

Texas Neighborhood Stabilization Program
Attachment A
April 25, 2019 Update to the Substantial Amendment

On January 30, 2009, the Department of Housing and Urban Development accepted a substantial amendment to the Action Plan for FFY 2008 submitted by the State of Texas. The Action Plan is the annual update to the Consolidated Plan for FFY 2005 through 2009. The amendment outlined the expected distribution and use of \$101,996,848 through the newly-authorized Neighborhood Stabilization Program (NSP), which the U.S. Department of Housing and Urban Development (HUD) is providing to the State of Texas. The NSP funds were authorized by the Housing and Economic Recovery Act of 2008 (HERA) as an adjunct to the Community Development Block Grant (CDBG) Program.

On February 25, 2010, the Texas Department of Housing and Community Affairs (Department) updated the Substantial Amendment with an adjusted budget, to reflect the funds actually awarded to NSP Subrecipients.

The Department is submitting this update to align the regulatory requirements adopted with the original Substantial Amendment, with those of current and potential future Applicants for NSP1 program income. The Department has been contacted by potential Applicants that would like to use NSP funds, but the HOME regulatory requirements adopted by the Texas NSP for rental developments are not able to be easily combined with other sources of the proposed Development's funding, including but not limited to Historic Tax Credits and HUD COC Leasing funds. Upon approval by its Governing Board or as designated by the Texas Administrative Code, Texas will allow a Master Tenant/Subrecipient (as identified in other funding source) to provide the affordable rents to the tenant, provide all required notices to the tenant, and will be responsible for income qualification instead of the Owner as described under 24 CFR §92.252(f). Furthermore, a Master Tenant/Subrecipient will execute the lease with the NSP household or there will be a triparty lease, as applicable, instead of a lease between the NSP tenant and the Owner as described 24 CFR §92.253. The Master Tenant/Subrecipient may also be responsible, as described in the contract with the state, for complying with affirmative marketing requirements, following the written tenant selection criteria for units where they are leasing to the NSP household, and following all other requirements under 24 CFR §92.253, otherwise attributable to the Owner. For these Developments, to ensure that the state can enforce its requirements against all parties, the state will have a triparty contract with the Master Tenant/Subrecipient (as applicable), in addition to its land use restriction agreement.

Public Comment Period: Starts: Monday, April 29, 2019 Ends: 6:00 p.m. Austin local time on Monday, May 13, 2019. Comments received after 6:00 p.m. Austin local time on Monday, May 13, 2019, will not be accepted. Written comments may be submitted, in hard copy/fax or electronic formats to: Texas Department of Housing and Community Affairs Attn: Multifamily Finance P.O. Box 13941 Austin, Texas 78711-3941 Fax: (512) 475-0070 Email: marni.holloway@tdhca.state.tx.us

Please be aware that all comments submitted to the TDHCA will be considered public information.

If you have any questions regarding this change to the Texas NSP program, please contact:

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