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2015 HOME/TCAP Frequently Asked Questions (FAQs)

Q: Is the Department requiring applicants for HOME/TCAP funds to indicate a 3% interest rate and 30 year amortization period for the HOME or TCAP loan in the Sources & Uses tab?

A: No. An interest rate less than 3% and amortization period greater than 30 years may be requested by the applicant for the HOME or TCAP loan in the Sources & Uses tab in accordance with 10 TAC §10.307(a)(1) and (2). However, Real Estate Analysis (REA) staff will underwrite the HOME or TCAP loan with a 3% interest rate and 30 year amortization period to determine whether or not the transaction may support a higher interest rate and/or shorter amortization period than what was requested by the applicant, giving REA staff the ability to increase the interest rate and/or reduce the amortization period on the HOME or TCAP loan as necessary.

Q: Do 9%-layered HOME/TCAP applicants gain an advantage in terms of “date received” for HOME/TCAP purposes by submitting their Market Analysis earlier than April 1?

A: No. All 9%-layered HOME/TCAP applicants will be considered to have been received on April 1 regardless of whether or not the Market Analysis is submitted before that date. The prioritization of awards for 9%-layered HOME/TCAP applications is detailed in section 3 of the 2015-1 Multifamily Development Program Notice of Funding Availability (NOFA).

Q: How are TCAP units designated on the Rent Schedule tab?

A: The “HOME Units (Rent/Inc)” column can be used to designate the TCAP units on the Rent Schedule.

Q: What are the rent and income limits, as well as the LURA restrictions, for TCAP units?

A: The rent and income limits for TCAP are the same as HOME rent and income limits. The HOME rent and income limits can be found by typing in HOME in the Financing section (and completing the other required information) of the [Project Income and Rent Tool](#). The LURA restrictions for both HOME and TCAP depend on the term of the loan, but under no circumstances will the affordability period in the LURA be less than 30 years.

Q: How many HOME or TCAP units are required?

A: The number of HOME or TCAP units will be determined using the [HOME TCAP Unit Calc Tool](#). There are two tests within the tool that determine how many HOME or TCAP units will be required: 1) The HOME/TCAP request inclusive of Match must not exceed \$75,000 per

HOME/TCAP unit, and 2) The percentage of HOME/TCAP funds inclusive of Match to total HOME/TCAP eligible costs must be less than or equal to the percentage of HOME/TCAP units to total units. As an example for the first test, if an application proposes \$1,000,000 in HOME or TCAP funds and the minimum \$50,000 in Match, it must include at least 14 HOME or TCAP units regardless of the total development cost and total number of units. Continuing to use this example for the second test, assuming a total development cost of \$5,000,000 and 70 total units, the number of HOME or TCAP units would be required to be increased from 14 to 15 to meet the second test.

Q: If applying for HOME funds under the CHDO Set Aside, is the 2015 CHDO Certification Packet required with the application for HOME funds?

A: Yes, the 2015 CHDO Certification Packet should be submitted with the application for HOME funds. Each tab of the packet should be bookmarked, but the packet can be included as its own PDF on the CD-R with the application or as a PDF on a separate CD-R.

Q: Is a resolution or permission from the city or county where the development site is located required when applying for HOME or TCAP funds from TDHCA?

A: No, TDHCA does not require a resolution or permission from the city or county where the development site is located when applying for HOME or TCAP funds from TDHCA.

Q: What census data is needed for the Site and Neighborhood tab for HOME applications proposing new construction?

A: Please include the "DP-1: Profile of General Demographic Characteristics: 2010" census data for the census tract and city where the development site is located. If the development site is in a rural area, please include DP-1 for the county as well. This census data will be used by HUD in determining whether or not the development site meets the Site and Neighborhood Standards in 24 CFR 983.57(e).

Q: If the application is proposing using TCAP funds for Rehabilitation, do Uniform Relocation Act requirements apply?

A: Yes, applicants for HOME and TCAP who are proposing Rehabilitation must follow the Uniform Relocation Act requirements. Applicants should include a relocation budget and General Information Notices (GINs) for all tenants occupying the property with the application submission. The budget and GINs can be submitted as a separate pdf file on the CD-R or behind Tab 21 of the Uniform Multifamily Application.

Q: Are HOME funds compatible with HUD's Rental Assistance Demonstration (RAD)?

A: Staff is researching possible conflicts with respect to relocation requirements of the Section 104 of the Housing and Community Development Act of 1974 ("Section 104d"). Applicants contemplating layering HOME and RAD where the Development will trigger the relocation requirements of Section 104d should contact Eric Weiner at eric.weiner@tdhca.state.tx.us or by phone at 512.475.3343.

Q: Can I apply for TCAP if my development site is not in a participating jurisdiction?

A: Applicants in non-PJs that apply for TCAP funds will receive a deficiency upon review requesting confirmation that the Applicant is prepared to accept HOME funds. Because it is unlikely that

TCAP funds will be available to any Applicants in non-PJs, those Applicants that are not able to accept HOME funds may be found infeasible as a result of the REA review.