



**TEXAS DEPARTMENT OF  
HOUSING & COMMUNITY AFFAIRS**  
*Building Homes. Strengthening Communities.*

---

**2014 Bond Refunding  
Application Procedures  
Manual**

221 East 11<sup>th</sup> Street  
Austin, Texas 78701

**Table of Contents**

**I. INTRODUCTION ..... 3**

**II. BOND REFUNDING APPLICATION PROCESS ..... 3**

**III. FORMAT FOR SUBMITTING THE BOND REFUNDING APPLICATION..... 4**

**IV. INSTRUCTIONS FOR CONVERTING THE EXCEL FILE TO PDF ..... 6**

**V. CREATING BOOKMARKS ..... 7**

**VI. REQUIRED FORMS AND EXHIBITS FOR THE BOND REFUNDING APPLICATION..... 8**

    PART 1 – CERTIFICATIONS (TABS 1-5)..... 9

    PART 2 – DEVELOPMENT SITE (TABS 6-8) ..... 11

    PART 3 – NOTIFICATIONS (TABS 9-10) ..... 12

    PART 4 – FINANCE (TABS 11-19)..... 12

    PART 5 – ORGANIZATION DOCUMENTS (TABS 20-24) ..... 15

    PART 6 - ADDITIONAL DOCUMENTS (TAB 25).....17

## I. Introduction

The Texas Department of Housing and Community Affairs' (the "Department") Multifamily Bond Refunding Application Procedures Manual sets forth the basic information needed for filing a refunding Bond Application. All portions of the manual must be followed when filing a refunding application. This document is meant to serve only as a complementary guide on how to put the refunding application together. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the Private Activity Bond program and other programs, as applicable, and are advised to consult legal counsel for guidance on the specifics of their refunding.

Owners who wish to refund or re-structure tax-exempt bonds that were previously issued by the Department will not need approval of an inducement resolution or a Certificate of Reservation of volume cap as long as they are refunding an amount equal to or less than the outstanding balance of the original bonds. To the extent an Owner is requesting additional volume cap in connection with the refunding, they should consult the Department before filling out the refunding application. Department staff will need to better understand the financing plan and the reasons for the additional volume cap before proceeding. In such instances, the Owner may be advised that a refunding application is not applicable based on the circumstances and the Owner will need to complete a bond pre-application instead.

To apply for the Department's Governing Board consideration of the refunding bonds, the Owner must submit a refunding application consisting of the documents outlined in Section VI below. Once the Department has received the application, the Department's Bond Counsel (Bracewell & Giuliani, LLP) will request an initial deposit from the Owner to begin creating the required bond documents. Bracewell & Giuliani, LLP is not authorized by the Department to begin work on a transaction until the initial deposit is received.

The Department's Governing Board will consider the approval of the Department's due diligence and final bond documents and, in the issuance of privately placed bonds, the pricing, interest rate and maturity date of the bonds. Bond pricing is determined by the underwriters for publicly offered financing structures.

## II. Bond Refunding Application Process

- The Applicant submits the refunding application as described herein and the corresponding refunding fees to the Department's Multifamily Finance Division. In order for the refunding application to be accepted by the Department the refunding application fees pursuant to §12.10 of the Multifamily Housing Revenue Bond Rules and as further noted in Section VI must be submitted with the refunding application.
- Department staff will review the refunding application and request any additional information as applicable through an Administrative Deficiency. ***The Applicant will have five (5) business days to correct any deficiencies, in accordance with §10.201(7) of the Uniform Multifamily Rules.***
- The Department and the Applicant in conjunction with all interested parties will work together to coordinate a timeline for the closing of the transaction, that will take into account the TEFRA public hearing (if required), filings with the Office of the Attorney General and other deadlines that may be required. The timeline will be distributed to the working group in an effort to keep the transaction moving forward and meeting key target dates.
- If it is determined that a TEFRA Public Hearing is required, the Department will coordinate the scheduling of the hearing on behalf of the Applicant. The Applicant will be responsible for all fees associated with such public hearing, including but not limited to, the newspaper legal notice, school rental and security fee, if applicable. The Department requires the Applicant (and anyone else on the Development Team as designated by the Applicant) to attend and will schedule the hearing on a date convenient for the Applicant. Bracewell & Giuliani will draft a hearing notice

which will be publicized in the local newspaper(s), the *Texas Register* and sent to US, State and Local Officials and Neighborhood Organizations of record. The hearing and all public comment will be transcribed by a court reporter and the transcript will be included in the Board presentation for the proposed Development.

- Once the refunding application has been submitted to the Department, the Department's Bond Counsel, Disclosure Counsel, and Financial Advisor will provide the Applicant with fee letters based upon the proposed bond financing structure. Once the requested fees have been received, the Department, its Bond Counsel, the financial providers and the rest of the working group will draft the necessary legal documents. Generally, numerous drafts of the legal documents should be anticipated before being considered substantially final. Bond documents and related supporting documents and certificates must be submitted to the Texas Attorney General's Office for approval at least 17 business days prior to closing.
- The approval process of the bonds consists of approval by the Department's Governing Board and the Texas Attorney General's Office. The Department's housing transactions that have no impact to the state's general revenue fund, shall be exempt from approval by the TBRB with the exception of housing transactions that request an ad valorem tax reduction or exemption. The consideration of the TBRB Planning Session and Board meeting dates are factored into the timeline for closing, should they be required.
- All third party final commitments (Credit Enhancer, Tax Credit Equity Provider and Letter of Credit Provider, etc, as applicable) debt service schedules, detailed sources and uses with costs of issuance breakdown and surveys) must be received by the Department fourteen (14) business days prior to the posting of the Department's board meeting agenda in order to insure complete accurate information will be available for Board consideration. The Department's Governing Board will consider the approval of the Department's due diligence and final bond documents, and in the instance of privately placed bonds, the pricing, interest rate and maturity date of the bonds.

### **III. Format for Submitting the Bond Refunding Application**

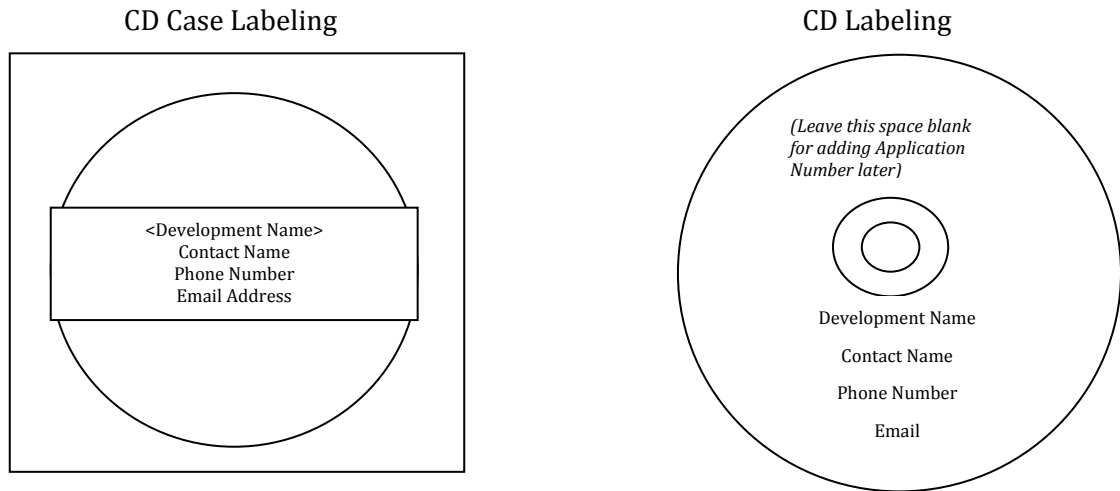
The refunding application consists of two separate files, one in Excel format and one in PDF format on a recordable compact disk (CD-R). The disk should NOT be rewritable to protect the integrity of the data stored on the disk.

For each refunding application the Applicant must ensure execution of all necessary forms and supporting documentation, and place them in the appropriate order according to this manual. All refunding application materials must be submitted in electronic format only, unless specifically noted otherwise. The Applicant must deliver the following:

1. One VIRUS-FREE CD-R in a protective hard plastic case containing the following:
  - A complete Microsoft Excel based 2014 Multifamily Bond Refunding application file; and
  - A complete, executed PDF copy of the 2014 Multifamily Bond Refunding application file with all attachments and supporting documentation;
2. One complete hard copy of the 2014 Multifamily Document & Payment Receipt with a check attached for the following refunding application fee, as applicable:
  - \$10,000 payable to the "Texas Department of Housing and Community Affairs", if the refunding is required to have a TEFRA public hearing; or
  - \$5,000 payable to the "Texas Department of Housing and Community Affairs", if the refunding is not required to have a TEFRA public hearing.

- o **NOTE:** At the time of Application submission it may not be confirmed whether a TEFRA public hearing will be required. Therefore, the Applicant may submit an initial Application fee of \$5,000 and should a public hearing be required; the Applicant will be invoiced for the remaining amount.
3. One completed and fully executed 2014 Electronic Application Filing Agreement (hard copy or electronic version is acceptable).

Label the CD protective case with a standard label containing the typed-in development name and the Applicant's name with email address to contact. Leave 2" above the label for a TDHCA Project Number label that will be added later by TDHCA. **PLEASE DO NOT ATTACH ADHESIVE LABEL TO THE CD ITSELF.** Rather, write the requested information legibly on the printed side of the CD itself with a felt-tip pen. Refer to labeling illustrations below. **Double-check the CD to verify that it contains the properly named virus-free application files.**



1. To download the electronic Refunding Application file, right-click on the following link <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>, select "Save Target As" and choose the storage location on your computer. The Excel file should be named in the following format -- <Development Name-Refunding\_Application>.xls (e.g. Austin\_Crossing\_Refunding\_Application.xls)
2. Fill in only the areas shaded in yellow. All other cells not shaded in yellow are for Department use only and have been pre-formatted to automatically calculate information provided by the Applicant and are locked. Applicants may view any formulas within the cells. Applicants may not add additional columns or rows to the spreadsheets, unless otherwise stated.
3. All questions are intended to elicit a response, so please do not leave out any requested information. If references are made by the Applicant to external spreadsheets those references must be removed prior to submission to the Department as this may hamper the proper functioning of internal evaluation tools and make pertinent information unavailable to TDHCA.

4. When entering phone, fax and cellular numbers or ZIP codes, enter numbers only with no blank spaces, parenthesis or hyphens, these cells are pre-formatted. Phone, fax and cellular numbers will require area codes.
5. This electronic Refunding Application has been designed so that some information and calculations are automatically populated once enough information has been entered. If you see a “#VALUE” or “DIV/0” in a cell these values should disappear upon data entry in other tabs. If they still exist, double check that all required information has been entered into the Refunding Application.
6. Be sure to save the file as you fill it out!
7. Multiple site refunding applications will be required to submit a separate refunding application/CD-R for each Site.


**Tip – Complete the Development Narrative and the Rent Schedule in the Development Activities and Finance Parts of the Refunding Application first to take full advantage of the automated calculations.**

#### **IV. Instructions for Converting the Excel file to PDF**

Once the Excel Refunding Application file is completed and you are ready to convert the file to PDF, follow these instructions:

**Tip – Be sure to check all of the page breaks in the Excel files before you convert to PDF.**

##### **Excel 2007 Users:**

1. Click the **Microsoft Office Button**  , point to the arrow next to **Save As**, and then click **PDF or XPS**.
2. In the **File Name** list, type or select a name for the workbook.
3. In the **Save as type** list, click **PDF**.
4. If you want to open the file immediately after saving it, select the **Open file after publishing** check box. This check box is available only if you have a PDF reader installed on your computer.
5. Next to **Optimize for**, do one of the following, depending on whether file size or print quality is more important to you:
  - If the workbook requires high print quality, click **Standard (publishing online and printing)**.
  - If the print quality is less important than file size, click **Minimum size (publishing online)**.
6. Click **Options**. Under **Publish What** select **Entire Workbook** and click **OK**.

7. Click **Publish**.

**Excel 1997-2003 Users:**

1. With the Excel file open go to the Adobe PDF drop-down box from the task bar (if using Excel 2007 click on "Acrobat" tab in the task bar).
2. Select "Convert to Adobe PDF" from the drop-down list (Excel 2007- select "Create PDF").
3. The Adobe PDFMaker box will appear. On the left hand side of the box all of the sheets within the Excel file will be listed and you will be prompted to select the sheets you would like to convert to PDF. Once the sheets you want to convert are selected click on the "Add Sheets" button to move those sheets over to the right-handed side of the Adobe PDFMaker box, this will list the sheets selected to be converted to PDF.
4. Once all sheets you have selected appear on the right-hand side under "Sheets in PDF" click on the "Convert to PDF" button.
5. You will be prompted to create a name and save the PDF file. The PDF file should be named in the following format -- <Development Name\_Refunding\_ Application>.pdf (*e.g.* Austin\_Crossing\_Refunding\_Application.pdf).
6. A pop-up box will appear that asks "Do you want to proceed without creating tags?" Click Yes.

Remember that there are forms that require a signature. Once you have executed all required documents scan them and re-insert the scanned forms back into the order required. The refunding application submitted should be the electronic copy created from the Excel file, not a scanned copy of the Excel or PDF file. Scanned copies of the refunding application are difficult to read and slow down the process for staff and Applicants and make it more difficult for Applicants to double-check the completeness of the refunding application prior to submission.

## **V. Creating Bookmarks**

Once the file has been converted to PDF and all executed forms have been re-inserted into its appropriate location within the file, you will need to create Bookmarks. Bookmarks may or may not have already been created as part of the conversion process. You will need to designate or re-set the locations. To correctly set the Bookmark locations you must have the PDF file open in Adobe Acrobat. Click on the Bookmark icon located on the left-hand side of the Adobe Acrobat screen, or go to the task bar and select these options in the following order: **View** → **Navigation Panels** → **Bookmarks**.

If a Bookmark has already been created for each tab within the Excel file, simply re-set the bookmarks to the correct locations. To re-set the location for the Bookmarks, go to the first page of each separately labeled form/exhibit. You will then right-click on the corresponding Bookmark for the form/exhibit you are currently viewing. Select **Set Destination** and a pop-up box will appear asking you the following: "Are you sure you want to set the destination of the selected bookmark to the current location?" Select **Yes**.

If Bookmarks were not already created within the Excel file, then you will need to create these Bookmarks. Go to **Document** → **Add Bookmark**. Right-click on the first Bookmark and rename it for the appropriate form or exhibit. You will then need to set the location of the Bookmark by going to the first page of each form or exhibit, right click on the corresponding Bookmark and select **Set Destination**. A pop-up box will appear asking you the following: "Are you sure you want to set the destination of the selected bookmark to the current location?" Select **Yes**.

*Tabs within the Excel Application workbook have been color coded to distinguish between "Parts" of the Application consistent with this manual. Additionally, beside each bulleted item is a label to use for purposes of bookmarking the final PDF application file is included in parentheses.*

If after conversion of the Excel file to PDF you have extra blank pages of any exhibit, you can delete those pages in order to limit the size of the file. To delete any extra, unnecessary pages identify the page number(s) you want deleted. On the Adobe Acrobat Task Bar click on Document and select Delete Pages from the drop down list. A box will appear prompting you to select which page(s) you would like to delete. Enter the page numbers to be deleted and hit OK.

The PDF formatted file must be checked for the following prior to submission:

- ✓ All tabs and/or volumes must be correctly bookmarked
- ✓ Files should average less than 100 kilobytes per page
- ✓ Files must be readable with free PDF file viewers including Adobe Reader and be compatible with Adobe Reader 5.0 and above
- ✓ Files should be saved so that "Fast Web View" (or page at a time downloading) is enabled
- ✓ Text within the PDF file should be searchable using the "Find" command in the PDF viewer

If you have any questions on using or experience difficulties with the Microsoft Excel based application, contact Teresa Morales via email at [teresa.morales@tdhca.state.tx.us](mailto:teresa.morales@tdhca.state.tx.us).

## **VI. Required Forms and Exhibits for the Bond Refunding Application**

The 2014 Multifamily Bond Refunding application can be found at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>. Additionally, Applicants are encouraged to read the Multifamily Housing Revenue Bond Rules in preparing their refunding application which can be found at the following link: <http://www.tdhca.state.tx.us/multifamily/nofas-rules.htm>

Throughout this manual, the names of any forms required are presented in *italics*. Each form must be completed; all questions must be answered and spaces completed. If a question does not pertain to the Development, mark "N/A." The complete PDF refunding application file must be submitted in the order presented in the Excel file and detailed below. Note that some tabs in the workbook act as a placeholder for purposes of reminding Applicants of the supporting documents that must be provided within the refunding application (*Applicants are encouraged to print out a blank version of each tab beforehand to be aware of all contents.*)

If you have difficulty downloading the files from the website, contact Jason Burr at (512) 475-3986, or [jason.burr@tdhca.state.tx.us](mailto:jason.burr@tdhca.state.tx.us).

Include all of the following documents:

- ❖ **2014 Multifamily Document & Payment Receipt**



- The 2014 Multifamily Document & Payment Receipt can be found at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.
- All Applicants must submit a completed and executed (**hard copy**) original of this form with the refunding application submission, along with a check for the correct fee amount in order for the refunding application to be accepted by the Department.
- A TDHCA Application Number will not have been assigned prior to submitting the file, therefore, leave this area blank and a number will be assigned to your refunding application at a later date.
- Insert a scanned copy of the completed Payment Receipt and check into the final PDF version of the refunding application.
- If you would like a copy of the staff-signed Payment Receipt sent to you, please indicate so by checking the box on the second page of the Payment Receipt.

❖ **2014 Electronic Application Filing Agreement**

- This form must be completed and submitted with the refunding application in order to be able to submit subsequent information and documents related to the refunding application by means of electronic transmission using the Department's File Transfer Protocol (FTP) server. **NOTE: you need only to submit a scanned copy of this agreement within the final PDF of the refunding application file. A hard copy is not necessary.**
- A TDHCA Application Number will be assigned after the refunding application is received, along with instructions on how to use the Department's FTP transmission service.
- Fill out all information requested. **IMPORTANT:** identify **ALL** persons who should receive the FTP setup/login information. This information will not be released by the Department to anyone other than the Applicant and those persons identified on this form.

**Part 1 – Certifications (Tabs 1-5)**

**The orange colored tabs (1-5) in this section contain various certifications required by the Applicant. Additionally, this section contains basic contact information relating to the refunding application.**

❖ **Tab 1:**

- *Bond Refunding Application Certification*
- All of the cells highlighted yellow must be completed. The form must be signed by the Applicant or person with authority to execute documents on the Applicant's behalf and must be dated and notarized. No hard copy is required, only a scanned copy within the PDF file.

❖ **Tab 2:**

- *Certification of Development Owner*
- This certification can be found on the Department's website at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.
- This form must be executed by the Development Owner and addresses the specific requirements associated with the Development. The Person executing the certification is responsible for ensuring all individuals referenced therein are in compliance with the certification. Applicants are encouraged to read the certification carefully as it contains

certain construction and Development specifications that each Development must meet. **NOTE:** At the time of the original award the Application would have been subject to eligibility and threshold requirements under the QAP in effect the year the Application was awarded and therefore it is anticipated the refunding application would not be subject to the requirements under §10.101 of the Uniform Multifamily Rules. However, the circumstances surrounding a refunding Application are unique to each Development; therefore, the Department will utilize its discretion on the applicability of the Department's rules as it deems appropriate.

- The form must be signed, dated, and notarized. No hard copy is required, only a scanned copy within the final PDF file.

❖ **Tab 3:**

- *Certification of Principal*

- This certification can be found on the Department's website at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.

- This form must be executed by all Principals and identifies the various criteria relating to eligibility requirements associated with multifamily funding from the Department. **NOTE:** At the time of the original award the Application would have been subject to eligibility and threshold requirements under the QAP in effect the year the Application was awarded and therefore it is anticipated the refunding application would not be subject to the requirements under §10.101 of the Uniform Multifamily Rules. However, the circumstances surrounding a refunding Application are unique to each Development; therefore, the Department will utilize its discretion on the applicability of the Department's rules as it deems appropriate.

- Principals include all partners in a partnership, all executive officers in a corporation, and all managers of a limited liability company, and all officers and board members of nonprofit corporations. Applicants should refer to the definition of Principal found in §10.3 of the Uniform Multifamily Rules, but in general, every person who is listed on the organizational chart(s) must sign the form.

- The form must be signed, dated, and notarized. No hard copy is required, only a scanned copy within the final PDF file.

❖ **Tab 4:**

- *Mortgage Revenue Bond Program Responsibility of Costs Incurred*

- Complete all of the yellow highlighted cells. The form must be signed, dated and notarized. A hard copy is not required, only a scanned copy within the PDF file.

❖ **Tab 5:**

- *Applicant Information Page*

- This form should include contact information for the person responsible for responding to Administrative Deficiencies. Note that this may not necessarily be the Development Owner or Applicant. The person listed here will be required to submit requested documentation within a relatively short time period and should be generally available throughout the review process. The person listed here is also expected to be available primarily via email.

## Part 2 – Development Site (Tabs 6-8)

The blue colored Development Site tabs (6-8) collect information specific to the physical location of the Development Site.

### ❖ Tab 6:

- *Site Information Form*
- This form is divided into 3 parts. Complete the yellow highlighted cells in each part as applicable. Portions of this form may make reference to supporting documents required to be submitted behind Tab 7.
- **Part 1 – Development Address:** Enter the information in this section as indicated by the label for each of the boxes present. **Note:** Participating jurisdictions are identified in the Application reference material.
- **Part 2 – Site Acreage:** Complete the site acreage as identified in both the Site Control documentation and boundary survey. Any discrepancies in the sizes of the land stated in either of the responses should be explained in the space provided.
- **Part 3 – Site Control:** Complete the yellow highlighted cells identifying the current owner of the Development.

### ❖ Tab 7:

- *Site Information Form Supporting Documentation*
- **Evidence of Site Control** should be provided behind this tab.
  - Site control must be in the form of a recorded Warranty Deed and corresponding executed closing/settlement statement or Deed of Trust.
  - The submitted Deed must be in the name of the Development Owner.
- **As-Built Survey of the Development.**
  - This should be prepared and signed by an accredited surveyor and must indicate the total site acreage and the location of all buildings in the Development.
  - The survey must clearly delineate the flood plain boundary lines and show all easements.
  - Site acreage should be provided and be consistent with the *Site Information Form* and any submitted site control documents.

### ❖ Tab 8:

- *Multiple Site Information Form*
- The Multiple Site Information Form should be used as an aid to determine how lots and tracts that have separate descriptions fit together to form the complete Development. If the refunding application requires the submission of more than one deed as evidence of Site Control, then the Applicant should complete a corresponding block on this form for each separate Site. In general, the refunding application must sufficiently describe the properties in the deeds so that each property can be identified within the survey(s) of the Development Site(s). The evidence must show that the land delimited by the survey of the Development Site is entirely under the Applicant's Control and any land that is purchased in excess of the Development Site must be described in a way that makes the excess area apparent in both quantity and location. A further explanation of the information requested for multiple site development proposals is provided by the instructions for filling out the Multiple Site Information Form in the refunding application itself.

### Part 3 – Notifications (Tabs 9-10)

The purple colored Development Site tabs (9-10) collect information specific to the elected officials that represent the proposed Development Site as well as any applicable neighborhood organizations. The individuals listed on the forms identified below will be used by the Department in making its notifications.

❖ **Tab 9:**

- *Elected Officials Form*
- Notifications to elected officials and any neighborhood organizations are not required to be sent by the Applicant; however, the Department will use the information contained in this form to make its notifications regarding receipt of the refunding application.
- List each elected official and their respective District/Precinct.
- Select the box at the top of the form confirming whether or not support, opposition or neutral letter(s) have been included.
- **Public School contact information.** The name of the elementary school and high school closest to the Development, address and phone number for each school must also be included on this form for the purposes of scheduling the TEFRA bond public hearing, should one be required.
- The Department is not responsible for notifying Applicants if information contained in this form is inaccurate. It is each Applicant's sole responsibility to ensure all information contained in this form is accurate and that the Department is notified of any errors identified by the Applicant.
- A template for a sample support letter is provided in the 2014 Multifamily Uniform Application Templates document which can be found at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.

❖ **Tab 10:**

- *Neighborhood Organizations Form*
- Complete the form as applicable.
- The Department is not responsible for notifying Applicants if information contained in this form is inaccurate. It is each Applicant's sole responsibility to ensure all information contained in this form is accurate and that the Department is notified of any errors identified by the Applicant.

### Part 4 – Finance (Tabs 11-19)

The yellow colored Finance specific tabs (11-19) contain information regarding the Development costs, the original and proposed financing structure.

❖ **Tab 11:**

- *Financing Narrative*
- This form is divided into 4 parts. Complete the yellow highlighted cells in each part as applicable.
- **Part 1 – Original Funding Request:** Applicants should carefully fill in all applicable cells highlighted in yellow.
  - Indicate the TDHCA programs for which the application originally received funding.

- Indicate the original amount of bonds issued, the interest rate amortization and term.
- **Part 2 – Proposed Funding Request:** Applicants should carefully fill in the applicable cells highlighted in yellow.
  - Indicate the proposed amount of bonds to be issued/refunded, the estimated interest rate, amortization and term.
- **Part 3 – Narrative of Proposed Changes:** Applicants are required to provide a brief narrative of proposed changes and should also use this space as an opportunity to explain any unique circumstances surrounding the proposed Development. The narrative must outline the original bond structure, the proposed financing structure and the reason for the refunding including why the refunding would be beneficial to the development as well as any information regarding changes to the development since the original bonds were issued.
- Please make sure that any specific information provided here about the development is consistent with information provided in other parts of the refunding application.
- This section should include a modification of the terms being requested. Specifically, it should include the current outstanding principal amount, the original conversion date, the original maturity date and proposed maturity date (if request involves a modification of the maturity date). If seeking modifications to existing terms in the bond documents (*e.g.* Trust Indenture, Loan Agreement, Regulatory Agreement, etc.) this section should include the specific references in the respective documents and the proposed modification. If necessary a separate sheet may be submitted behind this tab that explains such changes.
- **Part 4 – Previously Awarded State and Federal Funding:** All cells highlighted in yellow require data entry by the Applicant. If a particular question is not applicable to the Application, type in “N/A”.

❖ **Tab 12:**

- *Rent Schedule*
- Gross Rent cannot exceed the HUD maximum rent limits unless documentation of project-based rental assistance is provided.
- If any non-rental income is included, describe the source(s) of the income. “Misc” income is not an acceptable description.
- If the Development includes loft/efficiency Units, label these Units as “0” bedrooms as provided in the drop-down list.
- Private Activity Bond Priority:
  - Space has been provided at the top of the form to identify the Private Activity Bond Priority. Choose the applicable priority, under which the application was originally awarded, from the drop-down list.
  - The priority designations include the following:
  - Priority 1(a): Set-aside 50% of the Units at 50% AMGI and 50% of the Units at 60% AMGI.
  - Priority 1(b): Set-aside 15% of the Units at 30% AMGI and 85% of the Units at 60% AMGI.
  - Priority 1(c): Set-aside 100% of the Units at 60% AMGI for Developments located in a census tract with a median income that is higher than the median income of the county, MSA or PMSA in which the census tract is located.
  - Priority 2: Set-aside 80% of the Units at 60% AMGI; up to 20% of the Units can be at market rate.

- Priority 3: Includes any qualified residential rental Development. Market rate Units can be included under this priority.

❖ **Tab 13:**

- Current Rent Roll
- Provide behind this tab the current rent roll information, not more than six (6) months old as of the date of the Bond Refunding Application submission, that discloses the terms and rates of the lease, rental rates offered as of the date of the rent roll, Unit mix and tenant names or vacancy.

❖ **Tab 14:**

- *Utility Allowances*
- Drop down lists have been added to this form to identify “Who Pays” for the utility service and what type of “Energy Source” will be used.
- If Development is all bills paid, utilities and energy source is still required.
- Remember to include your support documentation (i.e., Current PHA utility allowances sheet or local utility provider estimate specific to the Development) that clearly identifies the utility costs included in the estimate and the effective date of the documentation.
- **If an alternative method for calculating utility allowances has been approved by the Department, then the approval letter identifying the alternative method must be submitted with the application.**

❖ **Tab 15:**

- *Annual Operating Expenses*
- Fill in all yellow highlighted cells.
- You must describe any “Other” cost included in any of the expense categories. “Misc” is not an acceptable description. The cells will turn RED and state “please describe” to remind you to enter a description.
- Annual Debt Service should be consistent with information provided in the *15-Year Pro Forma*.
- Expense per Unit, Expense to Income ratio, and Debt Service Ratio will be calculated automatically. Applicant should familiarize themselves with the underwriting rules (Subchapter D of the Uniform Multifamily Rules) regarding thresholds for these items.

❖ **Tab 16:**

- Current Annual Operating Expenses
- Submit the current Annual Operating Statement with a detailed breakdown of operating expenses.

❖ **Tab 17:**

- *15-Year Pro Forma*
- Any deferred developer’s fee must be shown to be fully repaid by year 15.
- You must describe any “Other” debt service included in the pro forma.

❖ **Tab 18:**

- *Summary of Sources and Uses of Funds*
- Identify the name of each Financing Participant in the left-hand column.

- Choose the Funding Descriptions from the drop-down list for Debt and Third Party Equity:
  - conventional loan,
  - conventional/FHA,
  - conventional/letter of credit,
  - mortgage revenue bonds,
  - Housing Trust Fund,
  - CDBG,
  - USDA/TXRD loan,
  - federal loan,
  - state loan,
  - local government loan, or
  - private loan.
- Note that the Funding Description column under “deferred developer fee: and “other” do not have drop-down menus. Applicants should write in a funding description.
- For each source identified you are required to include the interest rate, amortization, term and syndication rate, where applicable. THE INFORMATION INCLUDED HERE MUST BE CONSISTENT WITH THE FINANCING NARRATIVE and TERM SHEETS (if applicable).
- The priority of lien must be indicated in the “Lien Position” column for interim and permanent financing.

❖ **Tab 19:**

- Financing Commitments
- Financing commitments, (credit enhancement, letter of credit, swap counter parties, etc.) must be submitted behind this tab and should be current (within 60 days). If a variable structure is proposed then the commitment should include a breakdown of the interest rate including the base rate and the interest rate stack of applicable fees. If an interest rate cap or swap is proposed, the terms of such should also be identified in the financing commitment or similar document.
- If the original application included other sources of permanent financing then provide a copy of the Loan Agreement and Promissory Note for closed loans or a firm commitment letter with terms for loans that have not closed.

**Part 5 – Organization Documents (Tabs 20-24)**

**The green colored tabs (20-24) include all information regarding the Development Team members. The Organizational Charts, Entity Registration documents and Nonprofit Participation exhibits are all included in this section.**

❖ **Tab 20:**

- *Original Owner and Developer Organization Charts*
- This sheet shows a basic format for organizational charts. Be sure that charts follow the example given and that they contain the following information:
  - Correct name and ownership percentage of each entity and person. Avoid nicknames;
  - Clear indication of role, i.e. Member, Member/Manager, Class B, LP, etc.
  - Trusts must include the trustee and list all beneficiaries that have the legal ability to access, control, or direct activities of the trust and are not just financial beneficiaries;

## 2014 Bond Refunding Application Procedures Manual

- Nonprofit entities, public housing authorities and publicly traded corporations must show name of organization, individual board members and executive director;
- In cases of to-be-formed instrumentalities of PHAs where the board members and executive director remain to be determined, the PHA itself is shown;
- Ownership must be illustrated to the level of natural persons, whether owners or board members.
- Developer organization chart shows the structure of the original Developer and includes the following:
  - Any Person receiving more than 10% of the Developer Fee;
  - Nonprofit entities, public housing authorities and publicly traded corporations show name of organization, individual board members and executive director;
  - Ownership to the level of natural persons, whether owners or board members.
- Create separate charts for the Owner and Developer, ensuring that both are complete representations of the structures of each, and attach them behind this exhibit.
- *Proposed Refunding Ownership Chart* (if different from the original ownership structure).
  - If there are changes proposed in the refunding that will result in changes to the ownership structure, an organization chart showing the changes must be submitted. If no changes are proposed indicate "N/A" for this exhibit.
  - **If an ownership transfer has occurred previously, submit a copy of the Department's approval letter.**

### ❖ **Tab 21:**

- *List of Organizations and Principals Form*
- Complete the yellow highlighted cells as needed, beginning with the legal name of the Applicant.
- Organizations AND persons will be listed on this form.
- Each entity will have its own section, in which its individual structure will be given.
- The notation of experience is now a Yes/No drop-down menu. Make a selection for each entry.
- Be sure names match the organizational charts. Avoid nicknames.
- Additional spaces for Sub-Entities or Principals are available by un-hiding rows. (There are 30 entries available for sub-entities or Principals).
- Submit as many pages of the form as necessary to report all organizations and natural Persons, Developers. (Including Guarantors and recipients of more than 10% of the developer fee).
- When converting to PDF format, be sure to adjust page breaks as necessary.

### ❖ **Tab 22:**

- Supporting Documentation for Organization Documents
- Provide the Certificate of Reservation from the Texas Secretary of State; or
- Evidence of Entity Registration from the Texas Secretary of State; and
- Franchise Tax Account Status from the Texas Comptroller of Public Accounts.
- Submit an executed copy of the Limited Partnership Agreement.

### ❖ **Tab 23:**

- *Nonprofit Participation Form*



- All nonprofit Applicants or Principals must complete this form regardless of the level of ownership.
- Complete all appropriate yellow highlighted cells. Yes/No questions have drop-down menus.
- The worksheet currently allows for up to twenty (20) board members to be listed.
- The following sheet allows you to check off the required documentation items indicating that you have provided them.
  - Submit as many pages of the form as necessary to report all organizations and natural Persons, Developers. (Including Guarantors and recipients of more than 10% of the developer fee).

❖ **Tab 24:**

- Nonprofit Supporting Documents
- Provide behind this tab the IRS Determination Letter which states that the nonprofit organization is a §501(c)(3) or (4) entity. This designation must be in place as of the date of application submission. If the organization is a Qualified Nonprofit Organization as defined in the tax code, notwithstanding any apparent limitations in the QAP about the particular parts of the Code under which a nonprofit may qualify, submit an IRS determination letter.

**Part 6 – Additional Information (Tab 25)**

**The light blue colored tab (25) requires supplemental documents to be submitted.**

❖ **Tab 25:**

- *Additional Documents*
- Provide a letter selecting a Senior Underwriter.
  - *NOTE: This item may not be applicable depending on the nature of the refunding and the parties involved.*
  - Underwriter must be from the Department's approved list posted at the following link: <http://www.tdhca.state.tx.us/multifamily/bond/index.htm>.