



NEWS

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State housing agency to aid rural Texas with influx of homebuyer, rental housing funds

(AUSTIN) — Help for those hoping to buy a home or who are in need of paying the rent will soon be on the way for thousands of rural low income Texans through \$9 million in federal housing funds announced yesterday by the Texas Department of Housing and Community Affairs (TDHCA). The funds will be made available soon to eligible cities, counties, non-profit organizations, and public housing authorities through a competitive application process.

As the state's administering agency for U.S. Housing and Urban Development (HUD) funds, TDHCA is making the awards through the HOME Investment Partnerships (HOME) Program, a federal program designed to preserve and increase the state's stock of affordable housing via block grants.

"These HOME funds will make a significant impact on the quality of life in rural Texas communities, and we strongly encourage any eligible entity to explore and consider applying for these funds," said Michael Gerber, TDHCA Executive Director. "The need for decent, affordable housing in rural areas of our state is enormous, yet these are communities typically with very few resources. TDHCA can help these communities bridge the gap in resources and meet their housing needs."

The Department will make \$6 million available for down payment assistance to qualifying households purchasing their first home. Eligible homebuyers may receive assistance equal to 6 percent of the home purchase price or \$10,000, whichever is greater. Homebuyer assistance will be in the form of a 10-year, forgivable loan, and the home must serve as the buyer's principal residence.

The remaining \$3 million will be used to provide eligible households a subsidy for rental payments for up to 24 months. This assistance may also be used for security and utility deposits, and the subsidy is portable. However, persons receiving rental assistance through this program must participate in an approved self-sufficiency program.

HOME Program funds are provided to the state by HUD and target individuals and families earning no more than 80 percent of the area median family income.

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Because most heavily populated cities and counties in the state receive an allocation of HOME Program funds directly from HUD, Gerber explained that the state requires TDHCA to award at least 95 percent of its HOME funds to those smaller communities that do not receive an automatic allocation from the federal government. These cities, counties, non-profit organizations, and public housing authorities have until May 30, 2008, to submit an application for this funding cycle.

TDHCA annually awards approximately \$52.2 million in HOME Program funds to assist communities in meeting a wide range of housing needs. The awards help repair substandard homes owned and lived in by eligible households, preserve the affordable nature of existing rental housing, provide homebuyer and rental assistance, provide housing assistance for persons with disabilities, and enhance homeownership opportunities for impoverished residents along the Texas-Mexico border.

About the Texas Department of Housing and Community Affairs

The Texas Department of Housing and Community Affairs is Texas' lead agency responsible for affordable housing, community services, energy assistance, and colonia housing programs. The Department annually administers more than \$400 million through for-profit, non-profit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.