tsahc
TEXAS
State Affordable Housing Corporation

2020 Texas Foundations Fund Guidelines

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Texas Foundations Fund Overview.

Through its Texas Foundations Fund program, the Texas State Affordable Housing Corporation (TSAHC) partners with nonprofit organizations across Texas to support housing services that meet critical housing needs of very low-income households in Texas.

Matching Grant Structure.

For the 2020 funding round, the Texas Foundations Fund will provide matching grants to eligible public and private funds raised by selected partners ("Partners"). Public and private funds must have been received by Partners on or after January 1, 2020 and must be earmarked specifically for the program for which a matching grant from the Texas Foundations Fund is requested.

The following are eligible for matching grants:

- Individual donations
- Foundation grants
- Corporate grants or sponsorships
- Government grants
- In-kind donations of materials or professional services (volunteer labor does not qualify for matching grants)

2020 Partner Application Process.

Partners eligible for matching grants will be selected every two years through an online application process. The online application will be available on TSAHC's website at www.tsahc.org in May 2020. Interested applicants must first complete an eligibility quiz to determine if they may qualify as a Partner. Only organizations that pass the eligibility quiz will be instructed to complete the online application.

Partner applications must be submitted online no later than **5:00 pm on Friday, June 19, 2020**. All applicants meeting certain threshold requirements will qualify as Partners and will be eligible for matching grants.

After submitting an application, applicants may not contact members of TSAHC's Board of Directors regarding their application. Failure to comply will result in the disqualification of the application.

If an application contains deficiencies that require clarification or correction, TSAHC staff will contact the applicant directly to request clarification or correction of such deficiencies. Failure to respond to follow up requests for information will result in the disqualification of an application.

Partner Threshold Requirements.

To qualify as a Partner eligible for a matching grant, applicants must meet the following threshold requirements:

1. **Organization Type:** Applicant must be a nonprofit organization with a 501(c)(3) designation from the Internal Revenue Service.
2. **Organization Experience:** Applicant must have at least **three** years of experience operating housing programs in Texas.
3. **Program Experience:** Applicant must have at least **two** years of experience operating the program for which a matching grant will be requested (see section below for additional program eligibility information).
4. **Fundraising Experience:** Applicant must provide a letter of reference or support from a funder who has supported the program for which a matching grant will be requested.
5. **Government Grant Performance:** Applicant must certify that it has not defaulted on or been required to repay any federal, state or local government grants within the past two years. Applicants do not need to have prior experience with government grants to be eligible for a matching grant.
6. **Financial Requirements:** Applicant must be able to provide annual financial audits for its two most recent fiscal years (TSAHC will accept financial reviews by a third party certified public accountant in lieu of audits from organizations with an annual operating budget of $750,000 or less) and must be prepared to submit its audits, as well as other financial documents, when requested.
7. **Household Requirements:** To ensure the Texas Foundations Fund reaches those who are most in need, each applicant must utilize matching funds to serve ***only:***
   a. Households at or below 50% of the area median family income (very low income)[1], ***and***
   b. Households with a household member with a disability, ***and/or*** households located in a rural community[2].

[1] While an applicant's program may serve households above this income level with other funding sources, a matching grant from the Texas Foundations Fund may only be used to serve households meeting this income requirement. TSAHC uses the U.S. Department of Housing and Urban Development's Section 8 income limits to determine income eligibility for the Texas Foundations Fund program. To review the current income limits, visit: www.huduser.org/portal/datasets/il.html

[2] TSAHC defines "rural" as a county that is outside a metropolitan statistical area (MSA), or a city or community that is: 1) outside the boundaries of an MSA; or 2) within the boundaries of an MSA, if it has a population of 25,000 or less and does not share a boundary with an urban area (population larger than 25,000 within an MSA).

Eligible Programs.

Programs that provide the following housing services are eligible for a matching grant from the Texas Foundations Fund:

1. **The rehabilitation and/or critical repair of single family homes[3] to remedy unsafe living conditions.**
   - Critical repairs may also include accessibility modifications for homes with a household member with a disability
   - Homes receiving repairs must be owner-occupied.
   - TSAHC will support the critical repair of single family rental homes owned and operated by the organization applying only if the repairs enhance accessibility for a renting household with an individual with a disability[4]
   - All rehabilitation and/or critical repairs funded through the Texas Foundations Fund must be provided free of charge.

2. **The provision of supportive housing services that help individuals and families at risk of homelessness or unnecessary institutionalization gain and maintain their housing stability.**
   Eligible supportive housing services include, but are not limited to:
   - the provision of alcohol and drug counseling,
   - adult education and/or job training,
   - mental health counseling, and/or
   - case management or services provided by a health care provider.

   Resident Services, such as afterschool tutoring programs and computer labs, are not considered supportive housing services and will not be eligible for a matching grant. All supportive housing services funded through the Texas Foundations Fund must be provided free of charge to residents. Organizations that solely provide supportive services are not eligible for a matching grant. TSAHC will only consider organizations that own and operate housing with supportive services made available to the residents as a result of their occupancy.

2020 Funding Availability and Timeline.

TSAHC provides the matching grants available through the Texas Foundations Fund by blending private donations with earned revenue from its affordable housing programs. TSAHC's Board of Directors approves the funding available each year under the Texas Foundations Fund. The funding available to each Partner will depend both on the total

[3] TSAHC defines "single family home" as a residential property with an attached or detached dwelling that consists of (i) a single unit on an individual lot, or (ii) a single unit in a condo project, Planned Unit Development, or duplex, triplex or fourplex, or (iii) not more than four connected units, with each unit intended as housing for one family. Dwellings that are not titled as real estate, such as RVs and houseboats, are not eligible.

[4] In exceptional circumstances, TSAHC may allow a Partner to perform critical repairs on a rental home owned by a private landlord and occupied by a very low-income household. Partners must notify TSAHC in advance if they wish to use a portion of their Texas Foundation Fund matching grant for this purpose. Additional information, including documentation that the landlord is financially unable to perform the repairs, will be required.

funding available as determined by TSAHC's Board of Directors and the number of Partners selected.

Please note that donors to the Texas Foundations Fund have the ability to request their funds be used within a specific city or region; as a result, depending on Partners' service area(s), the maximum amount of funding available to each Partner may vary.

It is anticipated that Partners will be announced and matching grants will become available in September 2020. At that time, each Partner will have six months to access its matching grant. Any funds not accessed during the initial six month period will be combined into a statewide pool and made available to other Partners on a first-come, first-awarded basis until all funds are depleted. TSAHC reserves the right to limit the total amount of funding available to each Partner from the statewide pool.

All previous Texas Foundations Fund awardees are eligible to apply to be selected as a Partner for the 2020 funding round, as long as they meet the Partner threshold requirements listed above and performed according to the grant agreement of their most recent funding award.

Partner Term and Disbursement of Grants.

Partners will be selected for a two-year term ("Partner Term"), with grant funding made available each year. To access matching grants, Partners must submit a funding request in the applicant portal that documents proof of public or private funds and proposed use of the matching grant. A Partner may submit up to three funding requests during the initial six month period to access the full amount of its matching grant.

A Partner must spend 100% of its matching grant and submit a report documenting use of the matching grant and updated financial information by the end of the first year of the Partner Term before accessing matching funds the following year.

Administrative Allowance.

A Partner may use five percent (5%) of the awarded funds for administrative or technical assistance costs to carry out the programs funded by their Texas Foundations Fund award. In certain circumstances, TSAHC will allow Partners to use up to 10% of the awarded funds for administrative or technical assistance costs. However, Partners requesting more than 5% must justify and explain the need for additional administrative or technical assistance funds.

Partner Agreement.

Partners will be required to execute a partner agreement that outlines:

- a description of the program for which the matching grant will be used,
- eligible expenditures[5],
- the process to request matching grants,
- reporting requirements, and
- TSAHC's right to inspect properties or service records and to review financial documents.

Failure to adhere to the terms of the partner agreement may result in the delay or cancelation of matching grants, termination of the partner agreement, or request for repayment of all or part of the matching grants disbursed.

Questions.

Questions should be submitted in writing to Michael Wilt by email at mwilt@tsahc.org. Applicants are highly encouraged to review the Texas Foundations Fund's Question and Answer section of TSAHC's website at www.tsahc.org for pertinent application information.

[5] Partners must use 100% of their matching grant for direct costs to provide the program for which the matching grant is requested. These costs may include, but are not limited to administrative costs as described in the "Administrative Allowance" section, contractor fees, materials, salaries for staff performing critical repair work, salaries for staff providing supportive housing services, salaries for staff directly coordinating and supporting the program, travel expenses for staff directly coordinating and supporting the program, and building permits and inspection fees for homes to be repaired. The partner agreement will include a full list of expenses eligible for a matching grant.