



2025 Texas Foundations Fund Guidelines

Approved by TSAHC Board: January 29, 2025



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TEXAS FOUNDATIONS FUND OVERVIEW.

Through its Texas Foundations Fund (TFF) program, the Texas State Affordable Housing Corporation (TSAHC) works with nonprofit organizations across Texas to support housing services that meet critical housing needs of very low-income households in Texas. In 2025, all applicants that meet the **Eligibility Requirements** and **Program Evaluation Criteria** set forth below will be eligible for a grant award.

2025 GRANTEE APPLICATION PROCESS.

Grantees eligible for grant awards will be selected through an online application process. The online application will be available on TSAHC's website at www.tsahc.org in **January 2025**. Interested applicants must first complete an eligibility quiz to determine if they may qualify as a potential grantee.

Only organizations that pass the eligibility quiz that is released with the online application will be instructed to complete the full online application. Applications must be submitted online.

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. All questions about the application process should be submitted in writing to Anna Orendain by email at aorendain@tsahc.org.

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 may result in the disqualification of an application.

ELIGIBILITY REQUIREMENTS.

To qualify as a Grantee eligible for a grant award, applicants must meet the following eligibility 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 grant award will be requested (see section below for additional program eligibility information).
- 4. 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 grant award.

5. Financial Requirements:

- a. Applicants with a budget size **above \$2 million** must be able to provide annual financial audits for its two most recent fiscal years and must be prepared to submit its audits, as well as other financial documents, when requested.
- b. For organizations with budget sizes **below \$2 million**, TSAHC will waive the requirement for an external audit and accept either a financial review or a reference letter of support from another funder who has supported the program for which a grant award will be requested.

- 6. Household Requirements:** To ensure TFF grants are disbursed in a manner that reaches those who are most in need, each applicant must utilize grant funds to serve **only** households at or below 50% of the area median family income (very low-income).¹

ELIGIBLE PROGRAMS.

Programs that provide the following housing services are eligible for a TFF grant:

1. The rehabilitation and/or critical repair of single-family homes² 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 disability³
- All rehabilitation and/or critical repairs funded through the Texas Foundations Fund must be provided free of charge.

2. The provision of the following supportive services or housing counseling services that help individuals and families maintain housing stability.

¹ While an applicant's program may serve households above this income level with other funding sources, a 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 "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.

³ In exceptional circumstances, TSAHC may allow a Grantee to perform critical repairs on a rental home owned by a private landlord and occupied by a very low-income household. Grantees must notify TSAHC in advance if they wish to use a portion of their Texas Foundation Fund grant for this purpose. Additional information, including documentation that the landlord is financially unable to perform the repairs, will be required.

- a. Services provided to residents of permanent supportive housing including but not limited to:
 - Case management,
 - Physical and mental health care services,
 - Substance use disorder counseling and services,
 - Employment services, or
 - Food insecurity services.
- b. Housing counseling services including but not limited to:
 - Homebuyer education (pre-purchase or post-purchase),
 - Credit counseling,
 - Financial counseling or coaching,
 - Foreclosure prevention counseling, or
 - Eviction prevention counseling.

All housing services funded through TFF must be provided free of charge. Organizations that solely provide services without a housing focus are not eligible to apply for a grant. TSAHC will only consider organizations whose mission and programs demonstrate a clear housing focus.

2025 FUNDING AVAILABILITY, TIMELINE AND DISBURSEMENT.

TSAHC provides TFF grant funding 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 TFF program.

The total amount of funding available in FY2025 is \$1,250,000. Applications will be accepted on a rolling basis until August 1st or as long as funding is available. TSAHC will consider applications in the order in which they were received.

Grantees will be selected for a one-year term ("Grantee Term"). A Grantee must spend 100% of its grant and submit a report documenting use of the grant and updated financial information by the end of the Grantee Term. Grants will be disbursed in one installment immediately upon execution of a Grant Agreement.

In order to promote an equitable distribution of awards, Grantees will be grouped into the following three tiers based on budget size: Tier 1: Small Organizations (Budget size less than \$2 million), Tier 2: Mid-Size Organizations (Budget size \$2 million - \$10 million), and Tier 3: Large Organizations (Budget size more than \$10 million). An equal amount of funding will be available to each tier until March 31st, at which point any unused funding will be available to applicants across all tiers. The grant sizes for each tier are as follows: Tier 1: \$10,000, Tier 2: \$13,000, Tier 3: \$25,000.

GRANT AGREEMENT.

Grantees will be required to execute a grant agreement that outlines:

- A description of the program for which the grant award will be used,
- Eligible expenditures⁴,
- The process to request grant funds,
- Reporting requirements, and
- TSAHC's right to inspect properties or service records and to review financial documents.

ADMINISTRATIVE ALLOWANCE.

A Grantee 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 Grantees to use up to 10% of the awarded funds for administrative or technical assistance costs. However, Grantees requesting more than 5% must justify and explain the need for additional administrative or technical assistance funds.

PROGRAM EVALUATION CRITERIA.

Grantees must satisfactorily respond to each of the following criteria in their application to be eligible for an award:

- Organization has a mission and defined scope of work,
- Organization operates an eligible program that meets a demonstrated community need,
- Organization describes how the program meets the demonstrated community need,
- Organization has community partnerships to help execute its scope of work,
- Organization operates in a defined geographic area in one or multiple counties,
- Organization provides demographic data on households served and demonstrates it will meet **Household Requirements** above,
- Organization collects feedback from households it serves to improve its programs, and

⁴ Grantees must use 100% of their grant for direct costs to provide the program for which the 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 grantee agreement will include a full list of expenses eligible for a grant.

- For returning Grantees, organization is in good standing by meeting past requirements of the Texas Foundations Fund program. As an example, applicants that were selected as 2023 nonprofit partners must have submitted their final report to be eligible for a grant.

REPORTING REQUIREMENTS.

At the end of the Grantee Term, all Grantees will be required to submit documentation that details how the Grantee has spent the TFF grant award. Documentation may include:

- Number of households and individuals affected by the grant funding,
- Description of program funded by Texas Foundations Fund,
- Description of services provided by the program which received grant funds,
- One or more success stories from households affected by the Grantee's program,
- Program budget,
- Photos of services, repairs, or households served, and/or
- Description of grant and program impact.

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

REPORTING REQUIREMENTS.

Questions should be submitted in writing to Anna Orendain by email at aorendain@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.