TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2026-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
ANNUAL NOFA
UPDATED JULY 27, 2026

(1) Summary. The Texas Department of Housing and Community Affairs (TDHCA) announces the availability of $16,395,223.42 in National Housing Trust Fund (NHTF)[1] funding to support the development of affordable multifamily rental housing for low-income Texans.

This update adds $669,980 in program income to the NOFA, resulting in 17,065,203.42 in available funding.

Application Period: January 15, 2026 – May 31, 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 93
- Fair Housing Requirements: 42 U.S.C. 3601-19
- Environmental Review: 24 CFR Part 93 or 24 CFR Part 58 as applicable
- Displacement Policies: Uniform Relocation Act, HUD Handbook 1378
- Section 3 Requirements: 24 CFR Part 75
- Build America, Buy America: 24 CFR Part 5, Subpart E

Funding and Set-Asides. Applicants must restrict rent and income for all Direct Loan-assisted units to 30% AMI as defined in 24 CFR Part 93**.** Applicants are required to provide 120% of the minimum required number of NHTF units, as established by 10 TAC §13.7. This minimum required number will be reviewed and set by MFDL staff upon review of

[1] Funds are subject to federal Commitment deadlines, and the Board may require a Contract Execution 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 may result in the Applicant having the award reduced in whole or in part.

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 NHTF Units under 24 CFR Part 93 and 10 TAC Chapters 11 and 13.

All Applications under the NOFA must be submitted in the General Set-Aside.

- **Eligible Activities:** New Construction, Acquisition/Rehabilitation, Rehabilitation (New Construction includes Reconstruction, as defined in 24 CFR Part 93)
- **Geographic Scope:** Statewide
- **Available Funding:** $16,395,223
- **Maximum Request:** $8,197,611.50[2], unless limited by the Regional Distribution described below.

(2) Application Acceptance Periods and Priorities. Applicants may submit applications during designated acceptance periods.

- Applications must meet the stated requirements to be assigned an Application Acceptance Date.
- Applicants that are also applying for 9% Housing Tax Credits in the 2026 competitive round are not eligible to receive an Application Acceptance Date until February 27, 2026.
- Applications containing a Development Site that was purchased prior to January 15, 2025 are not eligible to apply under this NOFA.
- Regional Distribution amounts are shown in Attachment A.

a. Application Periods:

I. Regional Distribution/First Lien, Supportive Housing:
   - Acceptance Period: December 15, 2025 to January 20, 2026, at 5:00 pm Austin Local Time
   - Application Acceptance Date: January 20, 2026
   - Minimum Request: the Regional Distribution amount
   - Maximum Request: the Regional Distribution amount
   - Eligible Applications: Applications that propose a Target Population of Supportive Housing and that include the NHTF loan as first lien during the permanent period on the Sources and Uses tab, with no other sources of permanent, hard-pay debt.

II. First Lien, All Debt, Supportive Housing:
   - Acceptance Period: January 21, 2026 to January 22, 2026, at 5:00 pm Austin Local Time

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[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.

- Application Acceptance Date: January 22, 2026
- Minimum Request: $4,000,000
- Maximum Request: $8,197,611.50
- Eligible Applications: Applications that propose a Target Population of Supportive Housing and that include the NHTF 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: January 23, 2026 to January 26, 2026, at 5:00 pm Austin Local Time
- Application Acceptance Date: January 26, 2026
- Minimum Request: $4,000,000
- Maximum Request: $8,197,611.50
- Eligible Applications: Applications that include the NHTF loan as first lien during the permanent period on the Sources and Uses tab.

IV. Open Applications:

- Acceptance Period: January 27, 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: $8,197,611.50
- Eligible Applications: All Applications eligible in accordance with applicable federal and state requirements.

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

I. Priority 1: Priority will be given to the Application with the largest NHTF request.

II. Priority 2: If a tie persists, priority will be given to the application that provides the greater amount of matching funds as a percentage of the NHTF request.

III. Priority 3: If a tie persists, 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 2%.

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. For Developments with a Target Population of Supportive Housing that are not FHA loans, will be structured as deferred payable and will be due the earlier of the end of the Loan Term or upon sale, refinance, or transfer of the Property.

III. 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 NHTF 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 NHTF loan after other financing.

d. Construction Commencement.

I. Construction may not commence until environmental clearance is received and the contract for the NHTF funds has been executed. If construction has started, the Applicant must cease construction at application submission until environmental clearance is received and the NHTF contract is executed. Applications will not be recommended for an award if they do not meet standards for environmental clearance.

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 connor.jones@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 NHTF 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.

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 NOFA, 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 NOFA, please contact Connor Jones, Multifamily Direct Loan Program Manager, at connor.jones@tdhca.state.tx.us.

Attachment A

NHTF Regional Distribution under the General Set-Aside

NHTF	
Region	**Regional Distribution Amount**
1, 12, 13	**$3,670,634**
2, 3, 4	**$6,073,885**
5, 6, 8	**$5,218,957**
9, 7, 10, 11	**$5,191,318**