NOTICE OF FUNDING AVAILABILITY

CITY OF EL PASO

HOME INVESTMENT PARTNERSHIPS (HOME) AND AMERICAN RESCUE PLAN (HOME-ARP) PROGRAM

FOR THE DEVELOPMENT AND REHABILITATION OF AFFORDABLE RENTAL HOUSING

OVERVIEW

The City of El Paso Department of Community and Human Development (DCHD) is making funding available through the **HOME Investment Partnerships Program (HOME)** and the **HOME Investment Partnerships American Rescue Plan Program (HOME-ARP)** for the development of multi-family affordable housing within the City of El Paso.

The City has received funding from the U.S. Department of Housing and Urban Development (HUD) to support affordable housing development, increase housing stability, and address the City's housing needs. Under this Notice of Funding Availability (NOFA), HOME and HOME-ARP funds may be used for eligible activities, in accordance with the specific federal requirements of each funding source.

- **HOME** funds will support eligible affordable housing activities serving low-income households, pursuant to **24 CFR Part 92** and applicable HUD requirements
- **HOME-ARP** funds will support eligible activities serving **HOME-ARP Qualifying Populations (QPs)** and, where permitted by HUD, low-income households. The City will allocate HOME-ARP funds to serve all applicable Qualifying Populations equally, without preference.

Applicants should carefully review this NOFA to determine which funding source and eligible activity best align with their proposed project. **Because HOME and HOME-ARP funds are subject to different eligibility requirements, affordability periods, income limits, rent restrictions, and compliance periods, applicants must clearly demonstrate that their proposed project meets the criteria of the selected funding source.**

All projects must comply with the program-specific requirements detailed below; however, the DCHD Director may approve administrative exceptions to these requirements when permitted by law.

AVAILABLE FUNDING

DCHD is making up to **$17,622,675** in total funding available for eligible activities under this NOFA.

- HOME Investment Partnerships Program (HOME): $ 13,500,000
- HOME-American Rescue Plan Program (HOME-ARP): $4,122,675

These funds will support projects that serve target and qualifying populations. Applicants may request funding for one or more eligible activities. DCHD reserves the right to award all, part, or none of the available funds. Final allocations are subject to adjustment at the Department’s discretion.

This NOFA is **intentionally open-ended** to encourage a diverse range of project proposals from applicants, and **no minimum award amount** has been established for individual projects under these funds.

TENTATIVE DEADLINES

- Letter of Intent (LOI) Release Date: Thursday, November 12, 2026
- LOI Due Date: Wednesday, November 25, 2026
- Application Release Date by Invitation Only: Monday, December 21, 2026
- Application Due Date: Friday, January 22, 2027
- Application Oral Presentations: Wednesday, February 24, 2027
- Funding Recommendations: Friday, March 5, 2027
- City Council: Tuesday, April 13, 2027
- Agreements Executed and Program Start: Spring 2027

GENERAL REQUIREMENTS – APPLICABLE TO BOTH HOME AND HOME-ARP

Funds available under this NOFA are available to private investors, public agencies, and Community Housing Development Organizations (CHDOs) as defined in **24 CFR 92 Subpart G.**

Applicants may be deemed **ineligible** for funding if they have outstanding monitoring or audit findings, financial deficiencies, repayment obligations, contractual violations, or documented noncompliance with federal, state, or local program requirements.

For purposes of this NOFA, an issue is considered unresolved when an applicant has been formally notified of a deficiency and has not corrected it by the deadline established by DCHD or the applicable oversight agency. Examples include failure to repay funds owed, submit missing financial or performance reports, provide required supporting documentation, correct violations of affordability or occupancy requirements, or complete corrective actions identified during monitoring or audits. An issue will also remain unresolved if the applicant has submitted a response or corrective action that DCHD or the applicable oversight agency has determined is insufficient.

DCHD reserves the right to deny funding based on the nature and severity of these deficiencies, repeated instances of noncompliance, or failure to resolve identified issues within established deadlines.

Unless otherwise noted, the following requirements apply to all projects receiving HOME or HOME-ARP funds.

Federal and State Requirements

Americans with Disabilities Act (ADA) and Historic Preservation: Applicants must comply with all applicable federal, state, and local requirements related to the Americans with Disabilities Act (ADA), accessibility standards, historic preservation, and all applicable City codes and ordinances.

Authority to Apply: Applicants must certify that they have the legal authority to submit the application and enter into a funding agreement, if awarded. Applicants must provide supporting documentation demonstrating such authority, including applicable Board approval, resolution, minute action, or other official authorization identifying the authorized representative.

Authorized Signatory: Applicants must submit approved documentation (e.g., Board minute action or letter) certifying the individual authorized to sign contracts on behalf of the organization.

Buy America Build America Act (BABA): For agreements at or above $350,000.00, applicants must comply with Buy America Build America Act (BABA) as stipulated in Division G, Title IX of the Infrastructure Investment and Jobs Act (IJA) to ensure all iron, steel, and manufactured products used in the project are produced in the United States.

Davis-Bacon Requirements: The federal government requires the payment of prevailing wages for all construction contracts that have federal funding that exceeds $2,000, which includes federal, state and local public works projects. Projects will be monitored to ensure that the general contractor and subcontractors adhere to this requirement.

Entity UEI and System of Award Management (SAM): Applicants must provide their Unique Entity ID and SAM.gov record status to confirm eligibility and debarment status before funding consideration, and throughout the service period DCHD will recertify compliance before executing any contract. Agency may not be federally suspended, excluded, or debarred.

Environmental Review: Applicants must not commit funds, HUD dollars or otherwise, to choose-limiting actions prior to completion of the required environmental review and environmental clearance.

DCHD Compliance Staff must evaluate the viability of projects based on environmental factors, including whether or not the project is located in a flood zone. The environmental review may determine whether a project is funded or may indicate that project modifications or alternatives are needed.

- For projects that are located in a floodplain, applicant will need to identify and evaluate if there is (1) no project alternative, (2) a non-flood plain project alternative, and/or (3) a floodplain proposal.

- Lead Clearance and Asbestos Survey - Based on the age of the facility, a lead clearance and/or asbestos survey may be required. If either a clearance or survey has already been completed, please submit with the application.

Fair Housing Act Compliance: Applicants must comply with the Fair Housing Act, Executive Order 11063 (Equal Opportunity in Housing), the Civil Rights Act of 1964, the Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act (ADA).

Faith-Based Organizations: Faith-based organizations applying for funding must comply with HUD's Final Rule (effective October 30, 2003, as amended).

Procurement Guidelines: Applicants must follow all applicable local, state and federal procurement requirements when purchasing services, supplies, materials, or equipment with DCHD-awarded funding. Applicable federal regulations are contained in 2 CFR Part 200.320 Procurement Methods, Chapter 252 of the Texas Administrative Code, and City of El Paso local requirements. In addition, applicants are expected to maintain internal Procurement Policies and Procedures that are followed within their organization.

Jurisdiction: All projects, programs, clients and/or improvements must be located within the city limits of El Paso, Texas.

Lobbying: Under 31 U.S.Code § 1352, federal funds cannot be used to influence any federal agency employee, member of Congress, or federal contract, grant, loan, or cooperative agreement. If non-federal funds are used for lobbying, applicants must complete and submit Standard Form LLL (Disclosure of Lobbying Activities).

Market Analysis: Must be included with the application if the project contains units restricted for occupancy by low-income or market-rate households. HUD Section 92.250 (b)(2) requires an assessment of "the current market demand in the neighborhood in which the project will be located." The scope of the assessment should be relative to the project scope. This must include adequate answers to the questions noted on the Market Analysis Questions document that will allow DCHD to assess the neighborhood market demand for the project.

Occupancy Compliance and Repayment Deadlines: All assisted units must be occupied by qualifying populations or low-income households within **six (6) months of construction completion.** Failure to meet this deadline constitutes an occupancy compliance concern and will require immediate corrective action by the applicant. The City may impose additional monitoring, require a formal corrective action plan, and consider the applicant's failure to meet occupancy requirements when evaluating future funding applications.

The six-month deadline does not automatically trigger repayment. However, if assisted units remain unoccupied, federal regulations establish the following mandatory repayment deadlines:

- HOME-ARP funds must be repaid for any assisted unit that remains vacant **twelve (12) months after construction completion.**
- HOME funds must be repaid for any assisted unit that remains vacant **eighteen (18) months after construction completion.**

Failure to achieve occupancy before the applicable repayment deadline will result in repayment obligations, regardless of ongoing leasing efforts or corrective actions.

Property Standards: HOME and/or HOME-ARP-assisted units must comply with all property standards applicable to rental projects required in 24 CFR 92.251 throughout the compliance period.

- On-site inspection within 12 months of project completion and an on-site inspection at least once every three years thereafter as required by 24 CFR 92.504.

Section 3 Requirements: Construction projects exceeding $300,000 must prioritize hiring and contracting opportunities for low- and very low-income individuals and businesses. Subrecipients are required to hire a prime contractor who makes best efforts to meet HUD's Section 3 benchmarks and must collaborate with them to complete the required HUD documentation in accordance with 24 CFR Part 75

Site Control: Applicants must provide documentation demonstrating site control, which may include:

- Deed
- Purchase Contract
- Option to Purchase, or
- Letter of Intent to Sell, for the proposed property. A copy of URA Notice to Owner issued to the current property owner must be included as well.

Tenant Protections: Each household that occupies a HOME- and/or HOME-ARP unit must have an executed lease that complies with the tenant protections required in CFR 92.253 or Final HOME-ARP Implementation Notice_.

VAWA Requirements: Where applicable, HOME-assisted rental housing must comply with the Violence Against Women Act requirements under 24 CFR § 92.359 and applicable HUD guidance.

Verification of Non-Profit Status: Non-profit agencies must submit the Internal Revenue Service (IRS) letter certifying their 501(c) (3) status and the completed and signed Assurance of Applicant Eligibility for Non-Profit Organizations.

Local Requirements

DCHD has the authority to establish local funding guidelines in addition to federal and state requirements. These local requirements, including Policies and Procedures, are developed by DCHD staff and approved by City Council to ensure that funding allocations align with community needs, promote financial responsibility, and enhance the effectiveness of funded programs.

Acceptance of Grant Conditions and Terms: Applicant must submit with their application an Acceptance of Grant Conditions and Terms form signed by an authorized representative of the applicant.

Administrative and Financial Capacity: Applicants must demonstrate administrative and financial capacity to fully operate the project during the application process. A certified audit covering a period that ends after January 31 of the previous application year must be submitted when applying for the current year. This requirement may be waived for organizations or entities that expend less than $1,000,000 in federal funds for the audited year, however, they must submit alternative financial documentation demonstrating fiscal responsibility and financial capacity. Acceptable documentation may include:

- An independent external audit
- The most recently filed IRS Form 990 with supporting financial statements
- Year-end balance sheet and profit and loss statements
- Other financial documentation requested by DCHD Awarded funds are distributed on a reimbursement basis.

Except for City Departments, all applicants must demonstrate the financial capacity to cover project-related costs including design, construction, and operations for at least three months prior to reimbursement. To verify this project sustainability, applicants will be required to provide documentation proving they hold three months of operating capital.

Agency Credit Score: Applicants consent to an evaluation of past grant performance conducted by DCHD. This evaluation assesses:

- Financial and administrative capacity
- Compliance with prior funding agreements and program requirements
- Timeliness and accuracy of reporting and reimbursement submissions
- Monitoring findings, corrective actions, and contract performance history
- Overall program performance and effectiveness

The Agency Credit Score may be considered in funding recommendations, risk assessment, monitoring determinations, contract decisions, contract renewal, and overall funding eligibility. This process supports responsible financial stewardship and compliance with applicable federal, state, and local requirements.

Budget Modifications and Change Orders: If an award is granted, the City's prior written approval will be required for all budget modifications and change orders. Applicants may not incur costs or proceed with any modification or change order requiring City approval until written authorization has been received from DCHD. Unauthorized modifications or change orders may be deemed ineligible for reimbursement and may result in a reduction, suspension, or termination of the award.

Certificate of Account Status: Applicants must provide a current Certificate of Account Status from the Texas Comptroller of Public Accounts confirming the organization is authorized to conduct business in the State of Texas and is in good standing for state tax purposes. This must be current at the time of submission of the LOI/application, and through the duration of the agreement.

Completeness Check: Applications and supporting documentation must be submitted by the respective deadline to be considered for funding. All required supporting documents must be included for an application to be considered complete.

Compliance with Existing Contracts: Applicants currently receiving federal funds administered by DCHD and seeking additional funding must demonstrate satisfactory performance and compliance with their existing funding agreements, including the following:

- Contractual Compliance: Meet all contractual obligations, performance requirements, reporting deadlines, project milestones, and other deadlines established by DCHD.
- Financial Compliance: Have no outstanding repayment obligations, unsupported or ineligible expenditures, or unresolved financial deficiencies identified by DCHD or an applicable oversight agency.
- Monitoring and Audit Compliance: Address all monitoring or audit findings and complete required corrective actions within established deadlines. A finding is considered unresolved when the applicant has been formally notified of a deficiency and has failed to correct it by the required deadline, or when the corrective action submitted has been determined insufficient by DCHD or the applicable oversight agency.
- Reporting and Documentation: Submit all required financial, performance, occupancy, and compliance reports accurately and within established deadlines, and maintain adequate supporting documentation.
- Good Standing: Maintain satisfactory contractual and program performance throughout the application, award, and contract execution process.
- DCHD reserves the right to deny an application, withhold funding, or withdraw a tentative award when an applicant fails to meet these requirements. Such determinations will consider the severity of the deficiencies, repeated instances of noncompliance, failure to meet established deadlines, and potential financial or

operational risk to the City. Applicants must remain in good standing through contract execution and throughout the applicable agreement period.

Conflict of Interest: Conflict of Interest regulations are governed by local policies, specific grant requirements, and federal regulations (2 CFR 200.112). Applicants must disclose potential conflicts in writing, detailing the nature of the conflict and requesting a resolution. If a conflict of interest is discovered after funding has been awarded or during the contract period:

- The subrecipient must promptly notify DCHD in writing, outlining the details of the conflict.
- DCHD will evaluate the conflict to determine if it affects the integrity of the funded program.
- Depending on the severity, DCHD may:
    - Require recusal of the individual from decision-making related to the grant.
    - Implement additional oversight or restrictions to mitigate risk.
    - Seek legal or HUD guidance if necessary.
- If the conflict compromises program integrity, DCHD may take corrective measures, including modifying, suspending, or terminating funding.
- In some instances, exceptions may be granted if the conflict is deemed manageable and does not violate governing laws or regulations.

Ensuring transparency and timely action helps protect funding integrity and compliance with HUD and local regulations.

Contract Execution Readiness: Applicants must submit all required documentation for contract execution. DCHD reserves the right to adjust, defer, defund, or reallocate funding based on project readiness and program needs. Applicants must be prepared to execute their contracts as soon as DCHD is ready to proceed with funding to avoid delays. Required documentation may include, but is not limited to:

- Applicable insurance policies
- A finalized budget
- Scope of work
- Lien documentation
- Timely submission of signatures and
- Other required documentation

Failure to execute the contract or respond to DCHD in a timely manner will result in administrative penalties. Prior to contract execution, negotiations are strictly capped at a maximum of **three (3) subrecipient reviews**. If an agreement on final terms is not reached within these three reviews, or if an applicant delays execution after DCHD clears the agreement for signature, the project may be reevaluated, adjusted, deferred, defunded or cancelled. Unexcused delays in execution will negatively impact the applicant's credit score, which may result in disqualification from future DCHD funding opportunities.

Eligibility Guidelines: Applicants must verify each client's eligibility, including income, in accordance with applicable HUD requirements. Please refer to the Income Limits Data for HUD Housing Assistance Programs | HUD USER for additional details on current Area Median Income (AMI) amounts.

Inspection of Units: Applicants will be required to conduct inspections of housing units for compliance with Housing Standards (24 CFR 576.403(c), Lead-Based Paint requirement Standards (24 CFR 35, 576.403(a), Fair Market Rent and Rent Reasonableness Standards (24 CFR 576.106(d)

Insurance Coverage: Applicants must maintain an insurance policy sufficient to fully protect the public investment, naming the City as the "loss payee." All applicants receiving City of El Paso HUD funding must maintain the following insurance coverages throughout the contracted period of performance:

- Workers' Compensation Insurance with a minimum coverage of $1,000,000
- General Liability Insurance, including a Certificate of Liability Insurance listing the City of El Paso as an additional insured
- Automobile Insurance, if employees drive for work-related purpose

Ordinance 9779: All facilities receiving funding from the City must comply with Ordinance 9779, ensuring accessibility for individuals with disabilities. Facilities must be accessible for both employment and service purposes or have an approved transition plan before funding approval. Applicants must submit the following:

- Letter of Assurance: A written commitment confirming that programs, services, and facilities comply with accessibility and nondiscrimination requirements. Not a certification, signing indicates a promise to comply and take corrective action when needed.
- ADA Self-Evaluation: An internal review of policies, practices, programs, and facilities to ensure accessibility and nondiscrimination. Must document evaluation of policies and modifications to correct noncompliance, and corrective actions.

For projects with multiple service locations, a Letter of Assurance and ADA Self-Evaluation must be provided for each site.

Relocation Assistance: Projects should avoid displacing low- and moderate-income tenants. If displacement is unavoidable, affected tenants must receive financial and advisory benefits as detailed in the Anti-Displacement Strategy. Applicants should consult with DCHD staff if displacement or relocation will occur to ensure compliance and to allocate appropriate funds.

Site Suitability: A Zoning Verification Letter from the City of El Paso's Planning and Inspections Department is required at the time of application. The letter must be issued within five years of the program year start date and be accompanied by a signed cover

letter certifying no substantial changes have occurred. If zoning compliance is in progress, applicants may submit a written workout plan. However, compliance must be achieved before contract execution. For projects with multiple service locations:

- A single letter covering all locations or individual letters for each site will be accepted.
- Projects that relocate must obtain a new zoning compliance letter.
- Projects in public schools or City Parks Department facilities are exempt from this requirement.

Performance and Administrative Expectations

- Projects must begin within **30 days** of agreement execution.
- Funds must be fully spent and project completed within **24 months**, unless extended in writing by DCHD.
- Applicants must **identify additional sources** of funding outside of the City's allocation.
- **Confirm eligibility** with all applicable federal, state, and local requirements.
- **Demonstrate alignment** with the City's Strategic Plan goals.
- **Understand and adhere** to DCHD policies and procedures, Final HOME-ARP Implementation Notice_ and any additional HUD Waivers and Notices.
- Applicants requesting both HOME and HOME-ARP assistance for the same affordable housing development will be required to execute **separate funding agreements** with the City. Each agreement will have its own construction scope, budget, eligible costs, reimbursement requests, project milestones, reporting requirements, and compliance obligations. Applicants must maintain separate financial records and supporting documentation for each funding source. The same construction or development expense cannot be reimbursed under both agreements.

Development Milestones

Activity	Timeline
Agreements Executed and Program Start	Spring 2027
Construction Complete	Fall 2028
HOME- and HOME-ARP Assisted Units Fully Occupied	Spring 2029

This timeline is tentative and subject to change.

Financing Characteristics

- **Gap Financing:** The City will provide HOME and HOME-ARP funding solely to address demonstrated financing gaps in eligible affordable housing developments. Applicants must identify and pursue all other available funding sources, including Low-Income Housing Tax Credits (LIHTC), Housing Trust Fund grants, project-based vouchers, rental assistance, and other public or private financing. The City will determine the necessary assistance amount based on a comprehensive review of

the project's financing sources, development costs, financial feasibility, and total affordable housing units produced. The City reserves the right to reduce or deny requests that exceed a project's demonstrated financial need. During the evaluation process, applicants that demonstrate greater financial leverage through committed non-City funding will receive higher scores. Conversely, projects that rely heavily on HOME or HOME-ARP funds with limited outside investment will be less competitive.

- **Developer Financing:** HOME and HOME-ARP assistance awarded to private and for-profit developers shall be structured as loans carrying an annual interest rate of 3% simple interest, calculated on the outstanding principal balance.
- **CHDO Financing:** Community Housing Development Organizations (CHDOs) certified by the City of El Paso shall receive HOME assistance in the form of grants rather than repayable loans, provided the proposed project meets all applicable CHDO and HOME program requirements. Grant awards remain subject to affordability restrictions, performance requirements, and applicable repayment or recapture provisions in the event of noncompliance. DCHD reserves the right to establish additional conditions to protect the City's investment and ensure successful completion of the development.
- **Lien Position and Security:** The City of El Paso shall maintain a first-priority lien position on properties receiving HOME or HOME-ARP loan financing to protect its financial investment. Subordination to other lenders shall not be permitted unless expressly approved in writing by the DCHD Director following a review of project underwriting, financial risk, and the City's ability to protect its investment. The City reserves the right to require additional security instruments and financing conditions as necessary.
- **Financing Terms:** The City reserves the right to establish loan repayment schedules, amortization periods, maturity dates, and other financing conditions based on project underwriting and financial feasibility. Alternative repayment structures may be considered when necessary to support project viability, subject to approval by the DCHD Director and applicable City approval requirements.
- **Financial Underwriting:** All funding requests shall undergo financial underwriting to determine the appropriate level of City investment, evaluate project feasibility, assess developer capacity, and ensure that public assistance does not exceed the amount necessary to complete the development. The City retains final authority to establish the amount, structure, and conditions of financial assistance, subject to required approvals.
- **Disbursement and Repayment:** HOME and HOME-ARP funds shall be disbursed on a reimbursement basis for eligible development costs associated with assisted units. For amortized loans, monthly repayment shall begin ninety (90) days after the first day of the month following construction completion, unless alternative terms are approved by DCHD and documented in the executed funding agreement.

- **Excess Cash Flow:** Projected excess cash flow and developer returns must be disclosed and evaluated as part of the underwriting process. The City reserves the right to adjust the amount and terms of assistance based on projected financial performance, anticipated developer returns, and the level of public subsidy necessary to ensure project feasibility.

Community Housing Development Organization (CHDO) Requirements

Projects seeking HOME and/or HOME-ARP funds through the CHDO set-aside must meet all applicable CHDO requirements under **24 CFR Part 92** and applicable HUD guidance.

- Applicants must be certified by the City as a CHDO at the designated time and maintain this eligibility throughout the project period.
- The CHDO must demonstrate and maintain the capacity, role, and responsibilities required to execute the proposed project.
- Applicants must submit all documentation requested by the City to verify compliance with CHDO organizational structure, board composition, community representation, and operational capacity.
- CHDO projects must adhere to all standard HOME or HOME-ARP regulations, including underwriting, property standards, environmental reviews, and long-term affordability monitoring. The City reserves the right to request additional information at any time to verify ongoing eligibility and compliance.

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

HOME funds are available to private investors, public agencies, and Community Housing Development Organizations (CHDOs) to acquire, rehabilitate, reconstruct, demolish, or build affordable housing. All proposed activities must address local housing needs and comply with HUD requirements under **24 CFR Part 92**, including eligible cost restrictions under 92.206–92.209 and property standards under 92.251 upon completion.

Development Requirements

These requirements may be modified at the discretion of the Director of the Department of Community Human Development.

- At least 90% of units funded with HOME dollars must be affordable to households at or below 60% Area Median Income (AMI), with at least 20% of units affordable to households at or below 50% AMI.
- HOME-assisted units must comply with the maximum per-unit subsidy limits established by HUD.

Bedroom Size	Maximum Per Unit Subsidy
0	$187,658
1	$215,122
2	$261,595
3	$338,419
4	$371,477

- Fixed and/or floating units must be determined prior to project commitment.
- HOME-assisted rental housing is subject to a **minimum affordability period** established in accordance with applicable HOME requirements.

Activity	Minimum Affordability Period
Under $25,000 Per Unit	5 Years
$25,000 to $50,000 Per Unit	10 Years
Over $50,000 Per Unit or Rehabilitation Involving Refinancing	15 Years
New Construction or Acquisition of Newly Constructed Housing	20 Years

- **Rent limitations** as described in 24 CFR 92.252.
    - **High HOME Rent** including utility allowance cannot exceed the lesser of the HUD-established Fair Market Rent (FMR) for comparable units in the area or 30% of the adjusted income of a family earning 65% of the AMI.
    - Rental projects featuring five or more HOME-assisted units must reserve at least 20% of those units for very low-income families and comply with **Low HOME Rent** limits, which are capped at the lesser of the HUD-established FMR or 30% of the adjusted income of a family earning 50% of the AMI.

HOME-AMERICAN RESCUE PLAN (HOME-ARP)

Applicants are strongly advised that HOME-ARP funding carries extensive reporting, documentation, and compliance requirements that differ significantly from traditional HOME funding. These distinct obligations apply during construction, project completion, and initial occupancy, and they must be maintained throughout the mandatory 15-year compliance period. While the City provides federal oversight, applicants are solely responsible for executing all rules, including HUD Notice CPD-21-10, subsequent HUD guidance, and DCHD requirements. **Applicants must carefully evaluate their capacity to manage these strict recordkeeping and documentation standards before requesting HOME-ARP funding.**

Qualifying Populations

HOME-ARP was created to serve specific groups known as Qualifying Populations (QPs). These are individuals and families who face the greatest risk of housing instability.

The four qualifying populations are as follows:

- Homeless, as defined in 24 CFR 91.5 (1), (2) or (3)
- At risk of homelessness, as defined in 24 CFR 91.5
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking, as defined by HUD as described in section IV.3. of CPD-21-10
- Other populations as defined in section IV.4. of CPD-21-10

Development Requirements

- Developments may include both HOME-ARP-assisted units and units assisted with other funding sources.
- **HOME-ARP funds can only be invested in units restricted for qualifying households or low-income households.**
    - 70% or more of the total number of HOME-ARP-assisted units must be restricted for qualifying households, and
    - 30% or less of the total number of HOME-ARP-assisted units must be restricted to low-income households.
    - Fixed and/or floating units must be determined prior to project commitment.
    - The number of HOME-ARP-assisted units cannot be reduced and applicant must maintain mix throughout the compliance period.
- **Units must be occupied in the order the tenant applications are received.**
- **Rent limitations** as described in Final HOME-ARP Implementation Notice_.
    - Qualifying household rents cannot exceed 30% of the adjusted income of a household whose annual income is equal to or less than 50% of the median income for the area, as determined by HUD.
    - Low-income household rents must comply with the rent limitations in 24 CFR 92.252. The lesser of the Fair Market Rent for existing housing for comparable units in the area, as determined by HUD, or a rent equal to 30% of the income of a family at 65% of median income for the area, as determined by HUD.
- HOME-ARP **suspended the maximum per-unit subsidy limit** for HOME-ARP-assisted units, enabling HOME-ARP funds to pay the entire cost to acquire, rehabilitate and/or construct the HOME-ARP-assisted rental units.
- Applicants must demonstrate the ability to secure funding sources sufficient to complete the development and maintain financial sustainability for the **minimum 15-year HOME-ARP compliance period**, during which all assisted units must comply with the requirements of the Final HOME-ARP Implementation Notice regardless of the investment amount or the activity being undertaken.

APPLICATION SUBMISSION INSTRUCTIONS

The application process for this NOFA consists of two primary stages: (1) Letter of Intent (LOI) submission and preliminary eligibility review, and (2) full application submission and comprehensive review. Applicants seeking HOME and/or HOME-ARP funding must first submit an LOI no later than **November 25, 2026, at 5:00 p.m. (MDT)**.

Only applicants determined eligible during the LOI review stage will be **invited** to submit a full application. The complete application package, including all required forms, assurances, certifications, and supporting documentation, must be submitted no later than **January 22, 2027, at 5:00 p.m. (MDT)**.

The submission of an LOI or full application does not guarantee funding. DCHD reserves the right to award less than the requested amount based on available funding, underwriting analysis, project feasibility, applicable HOME and/or HOME-ARP requirements, and other criteria identified in this NOFA. Any LOIs or applications received after their respective deadlines will be disqualified from funding consideration, regardless of the reason for the late submission.

For detailed guidelines, please reference the Policies-and-Procedures-for-HUD-TDHCA-Funding-effective-September-1-2026.pdf.

ADDITIONAL RESOURCES

- Policies and Procedures for HUD & TDHCA Funding, effective September 1, 2026-Forms & Notices
- 2025 Community Needs Assessment (CNA) -Forms & Notices
- Final HOME-ARP Implementation Notice_
- HUD HOME-ARP Program - HOME-ARP Program - HUD Exchange