HOME Investment Partnerships (HOME) Program
CFDA# 14.239

2027 HOME Single Family Development Program
Notice of Funding Availability (NOFA)

1) Summary.

a) The Texas Department of Housing and Community Affairs (TDHCA or the Department) announces a NOFA of approximately $9,013,778 in funding from the HOME Investment Partnerships (HOME) Program for Single Family Development contract awards to develop single-family housing for low-income Texans.

b) The availability and use of these funds are subject to the HOME rules including, but not limited to the following Texas Administrative Code (TAC) rules in effect at the time of contract execution, Title 10, Part 1, Chapter 1, Administration; Chapter 2, Enforcement; Chapter 20, the Single Family Programs Umbrella Rule; Chapter 23, the Single Family HOME Program, (State HOME Rules); and Tex. Gov't Code Chapter 2306. Other federal and state regulations include but are not limited to, 24 CFR Part 58 for environmental requirements, 2 CFR Part 200 for Uniform Administrative Requirements, 24 CFR Part 75 for Section 3 requirements, 24 CFR Part 5, Subpart A for fair housing, (Federal HOME Rules), and for Political Subdivisions the Texas Grant Management Standards 2.1 as outlined in Chapter 783 in the Texas Local Government (TxGMS). Applicants must familiarize themselves with all of the applicable state and federal rules that govern the HOME Program.

c) In addition to other applicable federal and state laws, Applicants are required to comply with the Personal Responsibility and Work Opportunity Act (PRWORA) (Pub. L. 104- 193, 100 Stat. 2105, codified at 8 U.S.C. §1601 et. seq., as amended by Omnibus Appropriations Act, 1997, Pub. L. 104-208). Applicants are also required to verify the U.S. Citizen, U.S. National, or Qualified Alien status of individuals applying for the Program.

d) Capitalized terms in this NOFA have the meanings defined herein or as defined in State HOME Rules, Tex. Gov't Code §2306 or the Federal HOME Rules.

e) In the event that the Resale and Recapture provisions in 10 TAC §23.29 conflict with the Resale and Recapture provisions in the Department's action plan as approved by the U.S. Department of Housing and Urban Development (HUD), the provisions in the action plan will prevail, in accordance with 24 CFR §92.254(a)(5).

f) If changes to the contract are required during the contract term due to required changes in Federal or State law, the Department may initiate an amendment process to ensure compliance.

2) **Source of Funds.** Funds totaling approximately $9,013,778 are made available for Single Family Development. $3,000,000 is made available thorough the Department's 2026 annual HOME allocation from the U.S. Department of Housing and Urban Development (HUD). An additional $6,013,778 is made available from prior year HOME allocations and HOME Program Income in accordance with 10 TAC, Chapter 1, §1.19, Reallocation of Financial Assistance. The Department, in its sole discretion, may also release additional unallocated HOME funds, deobligated funds, Program Income, and funds reallocated from undersubscribed set-asides, as allowable and available, under this NOFA.

3) Eligible Activities.

a) The HOME Program is designed to create housing options affordable to individuals and families of low income who may otherwise reside in substandard housing. All funds released under this NOFA are to be used for the creation of affordable housing for sale to low-income Texans earning 80% or less of the Area Median Family Income (AMFI).

Funds provided under this NOFA may be used for pre-development costs, acquisition, lot development, onsite infrastructure, construction, and down payment assistance to qualified homebuyers. Interim construction loans require repayment. Such repayment may be made from either the sales proceeds upon sale to a Qualified Buyer, or may be repaid through permanent financing provided by the Department. Onsite infrastructure includes costs for individual service lines, approved septic installation, sidewalks, curbs and site improvements. Examples of excluded infrastructure costs are water, sewer, electrical, main or transfer lines, streets and other improvements that serve areas outside the development site, which is limited to the property that will be transferred to the homebuyer.

b) First-lien loans made to homebuyers under this NOFA shall not subordinate if the homebuyer obtains a home equity loan during the term of the loan. Second-lien loans for downpayment assistance and/or closing costs may subordinate in the event of a refinance if the new loan amount is at least $1,000 more than the amount owed on the second-lien loan.

c) Applicants must be the owner, developer, and construction loan borrower for the proposed development, and must be in sole charge of construction.

d) Specific program guidelines can be found at 10 TAC, Chapter 23, Single Family HOME Program, Subchapter F, Single Family Development Program §§23.60-23.61.

4) Eligible Applicants.

a) Eligible Applicants are nonprofit organizations, for-profit organizations, public housing authorities, and units of local government.

b) Applicants are encouraged to familiarize themselves with the Department's previous participation and debarment policies prior to Application submission.

c) All Applicants will be subject to a Previous Participation Review by the Department pursuant to 10 TAC §1.302. Staff will not recommend Applications for funding unless the Applicant has successfully completed a previous participation review as outlined in 10 TAC §1.302.

d) Audit Requirements. An Applicant is not eligible to receive funds or any other assistance from the Department unless a past audit or Audit Certification Form has been submitted to the Department in a satisfactory format in accordance with 10 TAC §1.403. This threshold requirement is outlined in the Application, therefore Applications that have outstanding past audits will be disqualified.

e) If the Applicant is a nonprofit organization that is required to fill out a 990 form (inclusive of a 990EZ, 990N, 990PF etc.), the Department may review the IRS filings. Review of these filings may result in conditions on an award or a recommendation of denial of an award in the event that filings do not demonstrate that the Applicant has sufficient financial capacity to administer federal funds.

5) Allocation of HOME Funds.

a) In accordance with 10 TAC §23.22(a), an Application received by the Department in response to an Open Application Cycle will be assigned a "Received Date and Time" and will be prioritized for review based on a first-come, first-served basis.

b) Applications that do not meet minimum threshold as described in 10 TAC §23.23 and 10 TAC §23.60 will not be considered for funding.

c) Funds provided under this NOFA for an activity within the boundaries of a Participating Jurisdiction (PJ) will be awarded from HOME Program Income. HOME Program Income is not subject to the limitations of Tex. Gov't Code 2306.111(c)(1) and may be utilized in a PJ.

i) Use of funds in a PJ will require evidence of notification to the local PJ and verification of whether the local PJ is a participating in the Development.

ii) If applicable, funds committed to the Development from the local PJ must be included in the Application and are subject to additional subsidy layering review and coordination between the local PJ and the Department regarding cost allocation and eligibility.

iii) If funds from the local PJ are used in the same project, the local PJ must agree via a subordination agreement or similar instrument that in the case of a conflict between local PJ requirements and the Department's requirements, the Department's requirements adopted as part of its Action Plan or as part of state law will be superior.

d) Funding recommendations for Awards will undergo the Previous Participation Review Approval Process (PPRAP). The Executive Director will in turn make his recommendations to be presented to the Governing Board based on eligibility and acceptable previous participation review. Recommendations are limited by the total amount of funds available under this NOFA and the maximum award amount limitation of $1,500,000 per application.

e) The Department may decline to consider any Application if the proposed activities would not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications that are received and may decide it is in the Department's best interest to refrain from pursuing any selection process or making awards. The Department reserves the right to request clarification on individual elements of any Application. The Department, in its sole discretion, also reserves the right to cancel or modify the amount available in this NOFA.

f) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

6) Regional Allocation Formula.

a) In accordance with Tex. Gov't Code §2306.111(d), reallocated funds are not subject to the Regional Allocation Formula (RAF); however, the total amount of funding in this NOFA will be allocated regionally regardless of whether the funds utilized are subject to the RAF.

b) The Regional Allocation below will also be published on the Department's website at https://www.tdhca.texas.gov/home-application-materials.

Regional Allocation for 2027 HOME Single-Family Development NOFA			
Region	Urban Subregion	Rural Subregion	Total Available in Region
1	$ 100,000	$ 384,386	$ 484,386
2	$ 100,000	$ 319,277	$ 419,277
3	$ 1,394,209	$ 235,202	$ 1,629,411

4	$	311,288	$	526,074	$	837,362
5	$	139,188	$	368,693	$	507,881
6	$	358,171	$	182,060	$	540,231
7	$	702,874	$	124,935	$	827,809
8	$	354,481	$	275,090	$	629,571
9	$	268,843	$	187,805	$	456,648
10	$	161,103	$	299,660	$	460,763
11	$	266,987	$	314,606	$	581,593
12	$	197,056	$	334,497	$	531,553
13	$	189,412	$	917,881	$	1,107,293
Total	**$**	**4,543,612**	**$**	**4,470,166**	**$**	**9,013,778**

7) Administrative Deficiencies. Administrative deficiencies noted during the review of an Application are subject to the administrative deficiency process outlined in 10 TAC §23.22(c). The time period for responding to a deficiency notice commences on the first business day following the deficiency notice date. If an administrative deficiency is not resolved to the satisfaction of the Department by 5:00 p.m. Austin local time on the 14th day following the date of the deficiency notice, the Application shall be terminated in accordance with 10 TAC §23.22(e). Applicants that have been terminated may reapply during the Application acceptance period.

8) Limitations on Funds.

a) The Department awards HOME funds to eligible recipients for the provision of housing for low, very low and extremely low-income individuals and families, pursuant to 10 TAC §23.60(a). The maximum amount of Project funds in a contract are limited to no more than $1,500,000 per Application and Applicant.

b) In accordance with 10 TAC §23.26(f)(2), a Developer may incur and be reimbursed for eligible Predevelopment Costs incurred not more than six months before the effective date of the HOME contract and in accordance with 24 CFR §92.212 and at the sole discretion of the Department.

c) HOME Program Income available under the NOFA will not exceed $6,013,778. Applications proposing to serve areas outside of PJs may be funded with either the 2026 HOME Program allocation or deobligated funding. In the event that requests for funds submitted under the NOFA proposing to serve PJs exceed the amount of funds available in HOME Program Income, other Applications that do not propose to serve households in PJs may be prioritized for award based on funding availability regardless of the date that the application was received.

8) Prohibited Activities. Prohibited activities include those at 24 CFR §92.214 and in the State HOME Rules.

9) Threshold Requirements.

a) General Threshold and Selection Criteria are established in 10 TAC §23.23 for all Set-Aside types. Additional threshold requirements for Single Family Development are located at 10 TAC §23.60(b).

b) Applications submitted in response to an Open Application Cycle which do not meet threshold will be issued a deficiency notice as noted above and threshold must be satisfied prior to a recommendation for funding.

c) Pursuant to 10 TAC §23.23(a)(10), if a submitted Application has an entire tab of the Application missing; has excessive omissions of documentation from the threshold or selection criteria or uniform Application documentation; or is so unclear, disjointed, or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department, will be terminated with notice and rights to appeal but without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's termination will be included in the notification sent to the Applicant but, because of the suspended review, may not include an all-inclusive list of deficiencies in the Application.

10) Application Requirements.

a) Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, cannot be altered or modified, and must be in final form before submitting them to the Department. Changes made to the published Application, including changes to any formula in a spreadsheet, will result in termination of the Application.

b) All Application materials including manuals, program guidelines, and applicable HOME rules, will be made available on the Department's website at https://www.tdhca.texas.gov/home-applying-funding-page no later than the date of announcement of this NOFA in the *Texas Register*.

c) All Applications must be submitted in accordance with the 2027 Application Submission Procedures Manual ("ASPM") forms and instructions.

11) Public Notifications. The Department will notify all persons and organizations regarding the proposed development as required by §2306.1114, Tex. Gov't Code within fourteen (14) Days of Application receipt. In order to meet this requirement, the Applicant must request a list of Neighborhood Organizations on record with the county and state whose boundaries include the proposed Development Site from local elected officials as follows:

a) Not later than fourteen (14) days prior to submission of the Application, the Applicant must e-mail or mail with registered receipt a completed "Neighborhood Organization

Request" letter as provided in the Application to the local elected official for the city and county where the Development is proposed to be located. If the Development is located in an Area that has district based local elected officials, or both at-large and district based local elected officials, the request must be made to the city council member or county commissioner representing that district; if the Development is located an Area that has only at-large local elected officials, the request must be made to the mayor or county judge for the jurisdiction. If the Development is not located within a city or is located in the Extra Territorial Jurisdiction (ETJ) of a city, the county local elected official must be contacted. In the event that local elected officials refer the Applicant to another source, the Applicant must request Neighborhood Organizations from that source in the same format;

b) If no reply is received from the local elected officials by seven days prior to the submission of the Application, then the Applicant must certify that fact in the "Application Notification Certification Form" provided in the Application;

c) The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as outlined by the local elected officials, or that the Applicant has knowledge of as of the submission of the Application, in the "Application Notification Certification Form" provided in the Application.

12) Application Submission.

a) The Department will accept Applications for the Open Application Cycle in accordance with 10 TAC §23.22(a) on an ongoing basis with priority for certain Applications as described below and authorized by 10 TAC §23.60(c). Applicants must submit a Notice of Intent to Apply not later than seven days prior to the date of Application submission.

b) Applications are to be submitted as an upload to the Department's FTP server in the format requirements detailed in the Open Application Cycle ASPM. A direct link to the FTP folder for the Application will be issued to the listed contact on the Notice of Intent to Apply within seven days of submission of the Notice. The Department will not accept Open Application Cycle Applications submitted otherwise.

d) Applications proposing to include lenders other than TDHCA that commit to provide some or all of the permanent purchase money financing, **AND** that propose self-help housing in accordance with the requirements of 10 TAC §24.10(3) related to Owner-Builder Qualifications for the Texas Bootstrap Loan Program (and that meet the requirements herein) will be accepted beginning **Monday, September 21, 2026**, **8:00 a.m. Central time.** These Applications are also subject to the Regional Allocation Formula (RAF) submission requirements until Monday, November 16, 2026 as described in paragraphs (e)-(g) of this section.

e) Applications may be submitted initially under the Regional Allocation Formula by Region and Subregion beginning **Monday, September 21, 2026**, **8:00 a.m. Central time.**

f) Remaining funds available within each subregion will be combined and made available by region and activity beginning on **Wednesday, October 21, 2026, at 8:00 a.m. Central time.**

g) Remaining funds available in each region will be combined beginning **Friday, November 20, 2026**, **8:00 a.m. Central time**. Based on the availability of funds, Applications proposing to include lenders other than TDHCA that commit to provide some or all of the permanent purchase money financing, **AND** that propose self-help housing in accordance with the requirements of 10 TAC §24.10(3) related to Owner-Builder Qualifications for the Texas Bootstrap Loan Program will continue to be accepted anywhere in the state**.**

h) Based on the availability of funds, Applications proposing to include lenders other than TDHCA that commit to provide some or all of the permanent purchase money financing, **OR** that propose self-help housing in accordance with the requirements of 10 TAC §24.10(3) related to Owner-Builder Qualifications for the Texas Bootstrap Loan Program (and the requirements herein) will be accepted beginning **Tuesday, January 5, 2027, 8:00 a.m. Central time**.

i) All other Applications will be accepted beginning **Monday, February 22, 2027, 8:00 a.m. Central time**.

j) All Applications must be submitted no later than **Monday, March 22, 2027, at 5:00 p.m. Central time**.

k) Applicants must submit a completed Application, required documentation, and associated Application materials, as described in this NOFA ASPM. All scanned copies must be scanned in accordance with the guidance provided in the ASPM.

k) Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, cannot be altered or modified, and must be in final form before submitting them to the Department.

l) This NOFA does not include text of the various applicable regulatory provisions that may be important to the HOME Program. For proper completion of the Application, the Department strongly encourages potential Applicants to review the State and Federal regulations, and contact the Single Family and Homeless Programs Division for guidance and assistance.

m) An alternative timeline and method of releasing funds may be implemented, at the Department's sole discretion. Subsequent changes to the timeline or method of release

will be published on the Department's website. However, failure to do so will not invalidate reservations that are otherwise made in accordance with this NOFA.

13) Dispute Resolution/Appeal.

a) In accordance with Tex. Gov't Code §2306.082 and 10 TAC §1.17, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Tex. Gov't Code Chapter 2009, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at any time an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's Rule on ADR at 10 TAC §1.17.

b) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.