



2013 TDHCA Multifamily
Application Training
Workshop

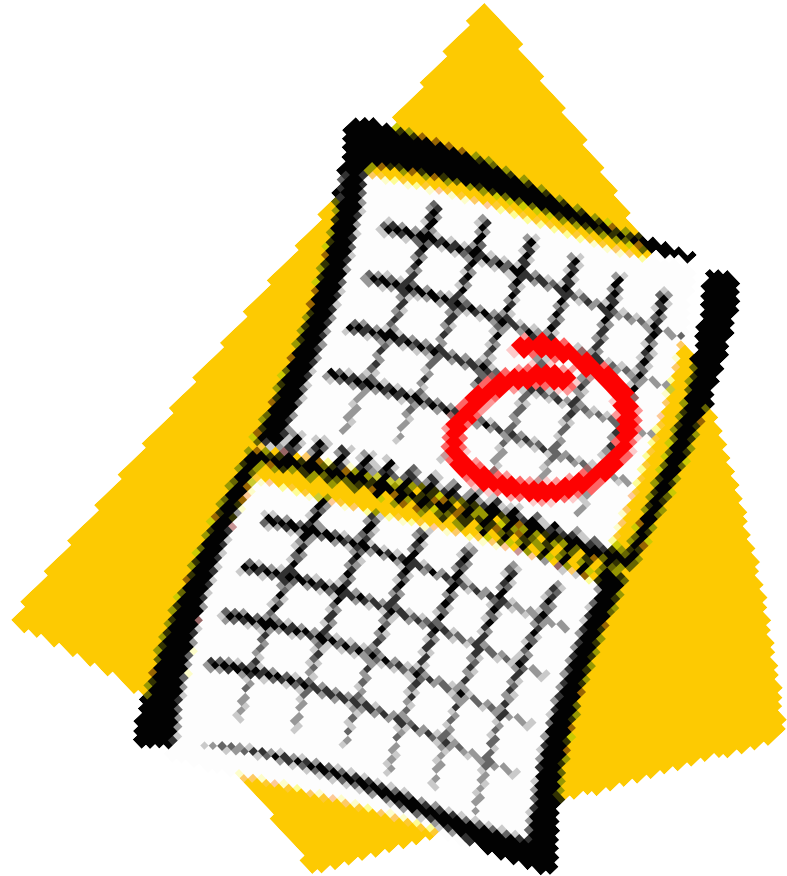
Workshop Format

- ✓ This workshop is for general guidance for the 2013 multifamily programs.
- ✓ There will be a Q&A at the end – feel free to ask questions as we go along.
- ✓ It is advised to get development specific guidance in writing.
- ✓ Department rules and statutes supersede the workshop information.
- ✓ Applicants are responsible for understanding ALL rules, statutes and regulations applicable to the programs under which they apply.

Schedule

- 8:30 Staff Introductions
- 8:45 Timeline, updated materials and definitions, submission procedures
- 9:00 RAF, award and request limits, set-asides, evaluation process
- 9:15 Eligibility – applicants, application, sites
- 9:45 WPDD Packet and Pre-application
- 10:15 Break
- 10:30 Uniform Multifamily Application
- 11:30 LUNCH
- 12:30 Uniform Multifamily Application (cont'd)
- 1:45 Challenges
- 2:00 Tax Exempt Bond Apps
- 2:15 Break
- 2:30 Selection Criteria
- 4:30 Q & A Session

Competitive Housing Tax Credit Timeline



2013 Competitive HTC Program Timeline

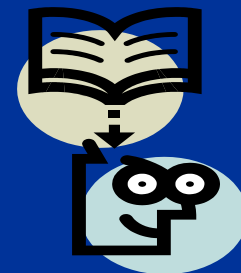
- **12/17/2012** 2013 Application Acceptance Period Begins
- **12/17/2012** Pre-application Neighborhood Organization Request
- **1/08/2013** Pre-Applications Due (Includes pre-clearance and waiver requests)
- **1/18/2013** 2013 Full Application Neighborhood Request Date
- **3/01/2013** Full Applications Due
- **3/01/2013** Quantifiable Community Participation (QCP) Due
- **3/01/2013** Third-Party Reports Due (includes Phase I ESA, PCA and Appraisal, if applicable)
- **4/01/2013** Final Input from State Representative or Senator Due
- **4/01/2013** Market Analysis Report, and Site Design and Development Feasibility Report Due
- **4/01/2013** Resolutions Due

2013 Competitive HTC Program Timeline



- **5/1/2013** Challenges to Neighborhood Organization Opposition Delivery Date
- **5/15/2013** Application Challenges Due
- **Mid-May** Final Scoring Notices Issued
- **Late June** Release of Eligible Applications for Consideration for Award in July
- **Late July** Final Awards
- **Mid-Aug** Commitments Issued
- **11/01/2013** Carryover Documentation Due
- **7/01/2014** 10% Test Documentation Due
- **12/31/2015** Placement in Service Deadline

Application Materials Updates



Application Materials

- ❑ **2013 Uniform Multifamily Rules-** Includes eligibility, threshold, and other criteria applicable across all multifamily programs.
- ❑ **2013 Qualified Allocation Plan (QAP)**
- ❑ **2013 Multifamily Programs Procedures Manual**
- ❑ **2013 Competitive HTC Pre-Application**
- ❑ **Waivers, Pre-clearance, Determinations, and Disclosure (WPDD) Packet**
- ❑ **2013 Uniform Application**
- ❑ **2013 Quantifiable Community Participation Packet**
- ❑ **2013 Experience Certification Packet**

Application Materials (continued)

■ 2013 Uniform Multifamily Rules

- Subchapter A- General Info and Definitions.
- Subchapter B- Site and Development Requirements and Restrictions (including amenities and tenant services).
- Subchapter C- Application Submission Requirements, Ineligibility Criteria, Board Decisions, and Waivers.
- Subchapter D- Underwriting and Loan Policies.
- Subchapter E- Post Award and Asset Management Requirements.
- Subchapter F- Compliance Administration.
- Subchapter G- Fee Schedule, Appeals, and Other.





Updated Definitions

Definitions – 10.3(a) Uniform Multifamily Rules

***All
Definitions
are found in
the Uniform
Multifamily
Rules-
Subchapter
A:***

Housing
Tax Credit

Tax Exempt
Bond
Applications

Direct Loans

Underwriting
and Loan
Policies

Compliance

Asset
Management

Revised or New Definitions

Building Costs – Cost of materials and labor for the vertical construction or rehabilitation of buildings and amenity structures.

Site Work – Materials and labor for the horizontal construction generally including excavation, grading, paving, and underground utilities. ~~pools, fencing, landscaping, sport courts and playground areas.~~

Revised or New Definitions

Supportive Housing - Residential rental developments intended for occupancy by individuals or households in need of specialized and specific non-medical services in order to maintain independent living. Supportive housing developments generally require established funding sources outside of project cash flow and are proposed and expected to be debt free or have no foreclosable or noncash flow debt, unless the development is a Tax Exempt Bond Development with a project based rental assistance contract that assures a contract rent for a majority of the units, in which case the Development is treated as Supportive Housing under all chapters of the Uniform Multifamily Rules, except Subchapter D – Underwriting and Loan Policies. The services offered generally address special attributes of such populations as Transitional Housing for homeless and at risk of homelessness, persons who have experienced domestic violence or single parents or guardians with minor children.



Submitting a Multifamily Pre-Application or Application



TDHCA Delivery Address

- **For US Mail delivery:**
 - TDHCA – Multifamily Finance Division
 - P.O. Box 13941
 - Austin, TX 78711-3941
- **For Overnight or Courier delivery:**
 - TDHCA - Multifamily Finance Division
 - 221 East 11th Street
 - Austin, TX 78701
- **Do NOT have U.S. Mail delivered to physical address; the Capitol mailroom will not deliver.**

Pre-Application Submission



Note: All original submissions of the Pre-Application, Application and 3rd Party Reports must be submitted via CD-R.

Requirements:

- ✓ Must contain a PDF copy and Excel copy in the form of a single file.
- ✓ Individually bookmarked and in order as required in the Multifamily Procedures Manual.
- ✓ Only 1 pre-application can be submitted by an Applicant for each Development Site.
- ✓ Pre-Application Fee is \$10 per Unit.
- ✓ Pre-Applications that are submitted in person or by mail must be received by 5:00 p.m. (CST) on Tuesday, January 8, 2013.



MF Application Submission

- Applicant must deliver one (1) CD-R containing a PDF copy and Excel copy of the complete Application.
- Applicant must deliver each 3rd Party Report on a separate CD-R or on the Application CD-R.
- The correct Application Fee must be submitted with the Application in order for the Application to be accepted by the Department.
- Application Fee is \$30 per Unit. (\$20 if a Pre-Application was submitted)
- Qualified Community Housing Development Organizations (CHDO) and Qualified Nonprofit Organizations that control the managing general partner are eligible for a 10% reduction in required application fees. You must provide a copy of 501(c)(3) or (4) IRS documentation at the time of submission.



MF Application Submission

- ▣ Application must be a single file, individually bookmarked, and exhibits must be presented in the order as required in the Multifamily Programs Procedures Manual.
- ▣ **Competitive HTC:** Full Application Deadline is by 5:00 p.m. (CST) **Friday, March 1, 2013.**
- ▣ **Tax-Exempt Bond:** Application submission occurs in 2 stages. Parts 1-4 of the Application is due based on Priority designation with the Bond Review Board which will either be 3 business days after the Notice of Reservation or 14 calendar days after the Certificate of Reservation date. Parts 5 and 6 must be submitted no later than 75 days prior to the Board meeting at which the credits will be considered.





Application Requirements

- **Virus-Free CD-R containing the appropriate application files as outlined in the manual** (may be more than one disc if submitting third party reports separately)
- **2013 Electronic Filing Agreement**
 - After the Application is submitted on CD-R, a User ID and password specific to the application will be issued for uploading deficiency responses and other required items to the FTP site. *This form only needs to be submitted if a Pre-Application was not submitted.*
- **2013 Payment receipt and check for appropriate fee**

Note: We are no longer requiring paper copies of the Multifamily Application Certification. A scanned, signed copy submitted with the Application is sufficient. Hard copies of the Payment Receipt and Electronic Filing Agreement are required.



Competitive HTC Regional Allocation Formula (RAF)

2013 Regional Allocation

	Region	Geography	Initial Sub-region amount	Returned during 2013 Calendar Year	Sub-region amount after returned credit	Amount needed to reach \$500,000	Amount over \$500,000 that can be reallocated	Proportion of amount available to be reallocated	Amount to be reallocated	Final Funding Amount	Allocation %	Max Funding Request/Award Limits (150%)
Urban	1	Lubbock	\$ 1,155,721		\$ 1,155,721	\$ -	\$ 655,721	2%	\$ (23,678.04)	\$ 1,132,043	2.31%	\$ 1,500,000
	2	Abilene	\$ 574,606		\$ 574,606	\$ -	\$ 74,606	0%	\$ (2,694.01)	\$ 571,912	1.16%	\$ 857,868
	3	Dallas/Fort Worth	\$ 10,427,290		\$ 10,427,290	\$ -	\$ 9,927,290	27%	\$ (358,473.79)	\$ 10,068,816	20.51%	\$ 1,500,000
	4	Tyler	\$ 1,188,747		\$ 1,188,747	\$ -	\$ 688,747	2%	\$ (24,870.60)	\$ 1,163,876	2.37%	\$ 1,500,000
	5	Beaumont	\$ 842,542		\$ 842,542	\$ -	\$ 342,542	1%	\$ (12,369.18)	\$ 830,173	1.69%	\$ 1,245,260
	6	Houston	\$ 9,559,899		\$ 9,559,899	\$ -	\$ 9,059,899	24%	\$ (327,152.34)	\$ 9,232,747	18.80%	\$ 1,500,000
	7	Austin/Round Rock	\$ 3,413,299		\$ 3,413,299	\$ -	\$ 2,913,299	8%	\$ (105,199.04)	\$ 3,308,100	6.74%	\$ 1,500,000
	8	Waco	\$ 1,555,422		\$ 1,555,422	\$ -	\$ 1,055,422	3%	\$ (38,111.23)	\$ 1,517,311	3.09%	\$ 1,500,000
	9	San Antonio	\$ 4,055,872		\$ 4,055,872	\$ -	\$ 3,555,872	9%	\$ (128,402.30)	\$ 3,927,470	8.00%	\$ 1,500,000
	10	Corpus Christi	\$ 1,203,541		\$ 1,203,541	\$ -	\$ 703,541	2%	\$ (25,404.81)	\$ 1,178,136	2.40%	\$ 1,500,000
	11	Brownsville/Harlingen	\$ 4,995,526		\$ 4,995,526	\$ -	\$ 4,495,526	12%	\$ (162,333.15)	\$ 4,833,193	9.84%	\$ 1,500,000
	12	San Angelo	\$ 748,017		\$ 748,017	\$ -	\$ 248,017	1%	\$ (8,955.87)	\$ 739,061	1.51%	\$ 1,108,591
	13	El Paso	\$ 2,431,426		\$ 2,431,426	\$ -	\$ 1,931,426	5%	\$ (69,743.66)	\$ 2,361,682	4.81%	\$ 1,500,000
Rural	1	Lubbock	\$ 652,745		\$ 652,745	\$ -	\$ 152,745	0%	\$ (5,515.60)	\$ 647,229	1.32%	\$ 970,844
	2	Abilene	\$ 497,947		\$ 497,947	\$ 2,053	\$ -	0%	\$ 2,053.14	\$ 500,000	1.02%	\$ 750,000
	3	Dallas/Fort Worth	\$ 538,020		\$ 538,020	\$ -	\$ 38,020	0%	\$ (1,372.89)	\$ 536,647	1.09%	\$ 804,970
	4	Tyler	\$ 1,283,245		\$ 1,283,245	\$ -	\$ 783,245	2%	\$ (28,282.93)	\$ 1,254,962	2.56%	\$ 1,500,000
	5	Beaumont	\$ 867,249		\$ 867,249	\$ -	\$ 367,249	1%	\$ (13,261.32)	\$ 853,987	1.74%	\$ 1,280,981
	6	Houston	\$ 331,428		\$ 331,428	\$ 168,572	\$ -	0%	\$ 168,571.50	\$ 500,000	1.02%	\$ 750,000
	7	Austin/Round Rock	\$ 186,041		\$ 186,041	\$ 313,959	\$ -	0%	\$ 313,958.62	\$ 500,000	1.02%	\$ 750,000
	8	Waco	\$ 537,254		\$ 537,254	\$ -	\$ 37,254	0%	\$ (1,345.24)	\$ 535,909	1.09%	\$ 803,863
	9	San Antonio	\$ 213,198		\$ 213,198	\$ 286,802	\$ -	0%	\$ 286,802.26	\$ 500,000	1.02%	\$ 750,000
	10	Corpus Christi	\$ 443,106		\$ 443,106	\$ 56,894	\$ -	0%	\$ 56,893.85	\$ 500,000	1.02%	\$ 750,000
	11	Brownsville/Harlingen	\$ 924,917		\$ 924,917	\$ -	\$ 424,917	1%	\$ (15,343.72)	\$ 909,573	1.85%	\$ 1,364,360
	12	San Angelo	\$ 406,120		\$ 406,120	\$ 93,880	\$ -	0%	\$ 93,880.18	\$ 500,000	1.02%	\$ 750,000
	13	El Paso	\$ 69,650		\$ 69,650	\$ 430,350	\$ -	0%	\$ 430,350.17	\$ 500,000	1.02%	\$ 750,000
Urban Totals			\$ 42,151,908	\$ -	\$ 42,151,908				\$ 40,864,520	83.2%		
Rural Totals			\$ 6,950,919	\$ -	\$ 6,950,919				\$ 8,238,307	16.8%		
Regional Total			\$ 49,102,827	\$ -	\$ 49,102,827				\$ 49,102,827	85.00%		
At-Risk Total			\$ 8,665,205		\$ 8,665,205				\$ 8,665,205	15.00%		
USDA (from At-Risk)			\$ 2,888,402		\$ 2,888,402				\$ 2,888,402	5.00%		
Grand Total			\$ 57,768,032	\$ -	\$ 57,768,032				\$ 57,768,032	100.00%		



HTC Award Recommendation Methodology

11.6 (3) Award Recommendation Methodology

- (Step 1) USDA Set-Aside Application Selection** - Highest scoring until the minimum requirements met.
- (Step 2) At-Risk Set-Aside Selection** - Highest scoring until the minimum requirements met.
- (Step 3) Initial Application Selection in Each Sub-Region** – Highest scoring within each of the 26 sub-regions provided there are sufficient funds within the sub-region to fully award the Application. At-Risk and USDA Set-Asides are not eligible to receive an award from these funds.
- (Step 4) Rural Collapse** – After award of step (3), any tax credits set-aside for Developments in a Rural Area in a specific Rural sub-region that remain will be combined into one pool and made available in any other Rural Area in the state in the most underserved Rural sub-region. Redistribution will occur until at least 20% of the total funds available to the state are allocated to Rural Areas.

Award Recommendation Methodology (Continued)

(Step 5) Statewide Collapse – Any credits remaining after the Rural Collapse, including those in any sub-region, will be combined into one pool. Funds will be awarded to highest scoring Application (not selected in a prior step) in the most underserved sub-region compared to the amount originally made available in each sub-region.

(Step 6) Contingent Qualified Nonprofit Set-Aside – If an insufficient number of Applications participating in the Nonprofit Set-Aside are selected after implementation of prior steps to meet the required 10% Nonprofit Set-Aside, this will be “inserted” between Steps 2 and 3. Steps (3) through (6) will be repeated after the selection of the highest scoring Applications under the Nonprofit Set-Aside statewide to meet the requirement of the Nonprofit Set-Aside.



11.7 Tie Breaker Factors

In the event that there are Competitive HTC Applications that receive the same number of points in any given set-aside category, the following tie breaker factors will be utilized:



- (1) Applications ranking higher on the Opportunity Index (Selection Criteria) as compared to another Application with the same score.
- (2) Applications proposed to be located the greatest distance from the nearest HTC assisted Development.

There will be further discussion regarding the Opportunity Index in the Selection Criteria section of the Workshop.



Tax Credit Request and Award Limits

Tax Credit Request and Award Limits

Pursuant to 11.4(a) the Board may not allocate to an Applicant, Developer, Affiliate, or Guarantor Housing Tax Credits in an amount greater than *\$3 million* in a single Application Round.

- Does not apply to a Guarantor who is also the General Contractor and is not a Principal of the Applicant, Developer or Affiliate of the Development Owner.
- All entities that share a Principal are Affiliates.
- See 11.4(a)(1)-(4) for criteria in which a Person is not deemed to be an Applicant, Developer, Affiliate or Guarantor.

Tax Credit Request and Award Limits

Pursuant to 11.4(b) of the 2013 QAP:



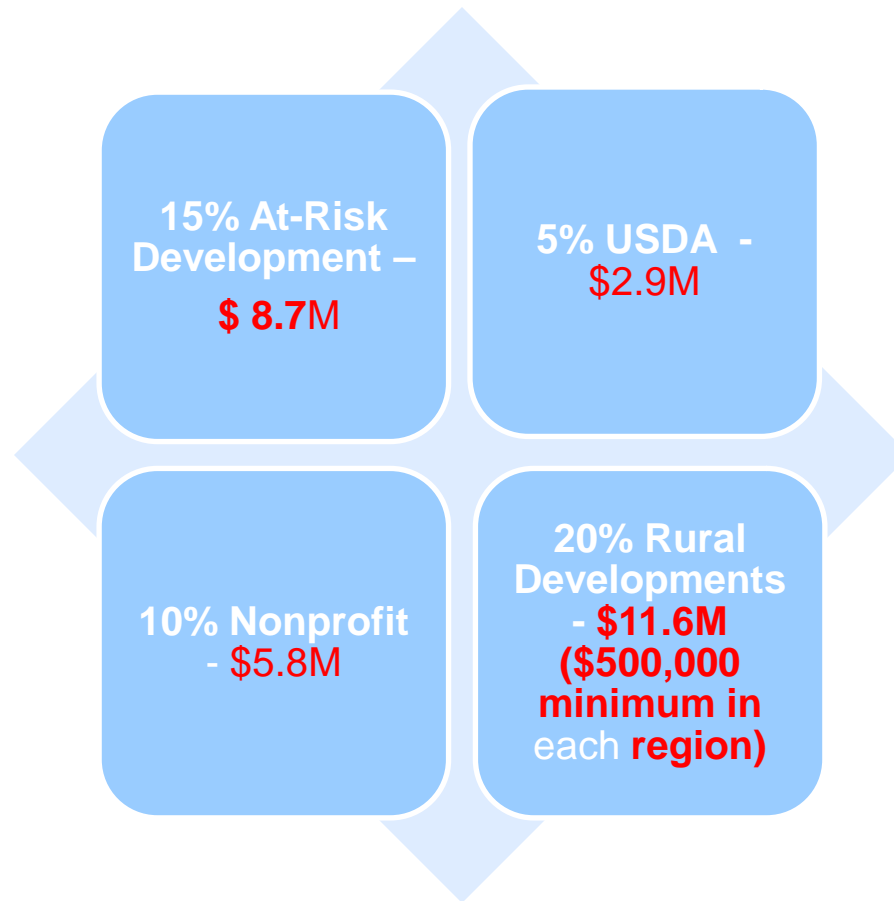
- ❑ Maximum competitive HTC request cannot be greater than 150% of the available amount in the sub-region or \$1,500,000, whichever is less.
- ❑ Maximum request for At-Risk Set-Aside is \$2,000,000.
- ❑ The Board may not award to any individual Development more than \$2 million in a single Application Round.

The funding request used will be the one identified on the *Funding Request* form (in the Development narrative tab) and the Department will reduce funding requests that exceed the credit request limit.



Competitive HTC Set-Asides, Rural Designation, and 30% Boost

2013 Allocation Set-Asides



Nonprofit Set-Aside Requirements

- A Qualified Nonprofit Organization must have the controlling interest in the Development Owner applying for the Set-Aside (greater than 50% ownership in the GP).
- The Qualified Nonprofit or its Affiliate or subsidiary must be the Developer or a co-Developer as evidenced in the development agreement.
- An Applicant that meets the requirements of this set-aside will be deemed to be applying under this set-aside UNLESS their Application includes an affirmative election to not be treated under the set-aside and a certification that they do not expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.
- The Department reserves the right to request a change in this determination and/or not recommend credits for those unwilling to switch if insufficient Applications in this set-aside are received.

At-Risk Set-Aside Requirements

- ❑ Must have received the benefit of subsidy under one of the programs listed in Texas Government Code 2306.6702(a)(5)(A). Refer to the Multifamily Procedures Manual for a complete list.
- ❑ Any stipulation to maintain affordability in the contract granting the subsidy, or an federally insured mortgage must be nearing expiration or nearing end of term; specifically the expiration will occur or term will end within 2 calendar years of July 31, 2013.
- ❑ Applications that include the demolition of existing Units which have received a financial benefit described in 2306.6702 will not qualify as At-Risk unless the redevelopment will include at least a portion of the same site.

At-Risk Set-Aside Requirements

- ❑ Development must be at risk of losing affordability from financial benefits available to the Development and must retain or renew the existing financial benefits and affordability unless regulatory barriers necessitate elimination of a portion of that benefit.
- ❑ In order for Developments retaining public housing operating subsidies to qualify under the At-Risk Set-Aside, only a portion of the subsidy must be retained for the proposed Development, but no less than 25 % of the proposed Units must be public housing units.

At-Risk Set-Aside Requirements

- ❑ Nearing expiration on a requirement to maintain affordability includes Developments eligible to request a Qualified Contract under 42 of the Code. A copy of the recorded LURA, IRS Forms 8609 for all buildings with Part II completed, and documentation regarding the right of first refusal from the original application are required.
- ❑ An amendment submitted while the Application is under review that would enable the Development to qualify as an At-Risk Development will not be accepted.
- ❑ Developments involving Section 538 loans nearing expiration do not necessarily qualify for the At-Risk set-aside.



USDA Set-Aside Requirements

- Must be funded through USDA and meet requirements of 2306.111(d-2).
- Applications involving Rehabilitation in this Set-Aside will be attributed to the At-Risk Set-Aside.
- Application involving New Construction in this Set-Aside will be attributed to the applicable Uniform State Service Region.
- Developments financed wholly or in part with Section 538 will qualify *only if* the Development involves Rehabilitation that has received and will continue to receive assistance provided under Section 515.

Rural or Urban Designation

Applications must identify whether Development Site is located in a Rural or Urban Area.

- The Department will post the *Site Demographic Characteristics Report* which will indicate whether a place is considered rural or urban.
- Any Development not located within the boundaries of a municipality must use the designation of the closest municipality or place.
- A Development Site listed as Urban by the Department may be designated as a Rural Area if:
 - the municipality has less than 50,000 persons (must be reflected in *Site Demographics and Characteristics Report*), **and**
 - a letter or other documentation from USDA indicates the Site is located in an area eligible for funding from the USDA.

Increase in Eligible Basis – 30% Boost

11.4(c) - Competitive HTC Criteria for 30% Boost:

- ❑ Development is located in a QCT and (for New Construction and Adaptive Reuse) the tract does not exceed 30% HTC Units per household; **or**
- ❑ Development is located in Rural Area; **or**
- ❑ Development is proposing entirely Supportive Housing (must be expected to be debt free or have no foreclosable or non-cash flow debt); **or**
- ❑ Development meets criteria for the Opportunity Index (we will discuss Opportunity Index under Selection Criteria); **or**
- ❑ Development is a non-Qualified Elderly Development not in a QCT that is in a target area under a Community Revitalization Plan (eligible for points under 11.9(d)(6)).



Increase in Eligible Basis – 30% Boost

Tax Exempt Bond Criteria for 30% Boost:

- ❑ Development is located in a QCT; **and**
- ❑ For New Construction and Adaptive Reuse, QCT must not exceed 30% HTC Units per household; **and**
- ❑ QCT designation coincides with the program year the Certificate of Reservation is issued.

All Applications must submit a census map that clearly shows the proposed Development located within the QCT and includes the 11-digit census tract number.



Multifamily Application Evaluation Process

Competitive HTC Evaluation Process

- Reviews will be prioritized according to the likelihood of Application being competitive based on:
 - Set-Aside
 - Self Score
- Director of Multifamily Finance will identify those Applications that will receive a full program review based on assessment of Application's priority.
- Lower ranking Applications may never be reviewed.

Administrative Deficiencies

Purpose: The Administrative deficiency process allows the Applicant to provide clarification, correction or non-material missing information to resolve inconsistencies in the original Application.



- Staff will request the missing information via a deficiency notice.
- Issues initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, based upon a review of the response provided by the Applicant.
- Deficiencies may be issued at any time while the Application or Contract is under consideration by the Department, including during the review of performance under a Contract, Commitment of Funds, closing a loan, disbursement request, close-out of a contract, or resolution of any issues related to compliance.

Administrative Deficiencies

Competitive HTC Applications:


- Must be corrected within 5 business days following the date the deficiency notice is issued. Time period for responding to a deficiency notice commences on the first business day following the date of the deficiency notice.
- Unless an extension has been timely requested and granted, 5 points will be deducted from the Selection Criteria score for each day deficiencies remain unresolved after 5:00 p.m.(CST) from the 5th business day following the date that the deficiency notice was issued.
- Application will be terminated if deficiencies remain unresolved after 5:00 p.m. (CST) on the 7th business day following the date the deficiency notice is issued.

Administrative Deficiencies

Other Applications:

- Must be corrected by 5:00 P.M. of the 5th business day following the date the deficiency notice was issued.
- A penalty fee of \$500 will be imposed for each business day deficiencies remain unresolved after 5:00 p.m. (CST) on the 5th day from the date the deficiency notice is issued.
- Application will be terminated if deficiencies remained unresolved after 5:00 p.m. (CST) on the 10th day from the date the deficiency notice is issued.
- Applicant will be responsible for payment of fees accrued due to late deficiency responses, regardless of termination.

Administrative Deficiencies

- Administrative Deficiency deadlines may only be extended if documentation needed to resolve the item is from a Third party. 
- Extensions must be requested prior to original deadline and in accordance with 11.2 of the 2013 QAP and/or 10.4 of the Uniform Multifamily Rules.

Limited Priority Reviews

10.201(8) - If an Applicant identifies an error after submission of the Application that would be the subject of an Administrative Deficiency, the Applicant may request a limited priority review of the *specific and limited issues* in need of clarification or correction.



- ✓ **The issue cannot relate to the score of the Application.**

Limited Priority Reviews



The limited priority review includes:

- (A) Clarification of issues that staff would have difficulty identifying without Applicant disclosure;
 - Example: Being removed from a tax credit transaction or previous participation in a Development not included in the previous participation documentation.

- (B) Technical correction of non-material information that would cause the Application deemed non-competitive to be competitive and therefore subject to staff review.
 - Example: Failure to mark the NP set-aside but otherwise including all required documentation for participation in the NP Set-Aside.

Common Mistakes

- ☹️ **Inconsistent information throughout the Application;**
- ☹️ **Documentation is outdated or omitted;**
- ☹️ **Incomplete Application exhibits; or**
- ☹️ **Documents are not correctly executed or initialed.**



Ineligibility

Ineligible Applicants

10.202(1) of the 2013 Uniform Multifamily Rules:



- An Applicant shall be considered ineligible if any of the criteria listed in 10.202(1) of the Uniform Multifamily Rules applies to the Applicant.
- If any of the criteria apply to any member of the Development Team, the Applicant will also be deemed ineligible unless a substitution of that Development Team member is specifically allowable under the Department's rules and sought by the Applicant or appropriate corrective action has been accepted and approved by the Department.

Ineligible Applicants



Note: Several criteria that have been clarified for 2013.

- ◆ Applicant is ineligible if he has provided fraudulent information, knowingly falsified documentation, or included other intentional or negligent material misrepresentation or omission in an Application or Commitment, or *as part of a challenge to another Application* or any other information provided to the Department for any reason. The conduct described in this subparagraph is also a violation of these rules and will subject the Applicant to the assessment of administrative penalties under Texas Government Code, Chapter 2306.
- ◆ Applicant is ineligible if he has worked or works to create opposition to any Application (*excluding any challenges filed pursuant to 11.10 of the QAP*), has formed a Neighborhood Organization (*excluding any allowable technical assistance*), or has given money or a gift to cause the Neighborhood Organization to take its position as it relates to QCP.

Ineligible Applicants

➤ **Disclosure of Issues of Ineligibility** 10.202(1)(L):

- ◆ Must disclose any Principal who was or is involved as a Principal in any other affordable housing transaction, voluntarily or involuntarily, that has terminated within the past ten (10) years or plans to or is negotiating to terminate their relationship with any other affordable housing development disclose is grounds for termination.
- ◆ Failure to disclose is grounds for termination, and
- ◆ An Application may be, but will not necessarily be, terminated based on information included in the disclosure.
- ◆ If the Application is not terminated, the Executive Director will make an initial determination as to whether or not the person should be involved in the Application
- ◆ The Executive Director's initial determination will be taken to the Board for a final determination as to a person's fitness to be involved in an Application

Ineligible Applications

10.202(2) of the 2013 Uniform Multifamily Rules-

An Application is ineligible if any of the criteria apply:

- A violation of Texas Government Code, 2306.1113 exists relating to Ex Parte Communication.
- The Applicant proposes to replace in less than fifteen (15) years any private activity bond financing of the Development described by the Application, unless the exceptions in Texas Government Code, 2306.6703(a)(2) are met.
- The Application is submitted after the Application submission deadline (time or date); is missing multiple parts of the Application; or has a Material Deficiency.

Housing De-Concentration Factors

Two Mile / Same Year Rule (Competitive HTC only)

Staff will not recommend an award if:

- ❖ Development Site is located in a county with population exceeding 1,000,000


And

- ❖ Proposed Development Site is located less than 2 linear miles from proposed Development Site of another Application in the same calendar year.

- ❖ 2306.6711(f) of the Texas Government Code and 11.3(a) of the 2013 QAP.

Housing De-Concentration Factors (Cont.)

One Mile / Three Year Rule

- ❑ Applies to counties over 1 million in population.
- ❑ Developments proposing New Construction or Adaptive Reuse within 1 linear mile of another Development serving the same type of household that received Housing Tax Credits or Private Activity Bonds in the previous 3 years.
-  ❑ Local Resolution is required (Due April 1, 2013 or 14 days prior to Board meeting for 4% HTC).
- ❑ Exceptions can be found in 11.3(c) of the 2013 QAP.
- ❑ 2306.6703(a)(3) Texas Government Code.

Housing De-Concentration Factors (Cont.)

2 X Per Capita -

- ❖ Municipality, or if completely outside a municipality, a County that has twice the state average of units per capita supported by Housing Tax Credits or Private Activity Bonds.



- ❖ Local Resolution is required (due April 1, 2013 or 14 days prior to Board meeting for 4% HTC). **NOTE: If in an ETJ or census designated place, the resolution would need to come from the county.**
- ❖ 2306.6703(a)(4) Texas Government Code and 11.3(b) of the 2013 QAP.

Housing De-Concentration Factors (Cont.)

Limitations on Developments in Certain Census Tracts

- ❖ Applies to New Construction or Adaptive Reuse only where the census tract has more than 30% HTC units per total household as established by the U.S. Census Bureau.

UNLESS

- ❖ The Development is in a place where population is less than 100,000; **or**
- ❖ Local Resolution from the Governing Body of the appropriate municipality or county (due April 1, 2013 or 14 days prior to Board meeting for 4% HTC).
- ❖ 11.3(d) of the 2013 QAP.



Housing De-Concentration Factors (Cont.)

Additional Phase –

Ineligible Developments include:

- ❖ An additional phase of an existing tax credit Development serving same Target Population;

or

- ❖ Proposed Developments adjacent to existing tax credit Development serving same target population;

or

- ❖ Proposed Developments on a contiguous site to another Application awarded in the same program year.

UNLESS...

Housing De-Concentration Factors (Cont.)

Additional Phase (continued)

- ❖ The other Developments or phase(s) of the Development are completed and have maintained occupancy of at least 90% for a minimum of a 6 month period reflected in a current rent roll.
- ❖ 11.3(e) of the 2013 QAP

Site and Development Restrictions & Requirements

10.101(a)(1)-(5) of the *Uniform Multifamily Rules (Subchapter B)*:

(1) Floodplain –

If New Construction or Reconstruction in 100 yr. floodplain as identified by FEMA map:

- Finished ground floor elevations are at least 1 ft. above floodplain.
- Parking and drive areas no lower than 6” below the floodplain.

If Rehabilitation (excluding Reconstruction):

- Development with existing and ongoing federal funding assistance from HUD or USDA will be permitted in the 100 year floodplain.
- Permitted if the UGLG has undertaken and substantiated mitigation efforts and such documentation is submitted or Development meets the requirements established for New Construction.

Site and Development Restrictions & Requirements

The flood zone designation should be consistent throughout the

Application:

- Site Information Form I
- Environmental Site Assessment (ESA)
- Site Plan

(2)Mandatory Site Characteristics – Developments Sites must be located within a 1 mile radius (2 mile radius for Developments located in a Rural Area) of at least 6 services. A map must be submitted that identifies the Development Site and each service by name.

Examples: grocery store, pharmacy, bank, public transportation stop, etc.





Pop Quiz!

1. Site Characteristics is a Selection Criteria point item.
True or False?

2. Which of the following require local resolutions:
 - a) 2x per capita violation
 - b) 1 mile/3 year violation
 - c) Ineligible census tract
 - d) All of the above

Site and Development Restrictions & Requirements (continued)

(3) Undesirable Site Features – Development Sites with undesirable features listed in 10.101(a)(3) will be considered *ineligible*.

- Developments located adjacent to or within 300 feet of junkyards;
- Developments located adjacent to or within 300 feet of active railroad tracks, unless the Applicant provides evidence that the city/community has adopted a Railroad Quiet Zone or the railroad in question is commuter or light rail;
- Developments located adjacent to or within 300 feet of heavy industrial uses such as manufacturing plants, refinery blast zones, etc.;
- Developments located adjacent to or within 300 feet of a solid waste or sanitary landfills;

Site and Development Restrictions & Requirements (continued)

- Developments in which the buildings are located within the easement of any overhead high voltage transmission line or inside the engineered fall distance of any support structure for high voltage transmission lines, radio antennae, satellite towers, etc. This does not apply to local service electric lines and poles;
- Developments in which the buildings are located within the accident zones or clear zones for commercial or military airports; or
- Developments located adjacent to or within 300 feet of a sexually-oriented business.
- Any other Site deemed unacceptable, which would include, without limitation, those containing an environmental factor that may adversely affect the health and safety of the residents and which cannot be adequately mitigated.

Site and Development Restrictions & Requirements (continued)

(4) Undesirable Area Feature – The Applicant must disclose the presence of undesirable feature(s) to the Department if the Development Site is located within 1,000 feet of any features listed in 10.101(a)(4).



- The standard in the determination of the feature is that it would not be considered typical in a neighborhood that would qualify under the Opportunity Index.
- Disclosure affords opportunity to obtain pre-clearance.
- Non-disclosure may result in withholding or denial of pre-clearance, which may deem the Site *ineligible*.

Disclosure must be received prior to submission of pre-application or Application if no pre-application was submitted.

Site and Development Restrictions & Requirements (continued)

Undesirable Area Feature (continued)

Must disclose if within 1,000 feet of the following:



- A history of significant or recurring flooding;
- Significant presence of blighted structures;
- Fire hazards that could impact the fire insurance premiums for the proposed Development; or
- Locally known presence of gang activity, prostitution, drug trafficking, or other significant criminal activity that rises to the level of frequent police reports.
- Hazardous waste site or a source of localized hazardous emissions, whether corrected or not;
- Heavy industrial use;
- Active railways (other than commuter trains); or
- Landing strips or heliports.

Development Requirements & Restrictions

Ineligible Developments - 10.101(b)(1)(A) of the Uniform Multifamily Rules.

- Developments comprised of hospitals, nursing homes, trailer parks, dormitories (or other buildings that will be predominantly occupied by students) or other facilities which are usually classified as transient housing.
- Any Development with any building(s) with 4 or more stories that does not include an elevator.
- A Housing Tax Credit Development that provides continual or frequent nursing, medical or psychiatric services.

Development Requirements & Restrictions - (continued)

Ineligible Developments- (continued)

- A Development that violates 1.15 (relating to Integrated Housing Rule).
- A Development seeking Housing Tax Credits that is reasonably believed by staff to clearly not meet the general public use requirement under Treasury Regulation 1.42-9 unless the Applicant has obtained a private letter ruling that the proposed Development is permitted.
- A Development utilizing a Direct Loan that is subject to the Housing and Community Development Act, 104(d), requirements and proposing Rehabilitation or Reconstruction, if the Applicant is not proposing the one-for-one replacement of the existing unit mix. Adding additional units would not violate this provision.

Development Requirements & Restrictions - (continued)

Ineligible Elderly Developments - 10.101(b)(1)(B) of the Uniform Multifamily Rules

- Any Qualified Elderly Development with 2 stories or more that does not include elevator service for any Units or living space above the 1st floor;
- Any Qualified Elderly Development with *any* Units having more than two bedrooms with the exception of up to 3 employee Units. Employee Units must be specifically designated as such; or
- Any Qualified Elderly Development (including Qualified Elderly in a Rural Area) proposing more than 70% two-bedroom Units.

Development Requirements & Restrictions - (continued)

Development Size Limitations - 10.101(b)(2):

- 16 Unit Minimum.
- 80 Unit Max for New Construction or Adaptive Reuse Developments in Rural Areas.
- Other Developments do not have a limitation on the number of Units.



Rehabilitation Costs - 10.101(b)(3):

- \$25K per Unit minimum (Building Costs and Site Work).
- USDA Developments require \$19K per unit minimum.
- Tax-Exempt Bond Developments less than 20 years old require \$15K per Unit minimum.

Development Requirements & Restrictions - (continued)

Mandatory Development Amenities – 10.101(b)(4).

- All New Construction, Reconstruction, or Adaptive Reuse Units must have *all* the amenities listed in this section.

- Rehabilitation Development and Supportive Housing Development Units must provide amenities as specified in this section.

- NOTE: Where Supportive Housing Developments are exempt, there must be access to a comparable amenity in a common area.**

- Amenities must be provided at no charge to the tenants.

Development Requirements & Restrictions - (continued)

Common Amenities- 10.101(b)(5) of the Uniform Multifamily Rules.

All Developments must provide sufficient common amenities to qualify for the minimum number of points based on the number of Units.

- (i) 16 Units must qualify for one (1) point;
- (ii) 17 to 40 Units must qualify for four (4) points;
- (iii) 41 to 76 Units must qualify for seven (7) points;
- (iv) 77 to 99 Units must qualify for ten (10) points;
- (v) 100 to 149 Units must qualify for fourteen (14) points;
- (vi) 150 to 199 Units must qualify for eighteen (18) points; or
- (vii) 200 or more Units must qualify for twenty-two (22) points.

Development Requirements & Restrictions - (continued)

Common Amenities (continued)

- ❑ Refer to the complete list of common amenities listed in 10.101(b)(5).
- ❑ These are not associated with Selection Criteria points.
- ❑ They are not required to be identified at the time of Application, but at the time the LURA is filed.
- ❑ All amenities must meet accessibility standards.
- ❑ Amenities must be for benefit of all tenants and fees cannot be charged in addition to rent for the amenities.
- ❑ Some amenities are restricted to a Target Population.
- ❑ Non-contiguous Scattered site Developments (excluding non-contiguous single family) must include sufficient common amenities to satisfy the requirement site by site.

Development Requirements & Restrictions - (continued)



Common Amenities (continued)

Developments with at least 41 Units or more, at least 2 of the required threshold points must come from Green Building Certifications.

Points may be selected from only one of four categories listed below.

- Limited Green Amenities (2 points)
- Enterprise Green Communities (4 points)
- Leadership in Energy and Environmental Design (LEED) (4 points)
- National Green Building Standard (NAHB Green) (4 points)

Development Requirements & Restrictions - (continued)

Required Unit Sizes - 10.101(b)(6)(A):



500 square feet for an Efficiency Unit;

600 square feet for a one Bedroom Unit

800 square feet for a two Bedroom Unit

1,000 square feet for a three Bedroom Unit

1,200 square feet for a four Bedroom Unit

Development Requirements & Restrictions - (continued)

Required Unit Amenities:

- Refer to 10.101(b)(6)(B) for a complete list of Unit amenities.
- HTC Applications may select amenities for scoring under this section but must maintain the points associated with those selected amenities or substitute amenities with equal or higher point values.
- They are not required to be identified at the time of Application, but at the time the LURA is filed.
- Tax Exempt Bond Developments must include enough amenities to meet a minimum of **7** points.
- Applications not funded with HTC must include enough amenities to meet a minimum of **4** points (i.e. TDHCA HOME).
- Rehabilitation Developments will start with a base score of **3** points and Supportive Housing Developments will start with a base score of **5** points.
- Scattered site Developments must have a specific amenity located within each Unit to count for points.

Development Requirements & Restrictions - (continued)

Tenant Supportive Services:

- Refer to 10.101(b)(7) for a complete list.
- Tax Exempt Bond Developments must select a minimum of 8 points.
- Applications not funded with HTC must select a minimum of 4 points.
- HTC Applications may select points as associated with Selection Criteria (**further discussion of this item under Selection Criteria portion of workshop**).
- On-site or transportation must be provided to those off-site services identified on the list.
- Supportive services will be included in the LURA.

Development Requirements & Restrictions - (continued)

Development Accessibility Requirements - 10.101(b)(8):

- ❖ All Developments must meet all specifications and accessibility requirements reflected in the *Certification of Development Owner* exhibit located in the Multifamily Application, and any other applicable state or federal rules and requirements.





Pop Quiz!

1. An application is submitted for a proposed development to be located 400 feet from an active railway. Is the application eligible? Why or why not?
2. An application for Oak Creek Apartments indicates 280 total units in the Rent Schedule. Is the application considered ineligible? Why or why not?



Requests for Waivers and Staff Determinations

Waivers of Rules for Applications

10.207 of the Uniform Multifamily Rules -



- ❑ Waiver requests are applicable to:
 - ✓ Subchapter B (Site and Development Restrictions),
 - ✓ Subchapter C (Application Submission Requirements and Ineligibility Criteria),
 - ✓ Subchapter E (Post Award and Asset Management Activities),
 - ✓ Subchapter G (Fee Schedule, Appeals and Other); and
 - ✓ Chapter 11 (Qualified Allocation Plan)

- ❑ Waiver request must establish how it is necessary to address circumstances beyond the Applicant's control and how, if the waiver is not granted, the Department will not fulfill some specific requirement of law (particularly to Chapter 2306 of the Texas Government Code).

Waiver of Rules for Applications (Cont.)

- ❑ Applicant must request a waiver or pre-clearance in writing at or prior to the submission of the pre-application (**January 8, 2013 for 9% applications**) for Competitive HTC and for Tax Exempt Bond Developments where the Department is the Issuer.



- ❑ If no pre-application is submitted, the waiver request must be submitted at the time of Application submission (**March 1, 2013 for Competitive HTC Applications**).

Waivers and Pre-clearance requests

- ❑ Pre-clearance requests should include sufficient documentation in order for the Board to make a determination and should reference the section of the rules which calls for such determination.
- ❑ Applicant is encouraged to submit with the requested waiver or pre-clearance and any plans for mitigation or alternative solutions.
- ❑ Any waiver or pre-clearance, if granted, shall apply solely to the Application and shall not constitute a general modification or waiver of the rule involved.

Requests for Staff Determinations



NEW!

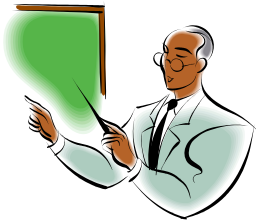
10.3(b) of Subchapter A of the 2013 Uniform Multifamily Rules –

In cases where definitions of Development, Development Site, New Construction, Rehabilitation, Reconstruction, Adaptive Re-use, and Target Population fail to fully account for the activities proposed in an Application, you may request Department staff to provide a determination explaining how staff will review an Application in relation to these specific terms and their usage within the applicable rules.

- The determination is intended to provide clarity with regard to proposed activities such as scattered site development or combinations of construction activities.
- Request must be received prior to the submission of pre-application or Application if no pre-application was submitted. Staff will make determinations regarding definitions in approximately 14 days.

Requests for Staff Determinations (continued)

- Determination will be conveyed in writing.
- If the determination is finalized after submission of the pre-application or Application, the Department may allow corrections to the pre-application or the Application that are directly related to the issues in the determination.
- Determination cannot be challenged by another party.
- It is the Applicant's sole responsibility to request a determination.

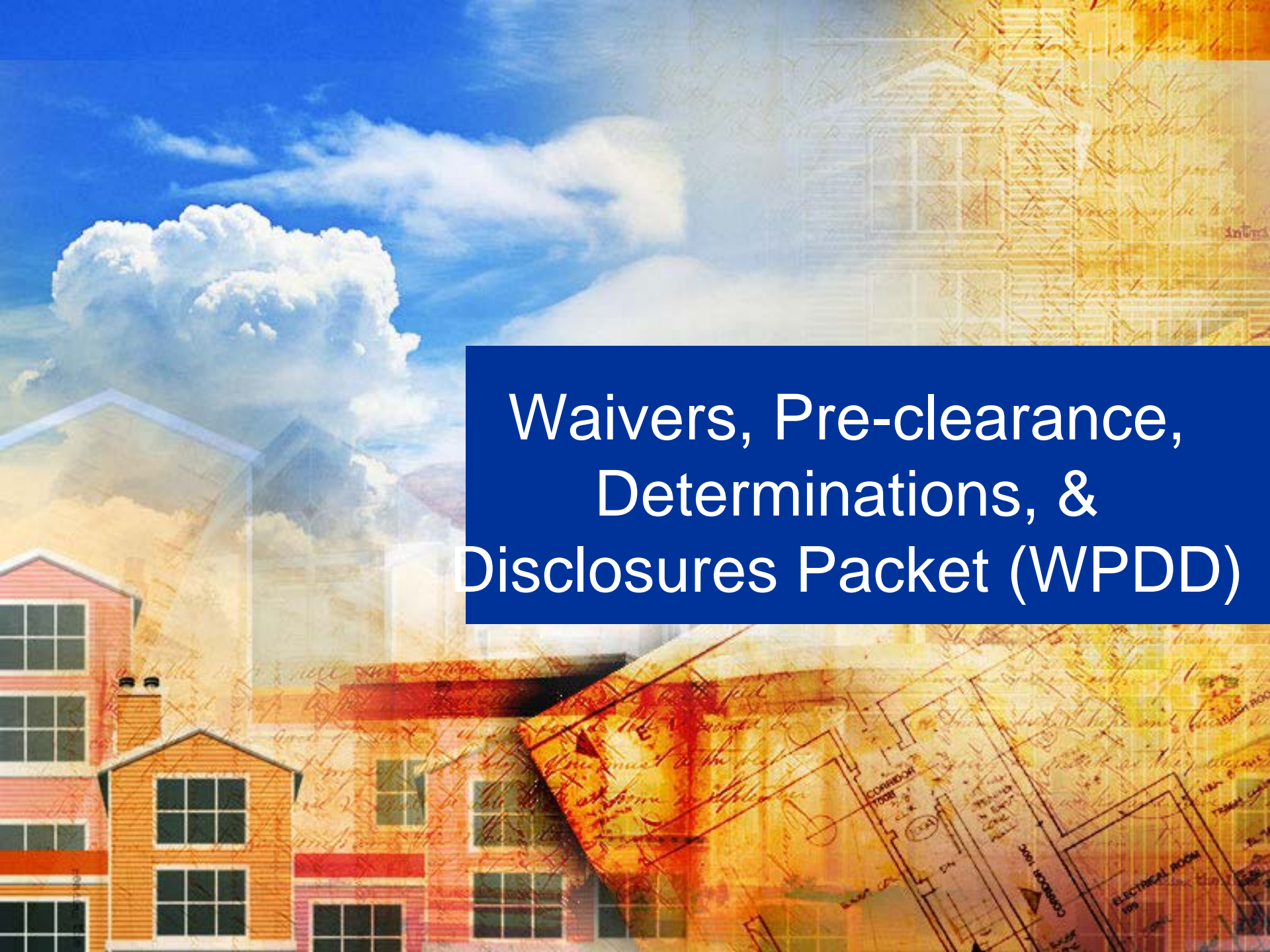


Pop Quiz!

1. **When should an Applicant notify the Department of an Undesirable Area Feature?**
 - a) For an HTC Application, prior to submission of pre-application.
 - b) At the Application submission date for all Applicants that did not submit a pre-application.
 - c) By March 15th
 - d) Both a) and b)

2. **Why would an Applicant Request a Staff Determination?**

3. **When should an Applicant Request a Staff Determination?**
 - a) At pre-application
 - b) Prior to the pre-application or application submission (as applicable)
 - c) At full application
 - d) None of the above



Waivers, Pre-clearance, Determinations, & Disclosures Packet (WPDD)

Waivers, Pre-Clearance, Determinations & Disclosures Packet (WPDD)

- ✓ Formalizes the process by which Applicants seek Pre-Clearance for Community Revitalization Plans and Undesirable Area Features, request staff or Board determinations regarding definitions or Undesirable Site Features, disclose possible issues of ineligibility, and request waivers.

The WPDD packet is available on the Department's website and includes the following tabs:

- ❑ **Overview** – Identifies Applicant, Development location, and applicable programs for the proposed Application.
- ❑ **Pre-Clearance Request** (Community Revitalization and Undesirable Area Features)
- ❑ **Requests for Department Determinations** (Definitions and Undesirable Site Features)
- ❑ **Disclosures** (related to ineligible Applicants)
- ❑ **Waiver Requests**

Waivers, Pre-Clearance, Determinations & Disclosures Packet (WPDD)

- Submission of the WPDD is ***mandatory*** for all Multifamily Finance Programs, if applicable to the program or Development Site.
- Competitive HTC applications may submit as early as December 17, 2012.
Note: Staff recommends the WPDD be submitted as early as possible for Competitive HTC applications in order to provide the Department sufficient time to review the packet and its contents before making a decision regarding pre-clearance, waivers, or determinations.
- Must be submitted with the Full Application for all other funding programs.



Competitive HTC Multifamily Pre-Application

Competitive HTC Pre-Application

- *2013 Multifamily Document and Payment Receipt* - **Submit hard copy.**
- *2013 Electronic Filing Agreement* – **Submit hard copy.**
- *2013 Competitive HTC Pre-Application Certification*
- *Applicant Information Form*
- *Development Narrative*
- *Self-Score Form* – Does not include QCP, Input Other Than QCP, Support from State Representative or Senator, Community revitalization Plan, Commitment of Development Funding by Unit of General Local Government, Cost of Development per Square Foot, or Point Deductions.

Competitive HTC Pre-Application

NEW!

- *Community Revitalization Plan and/or Waiver, Pre-clearance, Determinations and Disclosure (WPDD) Packet Submission*
- *Site Control*
- *Certification of Notifications*
- *Elected Officials Form*
- *Neighborhood Organizations Form*

Pre-application Threshold Criteria

11.8(b)(1) – The competitive HTC pre-application must identify at a minimum:

- (A) Site Control;
- (B) Funding Request;
- (C) Target Population;
- (D) Requested set-asides;
- (E) Total number of Units proposed;
- (F) Census Tract Number;
- (G) Expected score for each scoring item;
- (H) All issues requiring waivers necessary for the filing of an eligible Application; and
- (I) Any community revitalization plan Applicant anticipates using for points under Competitive HTC Selection Criteria

Pre-application Threshold Criteria (cont'd)

2013 Competitive HTC Pre-Application Certification -

The form must be signed by the Applicant or person with authority to execute documents on the Applicant's behalf, must be dated, and notarized.

Note: A hard copy is not required. Include a scanned copy of the Form within the pre-application.

Applicant Information Form –

Complete the contact information for the pre-application.

Pre-application Threshold Criteria (cont'd)

HTC Pre-Application Information Form – Includes these sections:

- Development Type (Construction Type)
- Target Population - (General, Elderly, or Supportive Housing)
- Development Information -(Address, Urban or Rural Designation, and Region)
- Census Tract Information – must be 11-digit *2010 census tract number* and indicate whether or not it is a QCT
- Number of Units proposed - both LI units and market rate
- HTC Funding Request
- Requested Set-Aside – (At-Risk, USDA, Nonprofit, and/or Rural)

NOTE: Set-asides cannot be added or dropped from pre-application to full application

Include any required documentation behind this tab.

Pre-Application Threshold Criteria (cont'd)

Competitive Housing Tax Credit Selection Self-Score		
Criteria Promoting Development of High Quality Housing		
Point Item Description	QAP Reference	Points Selected
Unit Sizes	11.9(b)(1)(a)	0
Unit Features	11.9(b)(1)(b)	0
Sponsor Characteristics	11.9(b)(2)	0
High Quality Housing Total		0

Drop-down lists are provided for point selections.

Note: Use caution when requesting points.

- ❑ Pursuant to 10.201(7)(A) of the Uniform Multifamily Rules, an Applicant may not adjust the Self Score except in response to a direct request from the Department as a result of an Administrative Deficiency.
- ❑ Pursuant to 11.9(e)(3)(E) of the 2013 QAP, in order to qualify for pre-application participation points, the Application final score must not vary by more than six (6) points from the pre-application self-score.

Pre-Application Threshold Criteria (cont'd)



Community Revitalization Plan -

- If Applicants intend to request points under 11.9(d)(6)(A) or (B) of the QAP some documentation is required by pre-application submission.
- Include the point selection on the Self-Score exhibit.
- The pre-application now includes a form to identify whether the WPDD Packet was submitted prior to the pre-application or with the pre-application. Include the date the packet was submitted to the Department, and the status of the pre-clearance request.
- If CRP was submitted prior to pre-application submission, indicate this on the top of the form.

We will discuss Community Revitalization in detail under the Selection Criteria section of the workshop.

Pre-application Threshold Criteria (cont'd)

Waivers, Pre-clearance, Determinations & Disclosures Packet (WPDD) –

The form is included in the pre-application to identify whether a request(s) for staff determinations on Undesirable Site or Area Features, program definitions, and/or ineligibility items related to Development Team personnel has been requested.

- A separate WPDD Packet may be submitted as early as December 17, 2012 to the Department.
- Refer to the 2013 Multifamily Procedures Manual for guidance on completing the WPDD packet.

Pre-application Threshold Criteria (cont'd)

Site Control - Evidence that the Development Owner has the ability to compel legal title to a developable interest in the Development Site or, Site Control must be submitted with the Application.

- ❑ Must meet the requirements of 10.204(9) of the 2013 Uniform Multifamily Rules.
- ❑ **HTC Applications**-The Department may request documentation *at any time* after submission of an Application of the Development Owner's ability to compel title.
- ❑ **Tax-Exempt Bond Lottery Applications**-Must be valid through **December 1** of the prior program year with the option to extend through **March 1, 2013**.
- ❑ Must be in the name of the Development Owner or has expressed ability to assign to the Development Owner.

Pre-application Threshold Criteria (cont'd)

The Site Control Tab includes these sections:

- ❑ Identity of Interest – If acquisition can be characterized as an identity of interest transaction submit documentation to meet the requirements of 10.302 (e)(1)(B).
- ❑ Identity of all sellers of the proposed property for 36 months prior to **December 17, 2012** and their relationship, if any, to members of the Development Team.
- ❑ Anticipated closing date and expiration date.

Pre-application Threshold Criteria (cont'd)

Acceptable evidence of site control must be in the form of:

- ❑ Recorded warranty deed with corresponding executed settlement statement;

or

- ❑ Contract for lease with a minimum term of 45 years and is valid for the entire period the Development is under consideration for Department funding;

or

- ❑ Contract for sale, an option to purchase or a lease that includes an effective date; price; address and/or legal description; and expiration date.


Pre-application Threshold Criteria

Site Control (continued)

- Proof of consideration, as specified in the contract, must be submitted.
- Scattered site Applications must include the required information for each site.

Pre-Application Threshold Criteria (cont'd)

Certification of Notifications at Pre-Application Form -

- ✓ **Note: All notifications must be made in accordance with 10.203 of the Uniform Multifamily Rules and 11.8(b)(2) of the 2013 QAP.**
- ✓ **For Developments in an ETJ you must notify both city and county officials.** 
- ✓ **All applicable main boxes must be checked or chosen from the drop-down list.**
- ✓ **A sample Public Notification Template is available in the Pre-Application.**

Pre-Application Threshold Criteria (cont'd)

- Request for Neighborhood Organizations for pre-application no later than **December 17, 2012**.
- Response from local elected officials must be received on or before **December 28, 2012**.
- Notifications must be made no later than **January 8, 2013** (pre-application submission date).



Pre-Application Threshold Criteria

Required Notification Recipients:

- ❑ All Neighborhood Organizations on record with the county and state whose boundaries include the proposed Development Site;
- ❑ Superintendent of the school district;
- ❑ Presiding officer of the board of trustees of the school district;
- ❑ Mayor of the municipality;
- ❑ All elected members of the Governing Body of the municipality;
- ❑ Presiding officer of the Governing Body of the county;
- ❑ All elected members of the Governing Body of the county;
- ❑ State Senator and State Representative of the district containing the Development.



Pop Quiz!

1. Only the legal description of the Development Site is required at pre-application. True or False?
2. Which of these items is included in pre-application threshold criteria?
 - a) Census Tract Number
 - b) Set-Aside Elections
 - c) Target Population
 - d) All of the above
3. Which Selection Criteria item(s) must be submitted at pre-application?



Multifamily Application



The Multifamily Application has been Revised

- ✓ The Application has been streamlined and designed to be more user- friendly.

- ✓ The Application is organized according to 6 sections:
 - Administrative
 - Development Site
 - Finance
 - Development Activities
 - Organization
 - Third Party Reports.

- ✓ Eligibility, threshold, and selection items are organized according to the applicable section. For example, site control is under the Development Site section.

The Multifamily Application has been Revised



- ✓ Boxes that are yellow will require input or selection from a drop-down list.
- ✓ Boxes that are white or gray will populate based on selections or input from applicable yellow boxes and are locked.
- ✓ **NOTE:** Please be sure to check the page breaks in the Excel Application before you convert your Application to a PDF file.

MF Application-Administrative

- ❑ **Application Certification** - Must be executed, dated, and notarized.

Note: The Certification of Principal and Development Owner exhibit has been divided into two forms so items relevant to Development Owners and Principals are separated.



- ❑ **Certification of Development Owner** - Addresses specific requirements associated with the Development. The person that executes the form is responsible for ensuring all individuals are in compliance with the certification.
- ❑ **Certification of Principal** - Must be executed by all Principals and identifies criteria relating to eligibility requirements associated with multifamily funding from the Department.
- ❑ **HOME Development Certification** – Certify that the Applicant is familiar with the provisions of the federal HOME Final Rule.
- ❑ **Applicant Information Form** - Includes contact information for the person that will respond to Administrative Deficiencies.

NOTE: Hard copies are not required.

MF Application-Self Score



Self Score (competitive HTC only) - The form will auto-populate based on selections made throughout the application and provides a real-time score.

- A running tab of the Application's score will display in the upper right corner of Application exhibits that include Selection criteria options.
- It is very important to select the correct boxes, complete sections, and include documentation as appropriate.

Self Score Total: #DIV/0!

Pursuant to §11.9(b)(2) of the Qualified Allocation Plan, an Application may qualify to receive up to one (1) point provided the ownership structure meets one of the following requirements in parts 1 or 2 below;

1. Application is attempting to score as a Qualified Nonprofit and meets the criteria below:

No Application is applying under the Nonprofit Set-Aside, and

No The Qualified Nonprofit has some combination of ownership interest, cash flow from operations, and developer fee which taken together equal at least 80% and no less than 5% for any category.

MF Application-Site Information Form I



This form includes scoring items that are relevant to the Development Site for Competitive HTC Applications.

- Complete the Development address and Region number.
- Indicate whether it's Rural or Urban and if it's in a Participating Jurisdiction.

Census Tract Information:

- Include full 11 digit Census Tract Number, check the box if it is in a QCT
- Include the Census Tract Map clearly depicting the Development Site.
- Provide the Median Household Income, select from the drop-down menu for Median Household Income Quartile, and provide the Poverty Rate for the Census Tract for Opportunity Index point item.

More details about Selection items under the Selection Criteria portion of the workshop!

MF Application-Site Information Form I (cont'd)

Site Characteristics –

- ✓ Indicate whether the Development Site is located within 1 mile radius (or 2 miles if Rural) of at least 6 services.
- ✓ Include a map depicting the Development Site and the names of the services behind this form.
- ✓ Site Characteristics is a threshold item, mandatory for all multifamily Applications.



MF Application-Site Information Form I (cont'd)

Undesirable Area Features - 10.101(a)(4):

- Indicate whether a Pre-Clearance was received from the Department for an Undesirable Area Feature (include copy of documentation), **or**
- Pre-Clearance has been requested but is pending, **or**
- No pre-application was submitted and Undesirable Area Feature is being disclosed with Application (include details and documentation), **or**
- There is no Undesirable Area Feature.

Resolutions - 11.3, Housing De-Concentration Factors:

- Indicate whether there is a violation of 2x Per Capita, 1 Mile/3 Year, or Ineligible Census Tract.
- Indicate whether a resolution from the Governing Body of the appropriate municipality or county has been included.

MF Application-Site Information Form I (cont'd)

Zoning and Flood Zone Designation- Complete sections and provide acceptable evidence.

No Zoning Ordinance in Effect – A letter from the Unit of General Local Government (UGLG) stating there is no zoning, **or**

Zoning Ordinance in Effect - A letter stating the development is permitted under the current zoning; **or**

Requesting a Zoning Change - A signed release provided to UGLG agreeing to hold the UGLG and all other parties harmless in event that zoning is denied.

Zoning for Rehabilitation Developments - Documentation of current zoning is required. Refer to 10.204(10)(D) of the 2013 Uniform Multifamily Rules for more details.

MF Application-Site Information Form I (cont'd)

Complete Selection Criteria Sections for the following if applicable:

- Educational Excellence,
- Opportunity Index,
- Underserved Area,
- Community Revitalization,
- Input Other Than QCP, and
- Declared Disaster Area.

**More details about Selection items under the
Selection Criteria portion of the workshop!**

MF Application-Site Information Form II

The Site Information Form Part II includes:

Site Acreage –

- ❑ The site acreage should be consistent among the exhibits. Provide an explanation if there are any discrepancies in the site acreage.

Site Control –

- ❑ Identify the current Development Site owner. This information must be consistent with the evidence of Site Control and title commitment/policy.
- ❑ Indicate whether acquisition is an identity of interest transaction.
- ❑ Identify all sellers of the proposed Property for the 36 months prior to **December 17, 2012**.
- ❑ Indicate the anticipated closing date and expiration date.

MF Application-Site Information Form II (cont'd)

Site Control –

❑ Evidence of Site Control must be in one of the following forms:

- A recorded warranty deed with corresponding executed settlement statement
- A contract for lease (45-year minimum term)
- A contract for sale or purchase option
- Identity of interest documentation pursuant to 10.302 (e)(1)(B) of the Uniform Multifamily Rules.

❑ Site control must:

- Be in the name of the Development Owner (or documentation must reflect an expressed ability to transfer the rights to the Development Owner).

MF Application-Site Information Form II (cont'd)

Site Control –

- Tax-Exempt Bond Lottery Applications must have Site Control valid through December 1 of the prior program year with the option to extend through March 1, 2013.
- Proof of consideration, as specified in the contract, must be submitted.
- Scattered site Applications must include the required information for each site.

Pursuant to 10.204(9)(A) of the Uniform Multifamily Rules, if the Applicant fails to have the ability to compel legal title to the Development Site at any time it is likely to impede an Applicant's ability to meet the program's requirements and the Application may be terminated.

UPDATE!



MF Application-Site Information Form II (cont'd)

Legal Description and Title Commitment/ Policy:

- ❑ Legal Description must be consistent with Site Control.
- ❑ Title document must not be older than 6 months from the Application submission deadline or a letter from the title company indicates nothing further has transpired.

Evidence must include one of the following:

- ❑ Title Policy-Development Site is vested in the name of the Development Owner; **or**
- ❑ Title commitment-Development Owner as proposed insured and Development Site vested in name of the seller or lessor.
- ❑ Scattered sites must have title policy for each site.

MF Application-Site Information Form II

30% increase in Eligible Basis “Boost”-

- Indicate the basis for which the Application qualifies for the boost and include any pertinent documentation or explanations. Census tract, Rural, Supportive Housing and Opportunity Index boxes will auto fill with information provided throughout the Application.

NOTE: Tax-Exempt Bond Developments are only eligible for the boost if they are in a QCT that does not exceed 30% HTC units per household.

Scattered Site Information Form -

- ❑ Form must be completed for multiple site Applications.
- ❑ Group all documentation (site control, etc.) per site.

MF Application-Public Notifications

Elected Officials and Neighborhood Organizations -

- The Elected Officials and Neighborhood Organization tabs must be completed, even if a pre-application was submitted and met the Pre-application Threshold requirements.
- Notification templates are available on the Department's website.
- Notifications must not be older than 3 months from the first day of Application Acceptance period (December 17, 2012) for Competitive HTC Applications and for all other Applications not older than 3 months prior to the date Parts 5 and 6 of the Application is submitted.
- For Developments located in an ETJ both the city and county officials must be notified.



MF Application-Public Notifications (cont'd)

- If no Pre-Application was submitted, did not meet threshold, was withdrawn or was terminated, the following dates apply:
 - ❖ **January 18, 2013:** Request for Neighborhood Organizations must have been made by (or not later than 14 calendar days prior to submission of Parts 5 and 6 documentation for all other applications).
 - ❖ **February 22, 2013:** Deadline for response letter from appropriate elected officials (or For HOME, HTF, Tax-Exempt Bond, and Rural Rescue Developments by 7 days prior to submission of Application).

MF Application-Public Notifications (cont'd)



- ❑ Re-notification is required if there is a change in the Application, whether from pre-Application to Application or as a result of a deficiency:
 - ❖ **Total Unit increase of greater than 10%;**
 - ❖ **Change in elected official between Pre-Application and Application. The newly elected (or appointed) officials must be notified.**
- ❑ Applicant must keep evidence of all notifications made. This evidence may be requested by the Department at any time during the Application review.

MF Application-Public Notifications (cont'd)

Certification of Notification Form –

The form serves as evidence that the requirements and deadlines as outlined in 10.203 of the Uniform Multifamily Rules were met.

- ❑ **Part 1.** A pre-application was submitted. Applicant must certify whether re-notification was required from pre-application.
- ❑ **Part 2.** A pre-application was not submitted or Pre-Application Threshold was not met.
- ❑ **Part 3. Competitive HTC only.** Certify that no Neighborhood Organizations exist for which the Application would be eligible to receive points for under 11.9(d)(1) of the QAP relating to Quantifiable Community Participation, **Note: Data input in this section can impact final scoring for QCP.**

MF Application- Development Narrative

Development Narrative – The exhibit has been revised to provide a more accurate description of the Development.

- **Construction Type**
- **Target Population**
- **Populations Served**
- **Staff Determination** - If applicable
- **Narrative** - Include any unique circumstances.
- **Funding Request** - Refer to 11.4 of the QAP for limits. Be sure to review your data for accuracy as the information will auto-populate other parts of the Application. There is no internal check.
- **Requested Set-Aside** (Nonprofit, At-Risk, USDA)
- **Previously Awarded State and Federal Funding**
- **Qualified Low Income Housing Development Election** – Note that under the 20/50 election that ALL units must be at 50% and can never rise to 60%. Under 40/60 you retain the option to start at 50% and increase to 60%. The election must be consistent with the exhibits in the Application.

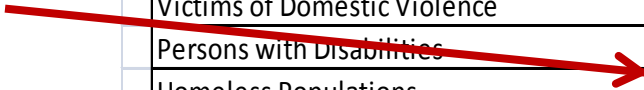


Note: Only use an "x" to mark boxes.

Avoid marking more than one box unless Staff Determination has been received.



All yellow boxes require data entry. Gray boxes are locked and will calculate once Rent Schedule completed.



Remember to check box if Determination was made

1. The proposed Development is: (Check all that apply)			
<input type="checkbox"/>	New Construction		
<input type="checkbox"/>	Rehabilitation	Including Acquisition?	<input type="checkbox"/>
<input type="checkbox"/>	Reconstruction	# of Units Demolished:	<input type="checkbox"/> # of Units Reconstructed: <input type="checkbox"/>
<input type="checkbox"/>	Adaptive Reuse	Previous use of Buildings (i.e. Hotel, or school)	<input type="checkbox"/>
<input type="checkbox"/>	Additional Phase to existing development	TDHCA#	<input type="checkbox"/>
<input type="checkbox"/>	Scattered Site	Number of Non-Contiguous Sites:	<input type="checkbox"/> Number of Census tracts: <input type="checkbox"/>
2. The Target Population will be:			
<input type="checkbox"/>			
Unit Composition			
	Type of Unit	# of Designated Units	% of Total Units in Development
	Migrant Farm Workers	<input type="checkbox"/>	#DIV/0!
	Victims of Domestic Violence	<input type="checkbox"/>	#DIV/0!
	Persons with Disabilities	<input type="checkbox"/>	#DIV/0!
	Homeless Populations	<input type="checkbox"/>	#DIV/0!
	Persons with alcohol and/or drug addictions	<input type="checkbox"/>	#DIV/0!
	Persons with HIV/AIDS	<input type="checkbox"/>	#DIV/0!
	Colonia Resident	<input type="checkbox"/>	#DIV/0!
	Other: (Specify)	<input type="checkbox"/>	#DIV/0!
NOTE: The population percentages above are anticipated at the time of Application submission and the Applicant will not be held to this representation long-term, unless required by TDHCA Program rules and federal Regulations.			
3. Staff Determinations regarding definitions of development activity obtained?			
<input type="checkbox"/>	If a determination under §10.3(b) of the Uniform Multifamily Rules was made prior to Application submission, provide a copy of such determination behind this form.		

MF Application-Development Activities



Development Activities Form – This new form includes sections which will auto-populate the Self Score form for the following Selection Criteria items for Competitive HTC

Applications:

- **Size and Quality of Units**
- **Income Levels of Tenants**
- **Rent Levels of Tenants**
- **Tenant Services**
- **Tenant Populations with Special Housing Needs**
- **Pre-Application Participation**
- **Extended Affordability**
- **Right of First Refusal**
- **Development Size**

Selection items will be discussed under Selection Criteria

MF Application-Development Activities (cont'd)

The form includes the following sections for *requirements* of multi-family Applications:

- **Common Amenities** – Fill in the # of units to calculate the number of points required to meet threshold.
- **Unit Size Requirements** – Certify that the minimum Unit Sizes will be met.
- **Unit Amenities** – Certify that the required Unit Amenities will be met for either a Tax Exempt Bond, HOME, or other Direct Loan Development.
- **Tenant Supportive Services** – Certify that the Tax Exempt Bond or HOME Development will meet minimum required points.
- **Development Accessibility Requirements** – Certify that the Development will meet all specifications and accessibility requirements (10.101(b)(8) of the Uniform Multifamily Rules). This applies to all multifamily Applications.

MF Application- Acquisition/Rehabilitation

Acquisition and/or Rehabilitation Information Form-

❑ **Rehabilitation Developments**

- ❖ Property Condition Assessment due by March 1, 2013.
- ❖ Evidence of rental assistance (if existing or continuing).
- ❖ Appraisal due by March 1, 2013.
- ❖ Appraised values must be consistent with the *Development Cost Schedule*.

MF Application- Acquisition/Rehabilitation (cont'd)



The At-Risk Set-Aside Election has been added to the *Acquisition/Rehabilitation Information* form.

1. At-Risk Set-Aside (HTC Applications Only)	
<input type="checkbox"/>	Qualification: Must meet the requirements of an At-Risk Development in §11.5(3) of the Qualified Allocation Plan.
<input type="checkbox"/>	Documentation: Must be submitted behind this tab showing that the Development meets the requirements of §2306.6702(a)(5) of the Texas Government Code.
Part A: Documentation must show that the subsidy or benefit is from one of the following approved programs (mark all that apply):	
<input type="checkbox"/>	Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. Section 17151)
<input type="checkbox"/>	Section 236, National Housing Act (12 U.S.C. Section 1715z-1)

You must select the At-Risk Set-Aside in the appropriate section of the *Development Narrative* for the box to populate for “Qualification” statement.

MF Application- Acquisition/Rehabilitation (cont'd)

❑ Occupied Developments -

Submit at least one of the following:

- ✓ Historical monthly operating statements (12 consecutive months);
- ✓ Two most recent consecutive annual operating statement summaries;
- ✓ Most recent consecutive 6 months of operating statements and the most recent annual operating summary; **or**
- ✓ All monthly or annual operating summaries available.

MF Application- Acquisition/Rehabilitation (cont'd)

In addition, all of the following must be submitted:

- ✓ Rent roll – dated no earlier than 6 months prior to December 17, 2012;
- ✓ Written explanation of process to notify and consult with tenants;
- ✓ Identification of the number of existing tenants for Qualified Elderly Developments or Supportive Housing
- ✓ Relocation plan and budget; (budget should match Development Cost Schedule)
- ✓ Documentation to ensure Department can facilitate or advise Applicant with respect to compliance with Uniform Relocation Act, and other relocation laws;
- ✓ Evidence of submission of relocation plan to appropriate legal or governmental agency.

MF Application- Acquisition/Rehabilitation (cont'd)

The Occupied Rehabilitation form includes a checklist to aid in determining whether to include additional documentation.

Uniform Relocation Act (URA) Applicability (HOME Applications Only)

The proposed Development must be carried out in accordance with policies and procedures governing implementation of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, Section 104(d) of the Housing and Community Development Act of 1974, and the optional relocation policies adopted pursuant to 24 CFR 92.253(d).

A displaced person is covered under URA, regardless of the income of the person, if they are displaced by acquisition, rehabilitation, or demolition.

A displaced person is covered under Section 104(d) if they are a low-income person displaced by demolition OR conversion (if market rent of the dwelling did not exceed the fair market rent before conversion).

These requirements apply to any development that utilizes HOME funds if (check all that apply):

- The activity involves acquisition of property occupied by a tenant, homeowner, or business.
- The activity involves rehabilitation of property occupied by a tenant, homeowner, or business.
- The activity involves demolition of existing housing units.
- The activity involves conversion of occupied rental property occupied by any tenant.

If ANY of the above boxes are checked, submit the Residential Anti-Displacement and Relocation Assistance Plan Certification behind this tab.

MF Application-Architectural Drawings

Architectural Drawings –


- ❑ Drawings must include legible scale and dimensions of each perimeter wall, and floor heights.

- ❑ **Site plan:**

- ✓ Includes unit and building type table matrix consistent with Rent Schedule and Building/Unit Configuration.
- ✓ Identifies all residential and common buildings.
- ✓ Delineates floodplain boundaries and shows all easements.
- ✓ Indicate possible placement of detention/retention pond(s) (if applicable).
- ✓ Indicate the location of the parking spaces.



MF Application-Architectural Drawings

- ✓ Building floor plans for each building type must include square footage, dimensions, and floor heights.
- ✓ Elevations for each building type must clearly depict the height of each floor, % estimate of exterior composition, and proposed roof pitch. 
- ✓ Unit Floor Plans are required for each Unit type. The Net Rentable Area should be consistent with those shown in the submitted *Rent Schedule* and *Building/Unit Configuration* forms.



MF Application-Architectural Drawings (cont'd)

Adaptive Reuse and Rehabilitation Developments

Building Floor Plans

Adaptive Reuse only required to provide building plans delineating each Unit by number and type.

Elevations

Rehab and Adaptive Reuse are not required to submit elevations where Unit configurations are NOT being altered; however, photographs of elevations must be submitted and if elevations are proposed to be altered then after renovation drawings must be submitted.

Unit floor plans for Each Type of Unit

Adaptive Reuse are only required to provide Unit floor plans for each distinct typical Unit Type (i.e. one-bedroom, two-bedroom) and for all Unit Types that vary in Net Rentable Area by 10% from the typical Unit.

MF Application-Architectural Drawings (cont'd)

Accessibility Requirements -

- ✓ New Construction (excluding New Construction of non-residential buildings) Developments where some Units are two-stories or single family design and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit Type (i.e., one-bedroom, two-bedroom, three-bedroom) must provide an accessible entry level and all common-use facilities in compliance with the Fair Housing Guidelines, and include a minimum of 1 bedroom and 1 bathroom or powder room at the entry level.



MF Application-Building/Unit Type Configuration

- ❑ This form is required for all Development types.
- ❑ Units and square footage must match the *Rent Schedule*.
- ❑ Unit configuration per building must conform to building floor plans and site plan matrix.
- ❑ Number of buildings must match the site plan.
- ❑ Units should be entered from smallest to largest based on the number of bedrooms and square feet per Unit.

Building/ Unit Type Configuration (Cont.)



Specifications and Amenities							
Building Configuration (Check all that apply):	<input type="checkbox"/>	Single Family Construction	<input type="checkbox"/>	SRO (per §42(i)(3)(B))	<input type="checkbox"/>	Transitional (per §42(i)(3)(B))	<input type="checkbox"/>
	<input type="checkbox"/>	Scattered Site	<input type="checkbox"/>	Fourplex	<input type="checkbox"/>	> 4 Units Per Building	<input type="checkbox"/>
Development will have (check all that apply):	<input type="checkbox"/>	Fire Sprinklers	<input type="checkbox"/>	Elevators	<input type="checkbox"/>	# of Elevators	<input type="checkbox"/>
Parking (consistent with Architectural Drawings):	<input type="checkbox"/>	Number of Shed or Flat Roof Carport Spaces		<input type="checkbox"/>	Number of Detached Garage Spaces		
	<input type="checkbox"/>	Number of Attached Garage Spaces		<input type="checkbox"/>	Number of Uncovered Spaces		
	<input type="checkbox"/>	Number of Structured Parking Garage Spaces					
Floors & Walls (Consistent with Architectural Drawings):	<input type="checkbox"/>	% Carpet/Vinyl/Resilient Flooring		<input type="checkbox"/>	Ft. Ceilings		
	<input type="checkbox"/>	% Ceramic Tile					
	<input type="checkbox"/>	% other		Describe: <input type="text"/>			

The *Building/ Unit Type Configuration* form is now combined with the *Specifications & Amenities* form to include sections for Development attributes, floors and walls, and parking.

MF Application-Rent Schedule

- Use rent and utility limits available at the time the Application is submitted.
- Gross Rent cannot exceed the HUD maximum rent limits unless documentation of project-based rental assistance is provided.
- Use the Project Income and Rent Tool available on the Department's website:
<http://www.tdhca.state.tx.us/pmcomp/irl/indix.htm>
- The number of Units, Bedrooms, Baths, square footages, and net rentable area must be consistent with the Building/Unit Type Configuration, site plan, and architectural drawings. **NOTE: this is a common deficiency!**

MF Application-Rent Schedule (cont'd)

-Do not state “Misc.,” “Other”, or “etc.” or include any such terms in the descriptions for non rental income.

TOTAL	0		0			
Non Rental Income		\$0.00	per unit/month for:			
Non Rental Income		0.00	per unit/month for:			
Non Rental Income		0.00	per unit/month for:			
+ TOTAL NONRENTAL INCOME		\$0.00	per unit/month			

-Use correct Unit designation. Drop-down menu included for 30%, 50%, 60% , MR, etc.

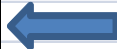
HTC Unit Designation	HOME Unit Designation (Rent/Inc)	HTF Unit Designation	MRB Unit Designation	Other Designation/Subsidy
TC30%				

NOTE: Drop-down menu included for number of Bedrooms. If the Development includes loft/efficiency units, label these units as “0” bedrooms.

Rent Schedule (Cont.)

Cost Per Square Foot calculation is now available at the bottom of the *Rent Schedule* exhibit. (More about this item under Selection Criteria)

The calculation will be based upon the data you input in the *Bldg/Unit Type Configuration*, *Development Narrative*, and *Development Cost Schedule*.

Development is Rehabilitation			No	Cost Per Sq. Ft. =	N/A
If not "Rehabilitation," select "Yes" if the Development is one of the following:					
Elevator served		Supportive Housing	Elderly or Single Family	 If "Yes" above, these elections do not apply. See manual for instructions.	
Cost Per Sq. Ft. =		Cost Per Sq. Ft. =	Cost Per Sq. Ft. =		
N/A		N/A	N/A		
(Building Costs)					
\$	-				
Development is New Construction, Reconstruction, or Adaptive Reuse			Yes	Cost Per Sq. Ft. =	#DIV/0!


Utility Allowances -

- Support documentation must be included (i.e. Current PHA utility allowances sheet or local utility provider estimate specific to the development).
- Indicate on the documentation from the service provider those items which are included in the utility allowance figure and the effective date.

15 Year Rental Housing Operating Pro Forma -

By signing below I (we) are certifying that the above 15 Year pro forma has been reviewed and is acceptable. (Signature only required if using this pro forma for Financial Feasibility Points)

						Phone:				
Signature, Authorized Representative, Construction or Permanent Lender					Date	Email:				

The *pro forma* now includes a section at the bottom for the Lender to certify for Financial Feasibility point item.  (This will be discussed further under Selection Criteria)

Annual Operating Expenses –

Compare the expenses shown in this section to the underwriting criteria. If they differ considerably, submit a justification of the variance.

Provide descriptions for all items listed under “other” →

Payroll, Payroll Tax & Employee Benefits					
Management				\$	
Maintenance				\$	
Other	<i>Describe</i>			\$	
Other	<i>Describe</i>				

MF Application-Development Cost Schedule

- The form must include the name and phone number of the person providing the cost estimate.

Site Work Costs –

- Provide a detailed cost breakdown of *any* projected Site Work cost prepared by a Third Party Engineer.
- If projected Site Work > \$15,000/Unit and included in Eligible Basis then, in addition to the Third Party Engineer breakdown, submit a letter from a CPA allocating which portions of those site costs should be included in Eligible Basis.



MF Application-Development Cost Schedule (cont'd)

Off-Site Construction Cost -

- Off-Site Cost Breakdown needed from a Third Party Engineer if:
 - Off-Site costs are included in budget as line item, **or**
 - embedded in site acquisition contract, **or**
 - referenced in utility provider letter.
- If any Off-Site costs are included in Eligible Basis - a letter from a CPA allocating which portions of those site costs should be included in Eligible Basis is required.
- Certification from Third Party Engineer must describe necessity of off-site improvements.
- Off-site costs included based on PLR 200916007-a certification from a CPA must be provided.



MF Application-Summary of Sources & Uses

Summary of Sources & Uses of Funds -

- ✓ Total sources of funds must equal total uses of funds.
- ✓ Total sources in the “Permanent Period” column must match the Total Housing Development Cost on the Development Cost Schedule.
- ✓ Amounts listed must match amounts listed in the Financing Narrative, Term Sheets, and Syndicator Letter.

Summary of Sources & Uses

The form now includes a drop-down list for the “Funding Description”

Financing Participants	Funding Description	Construction Period		Lien Position	Permanent Period					Lien Position
		Loan/Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amortization	Term (Yrs)	Syndication Rate	
Debt										
TDHCA	HOME	\$0	0%		\$ -	0%	0	0		
TDHCA	NSP	\$0	0%		\$ -		0	0		
TDHCA	Mortgage Revenue Bond	\$0	0%							

Lien positions added.

MF Application- TDHCA HOME

Financial Capacity and Construction Oversight

This form is applicable for HOME applications if the Direct Loan(s) amount to more than 50% of the Total Housing Development Cost, except for Developments also financed through the USDA-515 program.

Matching Funds

This form is applicable for HOME applications only. Detail the type of Match, amount, and source in the appropriate columns. Refer to 10.307 of the Uniform Multifamily Rules for Match requirements.

MF Application-Financing

Financing Narrative -

Sources and amounts of funds must be consistent with *Summary of Sources and Uses of Funds*, Term Sheets, and Syndication Letter. The form has been updated to include sections for financial Selection Criteria items.

Term Sheets -

Evidence must be consistent with *Summary of Sources and Uses of Funds*, *Financing Narrative*, and include the required information pursuant to 10.204(6) of the Uniform Multifamily Rules.

Syndication Letter -

Evidence must be consistent with *Summary of Sources and Uses of Funds*, *Financing Narrative*, and include the required information pursuant to 10.204(6) of the Uniform Multifamily Rules.



Financing Narrative

• Scoring item sections are now included

• Detail of the financing plan in section provided

Self Score Total: #DIV/0!									
1. Commitment of Development Funding by Unit of General Local Government (§11.9(d)(3))									
					UGLG Funding Amount		<input type="text" value="#DIV/0!"/>		
					Per Unit Funding Amount:		<input type="text" value="#DIV/0!"/>		
eligible for points:									
i. Population	<input type="text" value="0"/>	x 0.15 =	\$ -	or	\$ 15,000 per unit	scoring threshold:	\$ -	per unit	<input type="text" value="#DIV/0!"/>
ii. Population	<input type="text" value="0"/>	x 0.10 =	\$ -	or	\$ 10,000 per unit	scoring threshold:	\$ -	per unit	<input type="text" value="#DIV/0!"/>
iii. Population	<input type="text" value="0"/>	x 0.05 =	\$ -	or	\$ 5,000 per unit	scoring threshold:	\$ -	per unit	<input type="text" value="#DIV/0!"/>
iv. Population	<input type="text" value="0"/>	x 0.025 =	\$ -	or	\$ 1,000 per unit	scoring threshold:	\$ -	per unit	<input type="text" value="#DIV/0!"/>
v. Population	<input type="text" value="0"/>	x 0.01 =	\$ -	or	\$ 500 per unit	scoring threshold:	\$ -	per unit	<input type="text" value="#DIV/0!"/>
Firm Commitment received from Unit of General Local Government?					<input type="text" value=""/>				
Resolution of support from the Governing Body of the city or county in which the Development is located stating that they would provide development funding but have no funding available due to budgetary or fiscal constraints									<input type="text" value="#DIV/0!"/>
									Total Points Claimed: <input type="text" value=""/>
2. Financial Feasibility (§11.9(e)(1))									
<input type="checkbox"/>	Eligible Pro-Forma and letter stating the Development is financially feasible.								<input type="text" value="0"/>
<input type="checkbox"/>	Eligible Pro-Forma and letter stating Development and Principals are acceptable.								<input type="text" value="0"/>
									Total Points Claimed: <input type="text" value="0"/>
3. Leveraging of Private, State, and Federal Resources (§2306.6725(a)(3); §11.9(e)(4))									
Percent of Units restricted to serve households at or below 30% of AMGI					<input type="text" value=""/>				
Housing Tax Credit funding request as a percent of Total Housing Development Cost					<input type="text" value="#DIV/0!"/>				
eligible for points:									
<input type="checkbox"/>	Development Leverages CDBG Disaster Recovery, HOPE VI, or Choice Neighborhood Funding								<input type="text" value="#DIV/0!"/>
	Housing Tax Credit Request < 7% of Total Housing Development Cost								<input type="text" value="#DIV/0!"/>
	Housing Tax Credit Request < 8% of Total Housing Development Cost								<input type="text" value="#DIV/0!"/>
	Housing Tax Credit Request < 9% of Total Housing Development Cost								<input type="text" value="#DIV/0!"/>
									Total Points Claimed: <input type="text" value=""/>
4. Financing Narrative (All Applications)									
Briefly describe the complete financing plan for the Development, including the sources and uses of funds, matching funds (if applicable), and any other financing. The information must be consistent with all other documentation in this section.									

(Scoring items will be discussed under Selection Criteria)

MF Application-Organization Structure

Ownership Structure -

- **Organizational charts needed: Ownership, Developer, and Guarantor.**
 - Must provide names and ownership percentages of each entity and person having an ownership interest in the Development Owner, Developer, or Guarantor.
 - Organizational charts must go down to the level of natural persons that are Principals and include Special Limited Partnerships.
 - Organizational Charts must show % of ownership.
- **Organizational Charts are used to determine who must submit the previous participation documents.**

MF Application-Organization Structure (cont'd)

List of Organizations and Principals – The form has been updated to combine several forms that were required in previous Applications.

- ✓ Include each organization and natural person identified on the Organizational charts. Organizations that control other organizations should be included until the only remaining sub-entity would be natural persons.
- ✓ Include any natural person whose ownership interest in an entity is direct or will receive more than 10% of the developer fee.
- ✓ The organizations and natural persons should be consistent throughout the Application.
- ✓ Indicate whether each organization or person has previous TDHCA experience.

List of Organizations and Principals

Applicant Legal Name: _____		
Address: _____	City: _____	State: _____ Zip: _____
Name(s) of Entities the Organization Owns or Controls: _____		
Is organization legally formed? <input type="checkbox"/>	Date of Formation: _____	Legal Form of Organization is or will be: _____
Organization has previous TDHCA Experience: <input type="checkbox"/>	Phone: _____	Email: _____
Organization Legal Name: _____ Role/Title _____		
Address: _____	City: _____	State: _____ Zip: _____
Name(s) of Entities the Organization Owns or Controls: _____		
Is organization legally formed? <input type="checkbox"/>	Date of Formation: _____	Legal Form of Organization is or will be: _____
Organization has previous TDHCA Experience: <input type="checkbox"/>	Phone: _____	Email: _____
Organization is identified on Org. Chart: <input type="checkbox"/>		
List of Sub-Entities or Principals:		
1. _____	2. _____	3. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____
4. _____	5. _____	6. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____



Indicate previous TDHCA experience

MF Application-Previous Participation

Previous Participation Form –

- Each entity and person included in the organizational charts, regardless of previous experience with TDHCA funding.
- Nonprofit entities, PHA's, and publicly traded corporations.
- Applicant and each Principal must submit a Previous Participation and Background Certification form.
- Any person, regardless of Ownership interest, receiving >10% of the Developer fee, each board member, and executive director.
- Units of General Local Government.

If the entity/person indicates they have previous participation in state and/or federal programs administered by other states then they must also check the box on this form authorizing the release of compliance histories by such other states to the Department.

Nonprofit Participation - All Applications with a 501(c)(3) or (4) nonprofit General Partner must submit the following forms (*competitive HTC and Tax Exempt Bond Applications only*):

- ❖ *IRS Determination Letter*
- ❖ *Nonprofit Participation Exhibit*
- ❖ *List of the Nonprofit Organization's Board Members, Directors and Officers*

Nonprofit Participation

0 Nonprofit Set-Aside (HTC Applications Only)

Qualification: Must meet the definition of a Qualified Nonprofit Development pursuant to §10.3(a)(94) of the Uniform Multifamily Rule, §42(h)(5) of the code, and the requirements of §11.5(a) of the Qualified Allocation Plan.

Documentation: Eligibility will be confirmed based upon completion of the Nonprofit Participation and Additional Nonprofit Documentation requirements in this section.

By selecting this box the Applicant affirms the election to be included in the Nonprofit Set-Aside and certifies that they expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

By selecting this box the Applicant affirms the election to be excluded from the Nonprofit Set-Aside and certifies that they do not expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

Applications that elect not to be treated under the Nonprofit Set-Aside must make the election and certify by checking the correct box on the form.

Competitive HTC Applications involving 501(c)(3) or (4) nonprofit General Partners that are competing in the Nonprofit Set-Aside must submit the following:

- **Most recent financial statement as prepared by a CPA.**
- **Third Party legal opinion (sample template letter available on the Department's website).**
- **Certification regarding Board Member residence.**


Nonprofit Participation

0 Nonprofit Set-Aside (HTC Applications Only)

Qualification: Must meet the definition of a Qualified Nonprofit Development pursuant to §10.3(a)(94) of the Uniform Multifamily Rule, §42(h)(5) of the code, and the requirements of §11.5(a) of the Qualified Allocation Plan.

Documentation: Eligibility will be confirmed based upon completion of the Nonprofit Participation and Additional Nonprofit Documentation requirements in this section.

By selecting this box the Applicant affirms the election to be included in the Nonprofit Set-Aside and certifies that they expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

 By selecting this box the Applicant affirms the election to be excluded from the Nonprofit Set-Aside and certifies that they do not expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

MF Application- Nonprofit Participation

- ❑ **Competitive HTC Only:** Applications involving a 501(c)(3) or (4) nonprofit General Partner must submit the documents described in 10.204(13) of the Uniform Multifamily Rules and must indicate the nonprofit status on the Carryover documentation and IRS forms 8609.
- ❑ Competitive HTC Applications that include an affirmative election to not be treated under the set-aside and a certification that they do not expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit only need to submit the IRS Determination Letter and complete the Nonprofit Application exhibit.
- ❑ Nonprofits that are not 501(c)(3) or (4) must disclose the basis of their nonprofit status.

MF Application-Development Team

Development Team Members Form –

Developer Name	Contact Name	Phone
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?		
This is a direct or indirect, financial, or other interest with Applicant or other team members*		
Housing General Contractor Name	Contact Name	Phone
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?		
This is a direct or indirect, financial, or other interest with Applicant or other team members*		

Complete all sections of the form. The architect and engineer should be consistent with other exhibits.
Example: The *Architect Certification* form.

MF Application-Architect Certification

Architect Certification Form - Must be signed and dated by the Development engineer, architect, or Department-approved Third Party accessibility specialist.

The form now includes the certification below that is required for TDHCA HOME Applications.

Application is New Construction &

Application is for HOME

The Third Party engineer, architect, or accessibility specialist further confirms that the proposed site is of adequate size, exposure and contour to accommodate the number of units proposed.

MF Application-Experience Certification

☐ Experience Certification Requirements 10.204(5) -

- ☐ All Applications must include an Experience Certificate or Experience Certificate Request form (issued by the Department).
- ☐ Principal of the Developer, Development Owner, or General Partner must establish that they have experience in the development of 150 units or more.
- ☐ Experience Certificate from 2011 and 2012 is acceptable.
- ☐ Documentation **may be submitted prior to the March 1st** Application deadline or include a copy of the 2013 Experience Certification Request Form and all required documentation in the Application along with a statement that TDHCA determination is still pending.

MF Application-Experience Certification (cont'd)

Experience Certificate Application may be found on the Department's website:

<http://www.tdhca.state.tx.us/multifamily/htc/index.htm>

- ❑ **Section 1:** Applicant Information
- ❑ **Section 2:** Certifications relating to requirements under 10.204(5) of the Uniform Multifamily Rules.
- ❑ **Section 3:** Evidence of experience. Supplemental information must be submitted behind this form and is further described in 10.204(5) of the Uniform Multifamily Rules.

The names on the forms and agreements submitted as evidence must tie back to the Development Owner's General Partner, partner (or if Applicant is to be a limited liability company, the managing member), Developer or their Principals as listed in the Application.

MF Application-Experience Certification (cont'd)

- ❑ Experience may not be established for a Person who at any time within the preceding 3 years has been involved with affordable housing that has been in material non-compliance under the Department's rules or for affordable housing in another state, has been the subject of issued IRS Form 8823 citing non-compliance that has not been or is not being corrected with reasonable due diligence.
- ❑ If a Principal is determined by the Department to not have the required experience, an acceptable replacement for that Principal must be identified prior to the date the award is made by the Board.
- ❑ No person may be used to establish such required experience if that Person or an Affiliate of that Person would not be eligible to be an Applicant themselves.
- ❑ TDHCA HOME Applications must complete the Duns Number, CCR Registration, and Davis Bacon Labor Standards sections. Remember to include required documentation for each.

9% HTC Applicant Credit Limit Documentation and Certification -

- ❖ The Housing Tax Credit cap is now \$3 million per Application Round.
- ❖ Part I. a - List each entity and person on the Organizational, Developer and Guarantor charts.
- ❖ Part I. b – Indicate whether the person or entity has at least one other Application in the current Application round.



Drop –Down Menu choice is “yes” or “no”

Part I. Applicant Credit Limit Documentation

a. Applicant, Developers, Affiliates, and Guarantors - List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer or Guarantor.		b. Person/entity has at least one other application in the current Application Round.
1.		
2.		
3.		

Part II Credit Certification must be submitted for each entity and person that answered “yes” to Part 1. b.

MF Application-Third Party Reports

The Multifamily Application includes a *Third Party Reports* form that must be completed.

- All Third Party Reports must be submitted in a searchable single PDF file, containing all information and exhibits on a non-rewritable CD-R disc clearly labeled with the report type, development name, TDHCA ID, and contact information.

All third party reports must be submitted in their entirety by the applicable deadline.

MF Application-Environmental Site Assessment (ESA)

- **The Environmental Site Assessment (ESA)** must be submitted to the Department no later than 5pm CST on **March 1, 2013** (for competitive HTC).
- The ESA must not be dated more than 12 months prior to the first day of the Application Acceptance Period.
- Prior to submission, confirm that the report is addressed to the Department or has a statement granting the Department authority to rely on the report findings and that report preparer has read and understood 10.305 of the Uniform Multifamily Rules.
- A statement should also be included confirming that the person or company preparing the report will not materially benefit from the Development in any other way receiving a fee for performing the ESA, and that the fee is in no way contingent upon the outcome of the assessment.
- If the report includes a recommendation for any additional assessments to be performed, include a statement that the recommendations will be followed prior to closing.

MF Application-Property Condition Assessment (PCA)

- ✓ If applicable, the **Property Condition Assessment (PCA)** must be submitted to the Department no later than 5pm CST on **March 1, 2013** (for Competitive HTC Applications).
- ✓ Required for Rehabilitation (excluding Reconstruction) and Adaptive Reuse Developments.
- ✓ The PCA must not be dated more than six (6) months prior to the first day of the Application Acceptance Period.
- ✓ Prior to submission, confirm that the report is addressed to the Department or has a statement granting the Department authority to rely on the report findings and that the report preparer has read and understood 10.306 of the Uniform Multifamily Rules.

MF Application-Appraisal

- If applicable, the **Appraisal** must be submitted to the Department no later than 5pm CST on **March 1, 2013** (for competitive HTC applications).
- Required for all Rehabilitation Developments, any Application claiming any portion of the building acquisition in Eligible Basis, and Identity of Interest transactions pursuant to Subchapter D of the Uniform Multifamily Rules.
- The appraisal must not be dated more than six (6) months prior to the first day of the Application Acceptance Period.
- Prior to submission, confirm that the appraisal is addressed to the Department or has a statement granting the Department authority to rely on the report findings and that the report preparer has read and understood 10.304 of the Uniform Multifamily Rules.

MF Application-Market Analysis

- **Market Analysis** must be submitted to the Department no later than 5pm CST on **April 1, 2013** (for Competitive HTC Applications).
- The market analysis must not be dated more than six (6) months prior to the first day of the Application Acceptance Period.
- Prior to submission, confirm that the analysis is addressed to the Department or has a statement granting the Department authority to rely on the report findings and that the report preparer has read and understood 10.303 of the Uniform Multifamily Rules.
- All Market Analysts are required to already be on the Department's approved list of Market Analysts by the time an Application is submitted.

MF Application-Site Design and Development Feasibility Study

- ✓ **Site Design and Development Feasibility Study** must be submitted to the Department no later than 5pm CST on **April 1, 2013** (for Competitive HTC Applications).



- ✓ This report is a modified version of the Civil Engineer Feasibility Study previously used as a point item under the 2012 Selection Criteria. It is now a threshold requirement.
- ✓ Required for New Construction Developments.
- ✓ Refer to 10.205(5) of the 2013 Uniform Multifamily Rules for a complete list of requirements for the report.



Competitive HTC Selection Criteria

Selection Criteria

Applicant Self Score Form – The form is included in the Multifamily Application and must be submitted.

- ❑ The form will auto-populate based upon options selected throughout the Application.
- ❑ An Applicant may not change the Self Score after submitting the Application.
- ❑ Selections of points are optional but selections are strictly enforced.
- ❑ Land Use Restriction Agreements (LURAs) will reflect selections.

Selection Criteria

Points under the scoring items below are not included on the Self-Score form but will be included in the final score awarded.

- ❑ 11.9(d)(1) Quantifiable Community Participation (QCP),
- ❑ 11.9(d)(2) Input Other than QCP,
- ❑ 11.9(d)(3) Commitment of Development Funding by Unit of general Local Government
- ❑ 11.9(d)(4) State Senator and State Representative, and
- ❑ 11.9(d)(6) Community Revitalization Plan
- ❑ 11.9(e)(2) Cost of the Development per Square Foot
- ❑ 11.9(f) Point Deductions

Selection Criteria

The Selection Criteria items have been arranged differently in the 2013 QAP. They have been divided into the following four categories:



- ❑ **Criteria Promoting the Development of High Quality Housing**
- ❑ **Criteria to Serve and Support Texans Most in Need**
- ❑ **Criteria Promoting Community Support and Engagement**
- ❑ **Criteria Promoting the Efficient Use of Limited Resources and Applicant Accountability**

Criteria Promoting the Development of High Quality Housing

This category includes the following scoring items and are substantiated through the following forms in the Multifamily Application:

- **Size and Quality of Units**
 - Unit Sizes – *Development Activities* Form
 - Unit Features - *Development Activities* Form
- **Sponsor Characteristics** – *Sponsor Characteristics* Form

11.9(b)(1) Size and Quality of the Units

(A) Unit Sizes (7points) - Minimums are as follow:

- ❑ 550 square feet for an Efficiency Unit,
- ❑ 650 square feet for 1BR Units,
- ❑ 850 square feet for 2BR Units,
- ❑ 1,050 square feet for 3BR Units, and
- ❑ 1,250 square feet for 4BR Units.

- ❑ Rehabilitation (excluding Reconstruction), USDA funding and Supportive Housing will receive points without meeting the minimums ONLY if requested on the Self Score Form.

11.9(b)(1) Size and Quality of the Units (continued)

(B) Unit Features (7 points) - Selected features must be in every Unit.

- ❑ The list of amenities and associated points can be found in 10.101(b)(6)(B).
- ❑ Selected amenities and quality features must be at no charge to the tenant.
- ❑ Rehabilitation Applications start with a base score of 3 points.
- ❑ Supportive Housing Developments start with a base score of 5 points.
- ❑ Amenities selected will be listed in the LURA.
- ❑ Scattered Site Developments must have a specific amenity located within each Unit to count for points.

11.9(b)(2) Sponsor Characteristics

NEW!

Application may receive **1** point if the ownership structure contains a HUB as certified by the Texas Comptroller of Public Accounts, or a Qualified Nonprofit Organization provided the Application is under the Nonprofit Set-Aside.

- Must have combination of ownership interest, cash flow from operations, and developer fee. These must equal 80% and no category can be less than 5%.
- Must materially participate in the Development and operation throughout the Compliance Period.

11.9(b)(2) Sponsor Characteristics (continued)

- Must have experience directly related to the housing industry.
- ✓ **Property management**
- ✓ **Construction**
- ✓ **Development**
- ✓ **Financing**
- ✓ **Compliance**
- Evidence of experience in the field will be required and may be in the form of resumes, documentation of participation in previous development activities, etc.
- The Principals of the HUB or Qualified Nonprofit Organization cannot be a Related party to any Principals of the Applicant or Developer unless the Related party is a wholly-owned subsidiary.

§11.9(b)(2) Sponsor Characteristics

2. Application is attempting to score as a HUB and meets the criteria below:

Yes The ownership structure contains a HUB, and evidence from the Texas Comptroller of Accounts is provided behind this Tab. 

yes The HUB has some combination of ownership interest, cash flow from operations, and developer fee which taken together equal at least 80 percent and no less than 5 percent for any category.

Ownership Interest: 20.00%


Cash flow from operations: 50.00%

Developer Fee: 10.00%

Total: 80.00%

Yes The HUB will materially participate in the Development and the operation of the Development throughout the Compliance Period.

The HUB has experience directly related to the housing industry. (mark all that apply)

Property Management Construction Development Financing Compliance 


There is no relationship between the Principals of the HUB and any Principals of the Applicant or Developer. (unless the Related Party is wholly-owned subsidiary of the HUB)

Eligible Points:

A Sponsor Characteristics form is provided in the Multifamily Application that will populate the *Self Score* form dependent on the completion of the required fields. In this example the HUB option is being utilized. Quiz: Why is the “Eligible Points” field still at “0”?

§11.9(b)(2) Sponsor Characteristics

2. Application is attempting to score as a HUB and meets the criteria below:

Yes The ownership structure contains a HUB, and evidence from the Texas Comptroller of Accounts is provided behind this Tab. 

yes The HUB has some combination of ownership interest, cash flow from operations, and developer fee which taken together equal at least 80 percent and no less than 5 percent for any category.

Ownership Interest: 20.00%

Cash flow from operations: 50.00%

Developer Fee: 10.00%

Total: 80.00%

Yes The HUB will materially participate in the Development and the operation of the Development throughout the Compliance Period.

The HUB has experience directly related to the housing industry. (mark all that apply)

Property Management Construction Development Financing Compliance

There is no relationship between the Principals of the HUB and any Principals of the Applicant or Developer. (unless the Related Party is wholly-owned subsidiary of the HUB)

Eligible Points:

Answer: All yellow boxes must be completed in order for the “Eligible Points” field to populate.

Criteria to Serve and Support Texans Most in Need

This category includes the following scoring items and are substantiated through the following forms in the Multifamily Application:

- **Income Levels of Tenants** – *Development Activities*
- **Rent Levels of Tenants** - *Development Activities*
- **Tenant Services** - *Development Activities*
- **Opportunity Index** – *Site Information Form I*
- **Educational Excellence** - *Site Information Form I*
- **Underserved Area** - *Site Information Form I*
- **Tenant Populations with Special Housing Needs** - *Development Activities*

11.9(c)(1) Income Levels of Tenants

(1) Income Levels of Tenants - Up to 15 points for restricting incomes throughout the Affordability Period. Only one selection can score.

(A) Developments in a non-Rural Area of Dallas, Fort Worth, Houston, San Antonio, or Austin MSAs score as follows:

at least 40% of all low-income Units at 50% or less of AMGI (15 points),

at least 30% of all low income Units at 50% or less of AMGI (13 points),

at least 20% of all low-income Units at 50% or less of AMGI (11 points).

11.9(c)(1) Income Levels of Tenants (continued)

(B) Developments in areas other than those in (A) above score as follows:

at least 20% of all low-income Units at 50% or less of AMGI (15 points),

at least 15% of all low-income Units at 50% or less of AMGI (13 points),

at least 10% of all low-income Units at 50% or less of AMGI (11 points).

§11.9(c)(2) Rent Levels of Tenants

(2) Rent Levels of Tenants. Up to 11 points for restricting rents throughout the Affordability Period. Only one selection can score. The selections are:

at least 20% of all low-income Units at 30% or less of AMGI ,
**only for Supportive Housing Developments qualifying
under the Nonprofit Set-Aside** (11 points),

at least 10% of all low income Units at 30% or less of AMGI or,
for a Development in a Rural Area, 7.5% of all low income Units
at 30% or less of AMGI (9 points), or

at least 5% of all low-income Units at 30% or less of AMGI
(7 points).

**These Units are in addition to those committed under
Income Level of Tenants point item.**

11.9(c)(3) Tenant Services

Tenant Services. A Supportive Housing Development qualifying under the Nonprofit Set-Aside may receive up to **9** points and all other Developments may receive up to **8** points.

- ❑ Selecting these points creates an obligation to provide supportive services appropriate for the tenant population from the list in 10.101(b)(7) and is a certification that there is adequate space for the services. The services will be included in the LURA.
- ❑ The services may change but the overall point value must remain the same.
- ❑ No fees may be charged for any of these services.
- ❑ Services must be on-site or include transportation if off-site.
- ❑ The same service (amenity) may not be used for more than one scoring item.

11.9(c)(4) Opportunity Index

Opportunity Index. Site's location in a census tract with a poverty rate below 15% for Individuals (35% in Regions 11 and 13) scores up to seven 7 points under 11.9(c)(4)(A) or (B).

- ✓ The poverty rate is based on the most recent 5-year American Community Survey available on November 15.
- ✓ In order to qualify for points, Applicants cannot use the ratings of elementary school attendance zones with district-wide possibility of enrollment or no defined attendance zones (e.g., magnet schools). However, districts with district-wide enrollment may use the lowest rating of all elementary schools.

11.9(c)(4) Opportunity Index (continued)

- ✓ School ratings will be the Texas Education Agency (TEA) 2011 accountability rating.
- ✓ Ratings correspond to the school number. If a new school is formed or named or consolidated with another school with an existing number, the same number will determine the rating. For schools never rated by TEA, use the district rating.
- ✓ Schools serving grades inconsistent with TEA conventions for defining elementary schools (i.e., K-5 or K-6) will take the lowest of the ratings of the schools that would combine to conform with TEA conventions.

11.9(c)(4) Opportunity Index (continued)

(A) For Developments located in an Urban Area (select one option):

- (i)** Development targets general population or Supportive Housing, census tract (CT) is in top quartile in median household income for county or MSA as applicable, and Site is in the attendance zone of an elementary school that is exemplary or recognized (7 points).
- (ii)** Development targets general population or Supportive Housing, CT is in top two quartiles in median household income for county or MSA, as applicable, and Site is in the attendance zone of an elementary school that is exemplary or recognized (5 points).
- (iii)** Regardless of population served, Development is in CT with income in top quartile of median household income for the county or MSA as applicable, and Site is in the attendance zone of an elementary school that is exemplary or recognized (5 points).
- (iv)** Regardless of population served, Development is in CT with income in top quartile of median household income for county or MSA as applicable (3 points).
- (v)** Regardless of population served, Development is in CT with income in the top two quartiles of median household income for the county or MSA as applicable (1 point).

§11.9(c)(4) Opportunity Index (continued)

Urban Development	Poverty Factor	Required Target Population	Required Census Tract Quartile in Median Household Income for County or MSA	Required Elementary School TEA Rating	Points
i)	<15% for all individuals	General or Supportive Housing	Top Quartile	Exemplary or Recognized	7
ii)	<15% for all individuals	General or Supportive Housing	Top 2 Quartiles	Exemplary or Recognized	5
iii)	<15% for all individuals	Any	Top Quartile	Exemplary or Recognized	5
iv)	<15% for all individuals	Any	Top Quartile		3
v)	<15% for all individuals	Any	Top 2 Quartiles		1

11.9(c)(4) Opportunity Index (continued)

(B) For Developments located in a Rural Area (select one option):

- (i)** Development targets general population or Supportive Housing, census tract (CT) is in top quartile in median household income for county or MSA as applicable, and Site is in the attendance zone of an elementary school that is rated at least acceptable (7 points).
- (ii)** Development targets general population or Supportive Housing, CT is in top two quartiles in median household income for county or MSA, and Site is in the attendance zone of an elementary school that is rated at least acceptable (5 points).
- (iii)** Regardless of population served, Development is in CT in top quartile of median household income for the county or MSA and Site is in the attendance zone of an elementary school that is rated at least acceptable (5 points).
- (iv)** Regardless of population served, Development is in CT in top quartile of median household income for county or MSA (3 points).
- (v)** Any Development, regardless of population served is located in a census tract with income in the top two quartiles of median household income for the county or MSA as applicable (1 point).

§11.9(c)(4) Opportunity Index (continued)

Rural Development	Required Target Population	Required Census Tract Quartile in Median Household Income for County or MSA	Required Elementary School TEA Rating	Points
i)	General or Supportive Housing	Top Quartile	At Least Acceptable	7
ii)	General or Supportive Housing	Top 2 Quartiles	At Least Acceptable	5
iii)	Any	Top Quartile	At Least Acceptable	5
iv)	Any	Top Quartile		3
v)	Any	Top 2 Quartiles		1

11.9(c)(5) Educational Excellence

Location in attendance zone(s) of public school(s) with TEA rating(s) of recognized or exemplary scores up to **3** points.

- Excludes schools with district-wide possibility of enrollment or no defined attendance zones (e.g., magnet schools). However, for districts with district-wide enrollment, the lowest rating of all elementary, middle or high schools, respectively, can be used.
- Use 2011 TEA rating.
- Ratings correspond to the school number. If a new school is formed or named or consolidated with another school with an existing number, the same number will determine the rating. For schools never rated by TEA, use the district rating.

11.9(c)(5) Educational Excellence (continued)

- Schools serving grades inconsistent with TEA designations (i.e., K-5 or K-6 for elementary schools, 6-8 or 7-8 for middle schools, and 9-12 for high schools) will take the lowest of rating of the schools that would combine to reflect TEA conventions.
- The 3 levels of schools rated must include all grades K-12. For the elementary school level in which one school serves K-4 and another serves 5-6, the elementary school rating is the lowest of these two schools' ratings. Similarly, for a 9th grade center and a high school that serves grades 10-12, the high school rating will be the lowest of the two schools' ratings.

11.9(c)(5) Educational Excellence (continued)

Points are as follows:

(A) location in attendance zone of an elementary school, middle school and high school with academic rating of recognized or exemplary (**3 points**); or

(B) Location in attendance zone of elementary school and either middle school or high school with rating of recognized or exemplary (**1 point**).

11.9(c)(6) Underserved Area

Developments located in (A) — (D) below and based on Target Population.

- General or Supportive Housing Developments (**2 points**); or
- Qualified Elderly Developments (**1 point**).

(A) Colonia,

(B) Economically Distressed Area,

(C) A Place, or if outside the boundaries of any Place, a county that has never received an HTC allocation, whether 9% or 4% HTC, that remains an active tax credit development, or

(D) In Rural Areas only, a census tract that has never received an HTC allocation, whether 9% or 4% HTC that remains an active tax credit development, serving the same Target Population.

11.9(c)(7) Tenant Populations with Special Housing Needs

Scores up to **2 points** if at least 5% of Units are set aside for Persons with Special Needs.

Persons with Special Needs is defined as the following:

Alcohol and/or drug addictions **Victims of domestic violence**

Colonia residents

Persons with HIV/AIDS

Persons with disabilities

Homeless populations

Migrant farm workers

Veterans, Wounded Warriors



Owner must affirmatively market to Persons with Special Needs throughout the Compliance Period. This includes minimum of twelve-months from PIS in which Units must be occupied by Persons with Special Needs or held vacant. After 12 months, requirement to hold vacant expires but requirement to affirmatively market Units to Persons with Special Needs remains effective.

Criteria Promoting Community Support and Engagement

This category includes the following scoring items and are substantiated through the following forms in the Multifamily Application:

- **Quantifiable Community Participation (QCP)** – QCP packet submitted by Neighborhood Organization.
- **Community Input Other Than QCP** – Actual letters received.
- **Commitment of Funding by Unit of General Local Government (UGLG)** – *Financing Narrative*
- **Community Support by State Representative or Senator** - Actual letters received.
- **Declared Disaster Area** - *Site Information Form I*
- **Community Revitalization Plan** – *Site Information Form I*

11.9(d)(1) Quantifiable Community Participation (QCP)

An Application may qualify for up to **16** points for written statements from a Neighborhood Organization. A Neighborhood Organization is an organization that is composed of persons living near one another within the organization's defined boundaries for the neighborhood and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood.

To qualify for review, a Neighborhood Organization:

- Must have been in existence before **January 8, 2013**;
- Have boundaries that contain the Development Site;
- Be on record with the State, TDHCA, or County in which the Neighborhood Org is located. **NOTE:** Requests to be on record with TDHCA for the current Application Round will require the appropriate documentation to be submitted no later than **5pm on March 1, 2013**.



11.9(d)(1) QCP (Continued)

QCP Neighborhood Information Packet is located under Neighborhood Resources in the Multifamily Housing section of the TDHCA Website:

<http://www.tdhca.state.tx.us/housing-center/neighborhoods.htm> and will also be located within the Multifamily Programs Procedures Manual.

The QCP Neighborhood Information Packet is due March 1, 2013. It can be submitted by facsimile, email, or mail.

Technical Assistance. If there is no Neighborhood Organization already on record, the Applicant, Development Owner, or Developer is allowed to provide technical assistance in the creation of and/or placing on record of a Neighborhood Organization provided that no Neighborhood Organization exists. Technical Assistance is limited to:

- The use of a facsimile, copy machine/copying, email and accommodations at public meetings.
- Assistance in completing the QCP Neighborhood Information Packet, providing boundary maps and assisting in the Administrative Deficiency process.

11.9(d)(1) QCP (Continued)

The written statement from the Neighborhood Organization must meet the following requirements:

- the Neighborhood Organization's name, a written description and map of the organization's boundaries, signatures and contact information (phone, email and mailing address) for at least two individual members with authority to sign on behalf of the organization;
- certification that the boundaries of the Neighborhood Organization contain the Development Site and that the Neighborhood Organization meets the definition pursuant to Texas Government Code, §2306.004(23-a) and includes at least two separate residential households; and
- an explicit expression of support, opposition, or neutrality. Any expression of opposition must be accompanied with at least one reason forming the basis of that opposition. A Neighborhood Organization is encouraged to be prepared to provide additional information with regard to opposition.

11.9(d)(1) QCP (Continued)

Point Values for QCP



- 16 points for explicit support from a Neighborhood Organization that, during at least one of the three prior Application Rounds, provided a written statement that qualified as QCP, opposing any Competitive Housing Tax Credit Application and whose boundaries remain unchanged.
- 14 points for explicitly stated support.
- 12 points for a neutral statement from a Neighborhood Organization that, during at least one of the three prior Application Rounds, provided a written statement that qualified as QCP, opposing any Competitive Housing Tax Credit Application and whose boundaries remain unchanged.

11.9(d)(1) QCP (Continued)

Point Values for QCP (Continued)

- 10 points for statements of neutrality from a Neighborhood Organization or statements not meeting all the explicit requirements of this section, or an existing Neighborhood Organization provides no statement of either support, opposition or neutrality
- 10 points for areas where no Neighborhood Organization is in existence, equating to neutrality
- 0 points for statements of opposition

NOTE: Any written statement from a Neighborhood Organization expressing opposition to an Application may be challenged if it is contrary to findings or determinations of a municipality, county, school district, or other local governmental entity having jurisdiction or oversight over the funding or determination. More details will be discussed under the Challenges to Neighborhood Organization section.



11.9(d)(2) Community Input Other Than QCP



If no Neighborhood Organization exists, or a statement of neutrality, or no statement of support, opposition, or neutrality is received from a Neighborhood Organization under QCP, then letters under (A), (B) and/or (C) below can receive **up to 4 points max.**

Letters must be in the Application upon its submission.

(A) Each letter of support from a community or civic organization that serves the community in which the Development Site is located scores **2** points. Letters must include all of the following:

- Identify the Development by its specific location.
- Specifically state support for the Development at its proposed location.
- Organization stating support must be qualified as tax exempt with *primary* purpose being the overall betterment, development, or improvement of the whole community or a major aspect of the community.

11.9(d)(2) Community Input Other Than QCP (Continued)

- Organization must document its tax exempt status.
- Organization must document its existence and participation in the applicable community including listings of services and/or members, brochures, annual reports, etc. Organizations that do not provide reasonable evidence of activity in the Development's area will not qualify.
- Community and civic organizations do not include neighborhood organizations, governmental entities (excluding Special Management Districts), or taxing entities.
- If an Applicant elects this option and the Application receives letters in opposition, **2 points** will be subtracted from the score for each such letter if the letter is from an organization that qualifies under this subparagraph.

11.9(d)(2) Community Input Other Than QCP (continued)

(B) 2 points for a letter of support from a property owner's association (POA) created for a master planned community whose boundaries contain the Site and which is not a Neighborhood Organization under the QCP criteria.

(C) 2 points for a letter of support from a Special Management District, whose boundaries, as of March 1, 2013, include the Site and for which there is no Neighborhood Organization on record with the county or state.

(D) Evidence suggesting opposition to the Department's intention to affirmatively further fair housing will not be considered. Input implying non-compliance with the Fair Housing Act may be referred to the Texas Workforce Commission for investigation. Such a referral will not, standing alone, cause staff or the Department to terminate the Application. Staff will report all such referrals to the Board and summarize the status of any such referrals in any recommendations.

11.9(d)(3) Commitment of Development Funding by Unit of General Local Government (UGLG)

Score up to **13 points** for commitment of funding from city or county (UGLG) containing the Development.

Funding from instrumentalities of cities or counties will **not** qualify **unless**:

- instrumentalities first award the funds to the UGLG for administration, or
- at least 60 percent of the governing board of the instrumentality is comprised of city council members or county commissioners as applicable, or
- 100% of the governing board is appointed by elected officials of the city or county (if not located within a city).

11.9(d)(3) Commitment of Development Funding by UGLG (continued)

A Government Instrumentality may not be a Related Party to the Applicant.

Funding must be:

- a construction and/or permanent loan at interest no higher than 3% per annum and term of at least 5 years;
- a grant, in-kind contribution, or contribution that will support the Development, such as vouchers; or
- some combination of the above.

11.9(d)(3) Commitment of Development Funding by UGLG (continued)




Funds cannot be provided to the UGLG by the Applicant or a Related Party.

HOME and CDBG funds administered by the State of Texas **cannot** be used for this scoring item **except** where the city, county or instrumentality is an actual applicant for and subrecipient of such funds for use in providing financial support to the proposed Development.

Application must contain an acknowledgement from the applicable city or county that a request for funds was submitted and that a decision about funding will occur no later than **September 1, 2013**.

A firm commitment of funds is required by Commitment or the points will be lost, unless the Applicant provides a firm commitment for funds in the form of a resolution from the UGLG in the Application.

11.9(d)(3) Commitment of Development Funding by UGLG (continued)

(A) Population in funding calculations below is population of the Place that determines the Development's Rural or Urban Area designation.  Locations outside census designated places use population of the nearest Place. Funds for each scoring level are per Low Income Unit.

- (i)** 12 points for the lesser of the population of the Place times 0.15 or \$15,000,
- (ii)** 11 points for the lesser of the population of the Place times 0.10 or \$10,000,
- (iii)** 10 points for the lesser of the population of the Place times 0.05 or \$5,000,
- (iv)** 9 points for the lesser of the population of the Place times 0.025 or \$1,000, or
- (v)** 8 points for the lesser of the population of the Place times 0.01 or \$500.

11.9(d)(3) Commitment of Development Funding by UGLG (continued)

- (vi) 7 points for a resolution of support from the Governing Body of the city or county (if Development is not located within a city) stating that the city or county would provide development funding but has none available due to budgetary or fiscal constraints and, despite reasonable efforts, has been unable to identify and secure funding.
- Resolution must be submitted with Application and dated **prior to March 1, 2013**.
 - A general letter of support will not qualify.
- (B) 1 point may be added to the points in (A) above if the Applicant provides a firm commitment for funds in the form of a resolution from the UGLG in the Application.

11.9(d)(3) Commitment of Development Funding by UGLG (continued)

- If Development is located within the city limits of a city, eligible funding must come from:
 - The county government for the county in which the Development Site is located; or
 - The City government for the city in which the Development Site is located;
 - A government instrumentality of the city in which the Development Site is located provided at least 60% of the board of the instrumentality are also city council members for that city; or
 - A government instrumentality of the city in which the Development Site is located provided at least 100% of the board of the instrumentality is appointed by city elected official

11.9(d)(3) Commitment of Development Funding by UGLG (continued)

- If Development is located outside city limits (even if within the ETJ of a municipality), eligible funding must come from:
 - The county government for the county in which the Development Site is located; or
 - A government instrumentality of the county in which the Development Site is located provided at least 60% of the board of the instrumentality are also county commissioners for that city; or
 - A government instrumentality of the county in which the Development Site is located provided at least 100% of the board of the instrumentality is appointed by county elected officials.

11.9(d)(3) Commitment of Development Funding by UGLG (continued)

1. Commitment of Development Funding by Unit of General Local Government (§11.9(d)(3))								
				UGLG Funding Amount	\$	350,000		
				Per Unit Funding Amount:	\$	3,500		
							eligible for points:	
i.	Population	80,000	x 0.15 =	\$ 12,000	or	\$ 15,000 per unit	scoring threshold: \$ 12,000 per unit	<input type="text"/>
ii.	Population	80,000	x 0.10 =	\$ 8,000	or	\$ 10,000 per unit	scoring threshold: \$ 8,000 per unit	<input type="text"/>
iii.	Population	80,000	x 0.05 =	\$ 4,000	or	\$ 5,000 per unit	scoring threshold: \$ 4,000 per unit	<input type="text"/>
iv.	Population	80,000	x 0.025 =	\$ 2,000	or	\$ 1,000 per unit	scoring threshold: \$ 1,000 per unit	<input type="text" value="9"/>
v.	Population	80,000	x 0.01 =	\$ 800	or	\$ 500 per unit	scoring threshold: \$ 500 per unit	<input type="text" value="8"/>
	Firm Commitment received from Unit of General Local Government?				<input type="text" value="Yes"/>	Eligible for 1 additional point		
	Resolution of support from the Governing Body of the city or county in which the Development is located stating that they would provide development funding but have no funding available due to budgetary or fiscal constraints							<input type="text"/>
								<input type="text"/>
	Total Points Claimed:							<input type="text" value="9"/>

This point item is located on the *Financing Narrative*. In this example the population is 80,000, UGLG financing is \$350,000, and there are 100 LI Units. The UGLG points based on these amounts may be up to 9 points. An additional point could be awarded if a firm commitment evidence by a resolution is included in the Application. Note: “Total Points Claimed” has a drop-down list .

11.9(d)(4) Community Support from State Representative or Senator

Applications may **score 12 points or lose 12 points** for this item.


- letters must be on the legislator's letterhead,
 - signed by the legislator, personally,
 - identify the specific Development,
 - clearly state support or opposition to the specific Development.
- Letter can be submitted in Application or delivered separately no later than **April 1, 2013**.
- Letters may not be changed or withdrawn (so, should not be submitted before the deadline to permit consideration of all constituent comment and other relevant input).
- Legislators are those in office at the time the letter is submitted and whose district boundaries include the proposed Development Site.

11.9(d)(4) Community Support from State Representative or Senator (continued)

- ❑ Letters that are neutral, do not specifically refer to the Development, or do not specifically express support or opposition, will receive zero (0) points.
- ❑ A letter not directly expressing support but expressing it indirectly (*e.g.* "the local jurisdiction supports the Development and I support the local jurisdiction") is scored as a neutral letter.
- ❑ Points will be averaged. One letter in support and one letter in opposition score zero (0) points.

11.9(d)(5) Declared Disaster Area

This item scores up to **8** points as follows:

- **7** points if at any time within 2 years of Application submission, the proposed Development Site is in a declared disaster area under of the Texas Government Code, 418.014. Declaration of State of Disaster.
- Pre-emptive disaster declarations are excluded. 
- **8** points if the disaster declaration is localized, i.e., does not apply to the entire state.

11.9(d)(6) Community Revitalization Plan



This is the only scoring item that includes a distinction in criteria between Urban Region 3 and as opposed to other Urban Areas of the state.

- ✓ Criteria differs for Rural Areas.
- ✓ **Reminder:** Community Revitalization Plan must be in place and submitted by **January 8, 2013**.

11.9(d)(6) Community Revitalization Plan- Urban Region 3

(A) For Developments located in an Urban Area of Region 3.

(i) Score up to **6 points** if site is in a community revitalization plan and meets criteria (I) – (VII):

(I) Plan was adopted by municipality or county containing the Site.

(II) In a process providing for public input, the municipality or county assessed several factors to be addressed by the community revitalization plan. A list of such factors is included in 11.9(d)(6)(A).

(III) Municipality or county is not required to identify/address all factors listed but it must set forth a plan for factors identified as those to be addressed.

11.9(d)(6) Community Revitalization Plan- Urban Region 3

- (IV) Municipality or county must base its plan on the findings of its assessment and must have provided for public input/comment on the proposed plan and factors to be addressed. To the extent that issues identified require coordination with other authorities, jurisdictions, or the like, such as school boards or hospitals, the adopting municipality or county should include coordination with such bodies in its plan and, to the extent feasible, secure their cooperation.
- (V) The adopted plan, taken as a whole, must sustain a reasonable expectation it will revitalize the neighborhood and substantively address material factors identified. Because revitalization must identify specific matters needing to be addressed by revitalization and provide a plan and budget specifically directed at such issues, revitalization will be considered separate from broader economic development efforts.

11.9(d)(6) Community Revitalization Plan- Urban Region 3

(VI) Plan describes sources and uses of funds to accomplish its purposes.

(VII) Plan must already be in place at Pre-Application Final Delivery Date as evidenced by a certification that:

(a) Plan was duly adopted following required public comment processes.

(b) Funding and activity under the plan have already commenced.

(c) Municipality or county has no reason to believe that overall funding for full and timely implementation will be unavailable.

11.9(d)(6) Community Revitalization Plan- Urban Region 3

(ii) Points will be awarded based on the following:

- (I) **4 points** if plan's total budget or projected economic value is \$6,000,000 or greater; **or**
- (II) **2 points** if plan's total budget or projected economic value is at least \$4,000,000.
- (III) **2 points in addition** to points awarded under (I) and (II) if the Development is explicitly identified by the city or county as contributing most significantly to the concerted revitalization efforts of the city or county as applicable.
 - Resolution for city or county that approved plan must be submitted with the Application (**not required at pre-application**).
 - City or county may only identify **1 Development** for these additional points. Multiple applications that submit resolutions from the same Governing Body will render the applications ineligible for these additional points.



Pop Quiz!

1. Name three factors that could be addressed in a Community Revitalization Plan.
2. Fill in the blank: The target areas of the Community Revitalization Plan should be limited along the lines of specific _____.

11.9(d)(6) Community Revitalization Plan- Urban Region 3

- (iii)** At tax credit award, site and neighborhood must conform to rules regarding unacceptable sites.
- (iv)** Recognizing that municipalities and counties must devote time and effort to adopting a plan meeting the requirements of this scoring item, for the 2013 Application Round only, the Department's Board may determine whether a revitalization plan substantively satisfies a revitalization effort, notwithstanding failing to satisfy one or more of the factors required by this item. This determination will be made only if an Applicant requests it pursuant to the waiver provisions in 10.207.

11.9(d)(6) Community Revitalization Plan- Urban Area Outside of Region 3

(B) For Developments located in Urban Areas outside Region 3

(i) Score up to **6 points** for same criteria as in Region 3 under **(A)** above.

(ii) Application scores **6 points** if :

- City or county has existing plan for Community Development Block Grant Disaster Relief Program (CDBG-DR) funds, and
- Development Site is in the target area defined by the plan.
- Application has a **commitment** of CDBG-DR funds.

11.9(d)(6) Community Revitalization Plan- Urban Area Outside of Region 3

CDBG-DR plan meets the requirements of items (I) – (V) below.

- (I)** Plan defines specific target areas for redevelopment of housing, that do not encompass the entire jurisdiction;
- (II)** plan affirmatively addresses Fair Housing as demonstrated through an approved Fair Housing Activity Statement-Texas (FHAST);
- (III)** plan is subject to administration in a manner consistent with the findings of an Analysis of Impediments approved or accepted by HUD within the last 3 calendar years **or** an approved FHAST, approved by the Texas General Land Office;
- (IV)** plan is in place prior to January 8, 2013; and
- (V)** plan (in its entirety) and a letter from a local government official with specific knowledge and oversight of implementing the plan are ***included in the Pre-Application.*** The letter must meet the requirements of (C)(ii) below.

11.9(d)(6) Community Revitalization Plan- Rural Area

(C) For Developments located in a Rural Area

- (i) Score up to **6 points** if the city, county, state or federal approved construction, expansion or improvement of any of the following basic infrastructure or projects within a quarter mile of the Development Site or a different distance as identified.
- Such approval cannot be conditioned upon the award of tax credits or on any other event (i.e. zoning, permitting, etc) not directly associated with the particular infrastructure expansion.
 - Applicant or Related Party cannot contribute financing to the projects or infrastructure used in scoring this item **except** through the normal and customary payment of property taxes, franchise taxes, sales taxes, impact fees, and/or any other taxes or fees traditionally used to pay for or finance such infrastructure by cities, counties, state or federal governments or their related subsidiaries. .

11.9(d)(6) Community Revitalization Plan- Rural Area

(C) For Developments located in a Rural Area (cont'd)

- The project or infrastructure must have been completed no more than 12 months prior to December 17, 2012, or
- Be approved and projected to be completed within 12 months prior to December 17, 2012.

11.9(d)(6) Community Revitalization Plan- Rural Area

Application is eligible for **4 points for one** of the following items or **6 points for at least two** of the items:

- (I) paved roadways or expansion of paved roadways by at least one lane;
- (II) water
- (III) wastewater service;
- (IV) construction of a new police or fire station within 1 mile of the Development Site that has a service area that includes the Development Site; and
- (V) construction of a new hospital or expansion of an existing hospital's capacity by at least 25 percent within a 5 mile radius of the Development Site and ambulance service to and from the hospital is available at the Development Site. Capacity is defined as total number of beds, total number of rooms or total square footage of the hospital.

11.9(d)(6) Community Revitalization Plan- Rural Area

(C)(ii) The Applicant must provide a letter from a government official with specific knowledge of the project. However, Department staff may rely on other documentation that reasonably documents that the substance of this clause is met, in Department staff's sole determination. The letter must include the following:

- (I) nature and scope of the project;
- (II) completion or projected completion date;
- (III) source of funding for the project;
- (IV) proximity to the Development Site; and
- (V) date of any applicable city, county, state or federal approvals, if not already completed.

§11.9(d)(6) Community Revitalization Plan (continued)

This point item is located on the *Site Information Form I*.

10. Community Revitalization (*Competitive HTC Only*)

Region

Mark one of the five boxes below:

- Applicant obtained pre-clearance for a community revitalization plan, and evidence of pre-clearance is provided behind this tab.
- Development is in an Urban Area. Pre-clearance for a community revitalization plan was requested prior to the submission of the pre-application and is pending.
- Development is in an Urban Area, and a community revitalization plan which meets all of the requirements of §11.9(d)(6)(A)(i) - (iii) is provided behind this tab.
- Development is in an Urban Area outside of Region 3, and supporting documentation that meets all of the requirements of §11.9(d)(6)(B)(ii) is provided behind this tab.
- Development is in a Rural Area, and supporting documentation that meets all the requirements of §11.9(d)(6)(C) is provided behind this tab.

For an additional 2 points under §11.9(d)(6)(A)(ii)(III):

- Development is explicitly identified by the city or county as contributing most significantly to the concerted revitalization efforts of the city or county; resolution stating such is provided behind this tab

Application is seeking Community Revitalization Points:

Total Points Claimed:

Criteria Promoting Efficient Use of Limited Resources and Applicant Accountability

This category contains the following scoring items and are substantiated through the following forms in the Multifamily Application:

Financial Feasibility – *Financing Narrative*

Cost of Development per Square Foot – *Rent Schedule*

Pre-application Participation – *Development Activities*

Leveraging of Private, State, and Federal – *Financing Narrative*

Extended Affordability or Historic Preservation - *Development Activities*

Development Size - *Development Activities*

Right of First Refusal - *Development Activities*

11.9(e)(1) Financial Feasibility

For up to **18 points**, submit a 15-year itemized *pro forma* that:

- includes all projected income, operating expenses and debt service;
- specifically states growth assumptions that it reflects;
- exhibits a minimum must-pay debt coverage ratio of 1.15 for each year.
- *Pro Forma* must include a signature and contact information evidencing that it has been reviewed and found acceptable by an authorized representative of a proposed Third Party construction or permanent lender.

If the letter evidences review of the Development alone it will receive sixteen **(16) points**.

If the letter evidences review of the Development and the Principals, it will receive eighteen **(18) points**.



11.9(e)(2) Cost of Development per Square Foot

Score up to **10 points** for Building Cost per square foot of Net Rentable Area (NRA).

(Step 1) Calculate Building Cost per square foot of NRA (BC/NRA) as originally submitted and certified by the General Contractor less structured parking cost that is not Eligible Basis, divided by Net Rentable Area (NRA).

(Step 2) Divide the product of step 1 above into the mean cost per square foot for all similar development types.

(Step 3) Subtract one (1) from the result of step 2 above to arrive at the percentage that Building Cost/square foot of NRA is of points achieved under (B) graph.



11.9(e)(2) Cost of Development per Square Foot (continued)

- Cost of structured parking must be provided by a Third Party General Contractor or subcontractor with experience in structured parking.
- For the purposes of this point item, if a building is in a Qualified Elderly Development with an elevator, or any Development with one or more buildings any of which have elevators serving four or more floors (Elevator Served Development), the NRA will include elevator served interior corridors.
- If the proposed Development is a Supportive Housing Development, the NRA will include elevator served interior corridors and 50 square feet of common area per Unit.
- As it relates to this point item, an interior corridor is a corridor that is enclosed, heated and/or cooled and otherwise finished space.
- The calculations will be based on the cost listed in the Development Cost Schedule and NRA shown in the Rent Schedule of the Application.

11.9(e)(2) Cost of Development per Square Foot (continued)

- (A) Each Application will be categorized as one of the following:
- (i) Applications proposing Rehabilitation; **or**
 - (ii) If not proposing Rehabilitation, elevator served Development, more than 75 % single family design, and Supportive Housing Developments; **or**
 - (iii) All other Applications proposing New Construction, Reconstruction, or Adaptive Reuse.

11.9(e)(2) Cost of Development per Square Foot (continued)

- (B) Within each category listed in (A) above, 10 points will be awarded if the cost per square foot is within 10% of the mean cost per square foot.
- (C) The mean will be fixed based on original Applications received by the Department on or before **March 1, 2013**.
- ❑ Changes to a specific Application as a result of an Administrative Deficiency within the mean parameters in (B) will be allowed but additional points will not be received for such changes.
 - ❑ Program or underwriting reviews that result in an Applicant making corrections such that the revised costs fall outside of the mean parameters in (B) will have points reevaluated.

11.9(e)(2) Cost of Development per Square Foot

- (D)** Developments with Building Costs of less than \$80 per square foot shall receive no less than **8** points. Points under **(D)** are not in addition to the points achieved under **(B)**.
- (E)** Developments with Building Costs of less than \$80 per square foot may receive **10** points if the application also receives **5** or **7** points under Opportunity Index Selection Criteria. Points under **(D)** are not in addition to points achieved under **(B)**.

11.9(e)(3) Pre-application Participation

An Application may qualify to receive up to **6 points** provided a pre-application was submitted by January 8, 2013 and meets the following:

- ✓ Total number of Units does not increase by more than 10%;
- ✓ Urban or Rural designation remains the same;
- ✓ Application must be serving the same Target Population;
- ✓ Pre-application and Application are participating in the same Set-Asides;



11.9(e)(3) Pre-application Participation

- ✓ Final Application score (based on self score) does not vary more than 6 points from what was reflected on the self score at pre-application;
- ✓ All necessary waivers and pre-clearance were requested in the pre-application;
- ✓ Application site must be at least in part the same as the pre-application and the census tract is the same as at Pre-Application;
- ✓ Pre-application must have met Pre-App requirements; and
- ✓ The community revitalization plan was submitted at the time of pre-application.



11.9(e)(4) Leveraging of Private, State, and Federal Resources

Up to **3** points may be awarded if at least 5% of the total Units are at or below 30% AMGI and one of (i)-(iv) is met:

- (i) Development leverages CDBG Disaster Recovery, HOPE VI, or Choice Neighborhoods funding and the HTC funding request is less than 8% of the Total Housing Development Cost (**3** points);
- (ii) HTC funding request is less than 7% of the Total Housing Development Cost (**3** points);
- (iii) HTC funding request is less than 8% of the Total Housing Development Cost (**2** points);
- (iv) HTC funding request is less than 9% of the Total Housing Development Cost (**1** points);



11.9(e)(4) Leveraging of Private, State, and Federal Resources (Continued)

- Calculation of the percentage of HTC funding and Total Housing Development Cost based strictly on figures listed in the *Funding Request* and *Development Cost Schedule*.
- Calculation will be rounded to the nearest hundredth.
- No more than 50% of the developer fee can be deferred to be eligible for points.
- Should an Administrative Deficiency be issued that requires a change in either form, the calculation will be performed again and the score adjusted as necessary.





Pop Quiz!

Fill in the blank: No more than _____ of the developer fee can be deferred to be eligible for points under Leveraging of Private State, and Federal Sources.

11.9(e)(5) Extended Affordability or Historic Preservation

One of two options must be met to qualify for **2 points**:

- ❑ Development Owner agrees to extend the affordability period for a Development to 35 years total;

or

- ❑ Applicant proposes to use historic (rehabilitation) tax credit and provides documentation that an existing building that is part of the Development will qualify, be able to receive and document receipt of historic tax credits by issuance of IRS Forms 8609.

11.9(e)(6) Right of First Refusal

Receive **1** point for providing a right of first refusal to purchase the Development upon or following the end of the Compliance Period.

- Must be in accordance with Texas Government Code 2306.6726 (Sale of Certain Low Income Housing Tax Credit Property) and 10.407 (Right of First Refusal) of the Uniform Multifamily Rules.
- Must be in accordance with 10.408 (Qualified Contracts Requirements) of the Uniform Multifamily Rules.

11.9(e)(7) Development Size

An Application may receive 1 point if the Development is proposed to be 50 total HTC units or less and the HTC Funding Request is \$500,000 or less.



11.9(f) Point Deductions

(1) Any Applicant that elects points for a scoring item on the self score form that is unable to provide sufficient documentation for Department to award those points will receive a **1 point deduction per scoring item** in their final score.



Deduction does not apply to the following scoring items:

11.9 (d)(1) **Quantifiable Community Participation**

11.9 (d)(4) **Community Support from State Representative or Senator**

11.9 (d)(6) **Community Revitalization Plan**

11.9 (e)(2) **Cost of Development per Square Foot**

11.9 (e)(3) **Pre-Application Participation**

11.9(f) Point Deductions (Continued)

Staff will recommend to the Board a **deduction of up to 5 points** for any items in **(A)** below, unless the Board or Executive Director makes an affirmative finding based on facts that the need for the extension was beyond reasonable control of the Applicant and could not be reasonably anticipated.

- (A) Applicant or Affiliate failed to meet original Carryover submission or 10% Test deadlines or requested an extension of the Carryover submission or 10% Test deadline.
- (B) If the Developer or Principal of the Applicant violates the Adherence to Obligations.

11.9(f) Point Deductions (Continued)


- (C) Points will not be deducted for extensions that were requested on Rehabilitation Developments when the Department is the primary lender, or Development involves USDA as a lender if the Applicant is not determined to be at fault for missing the deadline.
- (D) Any deductions assessed by the Board for (A) or (B) above based on HTC Commitment from the preceding Application Round will be attributable to the Applicant or Affiliate of the Application submitted in the current Application Round.



Challenges of HTC Applications

Challenge of Competitive HTC Applications

The Department will address challenges received from unrelated entities to a specific 2013 active Application utilizing a preponderance of the evidence standard provided the following are submitted:

- Challenge and challenge processing fee must be received by the Department no later than **May 15, 2013**. 
- Challenge is clearly identifiable and includes contact information of challenger.
- Documentation in support of the challenge must be credible and substantiates the challenge.

Challenge of Competitive HTC Applications

- Challenges to financial feasibility are premature and won't be accepted.
- Challenges related to Undesirable Area Features will not be accepted unless they relate to a failure to disclose substantive issues not already disclosed.
- Once a challenge on an Application has been submitted, subsequent challenges on the same Application from the same challenger will not be accepted.
- Be prudent in identifying issues to challenge. Most issues will be identified and addressed through routine review and Administrative Deficiency process.
- The challenge process is more fully described in 11.10 of the 2013 QAP.



Challenges to Neighborhood Organization Opposition

Challenges to Neighborhood Organization Opposition

Challenges to Neighborhood Organization Opposition



Any written statement from a Neighborhood Organization expressing opposition to an Application may be challenged if it is contrary to findings or determinations, including zoning determinations, of a municipality, county, school district, or other local governmental entity having jurisdiction or oversight over the funding or determination.

For Competitive HTC Applications: The deadline for such challenge to be submitted to the Department is **May 1, 2013**.

For Tax-Exempt Bond Applications: Those who wish to pursue this challenge process must recognize the potential delay in getting their application to the Board given the 150-day deadline on the Certificate of Reservation.

Challenges to Neighborhood Organization Opposition (cont'd)

Challenges to Neighborhood Organization Opposition



If any such statement is challenged, the challenger must declare the basis for the challenge. The Neighborhood Organization expressing opposition will be given seven (7) calendar days to provide any support for the accuracy of its assertions. All such materials and the analysis of the Department's staff will be provided to a fact finder, chosen by the Department, for review and a determination. The determination will be final and may not be waived or appealed.



Tax Exempt Bond Applications

Texas Bond Volume Cap

- ❖ Approximately \$550 million in 2013 regular volume cap for multifamily housing.
- ❖ TDHCA Set Aside is approximately \$110 million.
- ❖ TSAHC Set Aside is approximately \$55 million.
- ❖ Local Issuers Regional Allocation \$383 million.

2013 TDHCA Bond Pre-Application Submission

- ❖ Pre-Inducement Questionnaire must be submitted prior to filing the bond pre-application.
- ❖ Pre-Applications are accepted monthly and the submission dates are listed on the Multifamily Bond page of the Department's website.
- ❖ Pre-Application threshold and scoring requirements can be found in the Multifamily Housing Revenue Bond Rules, Chapter 12 of the Texas Administrative Code.
- ❖ After the TDHCA Board has approved the Inducement Resolution the Application will be submitted to the Bond Review Board to receive a Certificate of Reservation.
- ❖ Once a Certificate of Reservation is issued, the bond transaction must close within 150 days or the reservation will be cancelled.

Application Submission - Fees

- ❖ **Pre-Application initial fees (TDHCA as Issuer):**
 - ❖ \$1,000 check payable to TDHCA
 - ❖ \$2,500 check payable to Bracewell & Guiliani
 - ❖ \$5,000 check payable to Texas Bond Review Board

- ❖ **Full Application Fees:**
 - ❖ \$30 per Unit; **and**
 - ❖ \$10,000 Bond Fee (only if TDHCA is the Issuer)

- ❖ **Full Application Fees (if multiple site):**
 - ❖ \$30 per Unit; **and**
 - ❖ \$30 per Unit OR \$10,000; whichever is greater

- ❖ **Refunding Application fees:**
 - ❖ \$10,000 (if TEFRA hearing will be required); **or**
 - ❖ \$5,000 (if no TEFRA will be required)



TDHCA Updates and Announcements

- Notice of ALL Updates and Announcements are communicated through the TDHCA List Serve and Email.
- To register with the Department's List Serve, go to the following address:
<http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>
 - ◆ Select TDHCA Email List (lower left corner)
 - ◆ Enter your email address and follow the instructions



Regulations, Statues and Rules

- Memorandum Opinion and Order – Remedial Plan
- 42 and 142 of the Internal Revenue Code
- 2306 of the Texas Government Code
- 1372 of the Texas Government Code
- CFR 24 (Code of Federal Regulations) HOME
- 10 TAC Chapter 10 Uniform Multifamily Rules
- 10 TAC Chapter 11 Qualified Allocation Plan
- 10 TAC Chapter 12 Multifamily Housing Revenue Bond Rules

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Successful Completion

