

**TEXAS STATE AFFORDABLE HOUSING CORPORATION  
TEXAS FOUNDATIONS FUND GUIDELINES**

Mission:

To improve the living standards of Texas residents of very low-income and extremely-low income by building new single family homes, repairing existing single family homes, enhancing accessibility for the elderly and disabled, and providing supportive housing services for residents of multifamily rental units.

Objectives:

To provide grants to nonprofit organizations and rural governmental entities (or their instrumentalities) for (i) the construction, rehabilitation, and/or critical repair of single family homes for homeowners who are Texas residents of very low-income or extremely low-income, with a particular emphasis on serving very low-income disabled and rural Texans and (ii) the provision of additional supportive housing services for very low-income residents of multifamily rental units.

Source of Funds:

The Texas State Affordable Housing Corporation (the “Corporation”) shall use funds allocated to the Texas Foundations Fund from either (i) transfers of unrestricted funds of the Corporation or (ii) third party charitable donations to serve very low-income and extremely-low income Texans. To the extent allowed by law, the Corporation may use up to 50% of the Texas Foundations Fund’s resources for grant programs on an annual basis.

All donations letters/gifts instruments from third party donors shall be in a form acceptable to the Corporation. Example documents can be provided upon request.

Program Requirements:

A. Grants to Governmental or Nonprofit Entities:

Grants of up to \$50,000 each will be given to selected 501(c)(3) nonprofits or rural governmental entities serving very low-income and extremely low-income individuals for either (i) the purpose of construction, rehabilitation, and/or critical repair of single-family homes or (ii) the provision of supportive housing services for residents of multifamily rental units.

Rural governmental entities (and their instrumentalities), to be eligible for a grant, must be 1) cities with populations less than 50,000 not located in a federal Metropolitan Statistical Area or 2) counties with populations less than 100,000.

Nonprofit grantees must have as part of their mission constructing and/or rehabilitating affordable housing in Texas and must have had experience in Texas constructing, rehabilitating, or providing critical repairs on single family homes or had experience providing supportive housing services to very low-income Texas residents in multifamily rental units. An award will not be given to an entity that solely provides supportive services, but rather will be awarded only to those entities that provide housing with supportive services.

B. Restrictions on Occupants of Homes Built or Repaired with Fund Support:

The construction, rehabilitation and/or critical repair of single family homes must meet the minimum threshold for Texas residents of very low-income, which is for individuals or families who own or will own a single family home and are at 50 percent or below of the area median family income.

C. Restrictions on Multifamily Residents who Benefit from Supportive Housing Services with Fund Support:

Eligible supportive housing activities are services provided on-site to very low-income residents (residents whose income is 50 percent or below of the area median family income) living in income restricted units in multifamily rental units. Eligible supportive services would include, but are not limited to, the provision of alcohol and drug counseling, mental health counseling, or services provided on site by a health care provider. Funding CANNOT be used for construction of units, but only for the provision of services. Again, an award will not be given to an entity that solely provides supportive services, but rather will be awarded only to those entities that provide housing with supportive services.

Grant Use:

Use of the grant is restricted to direct costs associated with the construction, rehabilitation, and/or critical repair of single family homes or the provision of supportive housing services. Grant proceeds may not be used for off-site infrastructure, general operating costs, or developer fees and profits. Furthermore, all work performed under this grant award must be free of charge to the low income individual.

In instances of performing a new construction activity, awardees must show how the grant amount goes to benefit the low-income homeowner either through the reduction of the purchase price or downpayment assistance equal to the grant amount. New construction Applicants must also provide a 0% interest loan with terms no longer than 30 years to the assisted individual, with no portion of grant funds included in the loan. Furthermore, individuals assisted with new construction funds must contribute at least 200 hours of sweat equity and participate in a homebuyer education course prior to closing on the home.

Administrative costs of up to 5 percent of a particular grant amount will be allowed. No grant is intended to be used to build operating capacity for the selected organization.

Grant Selection:

The Corporation will accept proposals through a competitive process. A notice of funding availability will be published on an annual basis when the Board of Directors determines that sufficient funds exist to award grants.

Proposals will be first considered by the Corporation's Advisory Council, whose members will be appointed by the Corporation's Board of Directors, with final approval provided by the Board of Directors.

The Advisory Council will evaluate the proposals to determine whether the stated objective is likely to be accomplished and the level of quality and timeliness that can be expected from the applicant based on financial capacity and previous performance. Proposals must give a history of similar projects completed and any experience that shows they are qualified to carry out their proposal in such a way that results in a high quality product delivered on time. To receive consideration, applicants cannot have an operating deficit at the time of the submission of the proposal. Proposal evaluations will take into consideration compliance with applicable local building codes, accessibility standards, and environmental review requirements.

Part of the stated objective is to give priority to serving the housing needs of very low-income and extremely low-income disabled and rural Texans, so the Advisory Council will give priority to proposals serving those individuals. The Advisory Council will also evaluate whether the Corporation's grant will be leveraged by matching funds or volunteer efforts, and will give priority to those proposals as well. The Advisory Council will make its recommendations to the Corporation's Board of Directors, which will award or deny the grants.

Grant Agreement:

The Corporation shall require each grantee to execute a grant agreement that outlines the purpose of the award, eligible expenditures, the schedule of funding disbursements, the Corporation's right to inspection of properties or service records, review of financial documents, and ongoing reporting requirements. The grant agreement will contain performance measures that must be met, with the result of failed performance being the delay or cancelation of any future disbursements, cancelation of a grant award, or a request for repayment of the grant award.