA) by check, cashier's check, or money order (cash is not accepted). Private nonprofit organizations that provide additional

community services—such as childcare, job training, health care, or similar programs—may qualify for a fee waiver by submitting proof of nonprofit status and a brief description of their services in place of the payment. This fee is not reimbursable under the Multifamily Direct Loan Program. (10 TAC §11.901(3)(B); Tex. Gov't Code §2306.147(b))

- f. 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 cody.campbell@tdhca.texas.gov.

(6) Post Award Requirements. Applicants are 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.
- 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 HOME loan. The Department will process all draw requests as interim draws post-closing.

(7) 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.

Attachment A - HOME Regional Distribution under the General Set-Aside³

Subregional Allocation Formula under the General Set-Aside – Urban

Region	Subregion Allocation Amount
1	\$ 400,415
2	\$ 226,442
3	\$ 4,734,790
4	\$ 388,019
5	\$ 275,502
6	\$ 4,541,380
7	\$ 1,481,769
8	\$ 736,819
9	\$ 1,628,234
10	\$ 367,255
11	\$ 1,503,959
12	\$ 326,618
13	\$ 695,423

Subregional Allocation Formula under the General Set-Aside – Rural

Region	Subregion Allocation Amount
1	\$ 585,244
2	\$ 464,755
3	\$ 248,311
4	\$ 482,458
5	\$ 379,706
6	\$ 208,382
7	\$ 172,605
8	\$ 331,264
9	\$ 222,793
10	\$ 377,073
11	\$ 433,466
12	\$ 674,971
13	\$ 2,612,482

³ The amounts shown are the Subregional Distribution Amounts. To calculate the Regional Distribution Amounts, combine the urban and rural subregional distribution for the region.

Subregional Allocation Formula under the CHDO Set-Aside – Urban

Region	Subregion Allocation Amount
1	\$ 170,542
2	\$ 96,445
3	\$ 2,016,610
4	\$ 165,263
5	\$ 117,340
6	\$ 1,934,235
7	\$ 631,105
8	\$ 313,821
9	\$ 693,487
10	\$ 156,419
11	\$ 640,556
12	\$ 139,111
13	\$ 296,190

Subregional Allocation Formula under the CHDO Set-Aside – Rural

Region	Subregion Allocation Amount
1	\$ 249,263
2	\$ 197,945
3	\$ 105,759
4	\$ 205,486
5	\$ 161,722
6	\$ 88,753
7	\$ 73,515
8	\$ 141,090
9	\$ 94,891
10	\$ 160,600
11	\$ 184,619
12	\$ 287,479
13	\$ 1,112,691