



Texas Department of Housing and Community Affairs
Texas Housing Trust Fund
Fiscal Year 2022 Texas Bootstrap Loan Program
Notice of Funding Availability
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1) Summary

- a) The Texas Department of Housing and Community Affairs (the Department), announces the a Notice of Funding Availability of approximately \$5,139,660 for the Texas Bootstrap Loan Reservation Program (Texas Bootstrap) from the Texas Housing Trust Fund (Texas HTF) for Fiscal Year 2022 (FY 2022).
- b) The availability of these funds is subject to the Texas Bootstrap rules, including, but not limited to the following: Texas Administrative Code (TAC) rules in effect at the time of submission of a Reservation: Title 10, Part 1, Chapter 1, Administration; Chapter 2, Enforcement; Chapter 20, the Single Family Programs Umbrella Rule; Chapter 21, the Minimum Energy Efficiency Requirements for Single Family Construction Activities; Chapter 24, the Texas Bootstrap Loan Program Rule; Chapter 26, the Texas Housing Trust Fund Rule; Tex. Gov't Code §2306; and the Uniform Grant Management Standards (UGMS) or the Texas Grant Management Standards (TXGMS) as outlined in Chapter 783 of the Texas Local Government Code. In addition to other applicable federal laws, Administrators may be 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). Administrators may also be required to verify the immigration status of individuals applying for the Program.
- c) Any capitalized terms not defined in this NOFA, will be defined in these chapters.

2) Source of Funds

- a) Funds totaling approximately \$5,139,659.14 are made available under this NOFA, comprised of \$2,983,994 in State of Texas General Revenue 2022-2023 appropriation to the Texas HTF, \$1,451,960.85 in loan repayments and earned interest, and \$703,704.29 from unobligated funds from prior years.
- b) Not less than \$4,672,419 of funds made available under this NOFA shall be made available through a Reservation System as Project Funds. Funds in an amount not to

exceed \$467,241 will be available for Administration as further described in Section 4 of this NOFA, related to Limitation on Funds.

- c) Additional funds may be added to this NOFA from loan repayments, interest earnings, cancelled reservations, and unobligated funds from prior years without amendment to the NOFA.
- d) The Biennial Texas HTF Plan detailing the allocation of the Texas HTF may be reviewed on the TDHCA website at <https://www.tdhca.state.tx.us/htf/background.htm>. The Department, in its sole discretion, also reserves the right to cancel or modify the amount available in this NOFA.

3) Eligible Activities

Texas Bootstrap is a self-help housing construction program that provides Owner-Builders with very low-income repayable mortgage loans with a zero-percent interest rate in an amount not to exceed \$45,000 to:

- i) Build new residential housing, including the purchase or refinance of real property, if needed, on which to undertake such Activity; or
- ii) Improve existing residential housing, including the purchase or refinance of real property, if needed, on which to undertake such Activity.

4) Limitation on Funds

- a) Funding under this NOFA will be available through the Reservation System to Administrators with an active Loan Origination Agreement, and must be in compliance with the terms and conditions of the Loan Origination Agreement. Applications to request a Loan Origination Agreement are accepted on an ongoing basis. Applicants requesting an Origination Agreement must submit a completed Application, required documentation, and associated Application materials in accordance with 10 TAC §24.12, Administrator Certification.
- b) Administrators with an active Loan Origination Agreement may access the Reservation System during all of the funding phases described in Section 6 of this NOFA beginning Tuesday, February 1, 2022.
- c) The Department will process Reservations on a first-come, first-served beginning on the dates and times specified in Section 6 of this NOFA related to Allocation of Funds. Reservations submitted prior to the Reservation start date per the Reservation System time stamp will be disapproved, but may be resubmitted if funding remains available.
- d) Under Texas Government Code Sections 2306.753(a) and 2306.757, TDHCA will grant advanced priority access to the Reservation System for Reservations for Owner-Builder applicants that meet any of the following criteria. Advanced priority access will last for not less than 24 hours for to prioritize Reservations under which:
 - i) Household income is below \$17,500 per year; or
 - ii) Property is located in a county or municipality that has verified—in writing—that it will waive Capital Recovery Fees, building permit fees, or other fees for Bootstrap-funded construction. In order to receive priority, these fees must be

customarily imposed by the county, municipality, or respective water supply company.

- e) TDHCA reserves the right to cancel any reservation that does not meet the criteria for a Reservation based on either advanced priority submission or set-aside submission upon further review. A Reservation for an Owner-Builder applicant is not a guarantee of funding.
- f) The maximum amount of assistance funded through the Texas HTF, inclusive of Texas Bootstrap loan amounts, is \$45,000, in accordance with Tex. Gov't Code §2306.754(a). The Owner-Builder may also obtain supplemental funds from other sources. Rates and terms for all additional resources must be fully documented.
- g) Administrators may submit Reservations totaling not more than **\$950,000**, subject to availability. Reservations for closed activities are not included in this limitation.
- h) Each Administrator that completes a Texas Bootstrap activity may be eligible to receive funding for reimbursement for Administrative costs in an amount not to exceed 10% of the Project Funds expended on the Activity. This allowance is referred to as an Administration Fee in at 10 TAC §24.9(h).

5) Geographic Dispersion

- a) Funds under this NOFA are not subject to the Regional Allocation Formula (RAF) because two thirds of the funds are allocated in accordance with Tex. Gov't Code §2306.753(d) and the remaining one-third of the funds is less than \$3,000,000 in accordance with Tex. Gov't Code §2306.111(d-1)(3).
- b) Project funds in an amount not less than **\$3,114,946** (2/3 Set-Aside) is available for use in census tracts that have a median household income that is not greater than 75% of the median state household income as listed at <http://www.tdhca.state.tx.us/oci/bootstrap.jsp>.
- c) Project funds in an amount not less than **\$1,557,473** (1/3 Set-Aside) is available for use in any area of the state.

6) Allocation of Funds

- a) A minimum of **\$4,672,419** for Project funding is available through the Bootstrap Program Reservation System subject to the limitations outlined in Section 4 of this NOFA, and subject to the Geographic Dispersion limitations outlined in Section 5 of this NOFA.
- b) On **Tuesday, February 1, 2022, at 9:30 a.m. Austin local time until Wednesday, February 2, 2022, at 9:30 a.m. Austin local time**, Administrators may submit Reservations under advanced priority access for certain Owner-Builders as described in Section 4 of this NOFA.
- c) On **Wednesday, February 2, 2022, at 10:00 a.m. Austin local time**, any funds not requested under advanced priority access will be available to any Owner-Builder applicant subject to the terms of this NOFA.

- d) Pending funding availability, Reservations may be submitted through **August 31, 2022**. This date may be extended at the sole discretion of the Department. Unreserved funds remaining on or after September 1, 2022 may be reprogrammed for use subject to statutory limitations related to the Bootstrap Program.
- e) 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.

7) Eligible Applicants

- a) Eligible Applicants include Nonprofit Organizations and Colonia Self-Help Centers established under Tex. Gov't Code, Chapter 2306, Subchapter Z.
- b) Applicants must be certified in accordance with certified by the Department pursuant to Tex. Gov't Code, §2306.755 and subject to 10 TAC §24.12, related to Administrator Certification.
- c) Applicants are required to familiarize themselves with the Department's certification and debarment policies prior to application submission.

8) Application Submission

- a) The Department is accepting applications from eligible entities seeking to become Administrators of the Texas Bootstrap Program and execute a Loan Origination Agreement. Only Administrators with an executed and valid Loan Origination Agreement will have access to the Texas Bootstrap Reservation System and the funding under this NOFA.
- b) Entities seeking to become an Administrator of the Texas Bootstrap Program must complete the Texas Bootstrap Loan Program Administrator Certification Application available on the website at <https://www.tdhca.state.tx.us/oci/bootstrap.htm>, including a Previous Participation Form for Single Family and Community Affairs located at <https://www.tdhca.state.tx.us/pmcdocs/SF-PrevParticipationForm.xls>. Completed Applications may be submitted to HTF@tdhca.state.tx.us. Applications will be reviewed in the order in which they are received.

9) Reservation System Guidelines

- a) The Department reserves the right to suspend or limit access to the Reservation System for Administrators out of compliance with Texas Bootstrap Program requirements, including past due Single Audits or Audit certification forms, late responses to Compliance monitoring or Audit Management letters, Administrator ineligibility, inadequate staffing or inadequate capacity, or complaints. The Department may restore Administrator access upon the Department's acceptance of required documentation.
- b) The Department may de-authorize access to the Reservation System by an Administrator and terminate their Loan Origination Agreement if the Administrator does not meet requirements in this NOFA, violates the Department Rules, or violates the terms of the Loan Origination Agreement.

- c) The Administrator must submit the Bootstrap Closing Package not later than:
 - i) 10 calendar days from the date of the Reservation; OR
 - ii) 3 calendar days from Administrator's receipt each and all of the following six pieces of information:
 - (A) Consumer's/Applicant's Name;
 - (B) Consumer's/Applicant's Income;
 - (C) Consumer's/Applicant's Social Security Number (to obtain a credit report);
 - (D) Property Address;
 - (E) The mortgage loan amount sought; and
 - (F) An estimate of the value of the property.

- d) TDHCA requires the Bootstrap Closing Package to be submitted online through the secure Single-Family File Transfer System <https://sf-files.tdhca.state.tx.us/>. For access to the file transfer system, please contact TDHCA at HTF@tdhca.state.tx.us.

2) 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 (ADR) procedures 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.