



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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December 16, 2013

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RE: 2014 MULTIFAMILY PROGRAMS APPLICATION WORKSHOPS AND CYCLE UPDATES

Dear Stakeholders:

Activities to prepare for the 2014 tax credit cycle are in full swing. The Governor's Office has approved the 2014 Qualified Allocation Plan ("QAP") with one change, revising the term "Central Standard Time" to be "Central Time Zone" in §11.1 of the QAP. Three multifamily application workshops were conducted around the state, reaching approximately 300 persons, including developers, attorneys, consultants, and other interested persons. The 2014 Uniform Application and most other application materials are now posted to the Department's website. A first round of frequently asked questions and answers are also available on the website (note the disclaimer on these materials!). Potential applicants are traveling throughout the state to identify and secure development sites. It is a frenetic time for all involved in affordable multifamily development here in Texas.

At the multifamily application workshops we covered a great deal of information that folks in the development community are taking into account as they identify sites. These workshops are also an incredibly beneficial experience for staff as we learn of your questions and concerns and try to be proactive in addressing them. We, staff, always appreciate the candid observations and "fringe" issues that always seem to arise with the implementation of a new set of rules and requirements. This is ultimately a real estate finance program, and the unique scenarios that developers encounter never cease to amaze us. Yet we at TDHCA do our best to develop and implement an objective set of standards and expectations for the development community and public. We strive for transparency and openness.

The application workshops are one example of this effort. However, through the process of conducting these workshops the development community points out areas in need of clarification on the slides and materials used in conducting these workshops. This year, staff identified the majority of such material issues, with the help of those in attendance, during each of the workshops and in all but a couple instances corrections to the materials was communicated at the same workshop as it was being held.



Attendees at each workshop were told that an updated set of slides with corrections would be made available shortly after the workshops. In order to ensure that the areas corrected are clear to those working on applications, we have added slide numbers and created a summary of the corrections made. That summary is as follows:

Slide #	Topic	Summary of Corrections
13	Credit Ceiling	Numbers updated
23	Set-Asides	Set Aside amounts revised based on posted Region Allocation chart
80	Selection Criteria	Added reference to Full Application to the opening description
87	Sponsor Characteristics	Added the parenthesized statement in the rule to the end of last bullet
99	Opportunity Index-Urban	Added a line at the bottom about the <35% poverty rate for Regions 11&13
104	Opportunity Index-Rural	Adjusted heading to clarify that these are the cumulative pts.
115	LPS	Added the county instrumentality information and removed parenthetical
120	LPS	Added the county references that were left out
121	LPS	Corrected 2 nd bullet related to phrase “county commissioners for that city”
135	CRP Region 3	Put in “area targeted for revitalization” where applicable
137	CRP Region 3	Reference to “Pre-application” corrected to “Full-Application”
138	CRP Region 3	Added “targeted area” where needed
153	Leveraging	Added RAD to list of federal programs
161	Pre-Application	Changed CST to Central Time Zone
163	MF App Submission	Changed CST and added “calendar” days
164	MF App Submission	Added “calendar” days
182	Admin Deficiencies	Changed CST to Central Time Zone
183	Admin Deficiencies	Changed CST to Central Time Zone
190	AM App-Admin	Inserted description under Certification of Principal
206	Occupied Rehabs	Changed date to correct Application Acceptance Period beginning date

Those attendees that anticipate completing a pre-application and/or full application are strongly advised to review the slides and consider them as they develop their materials for submission.

In addition, staff anticipates adding to the list of frequently asked questions (“FAQs”) that is already available on the website. We do our best to make time for all of your questions and in instances in which the questions would benefit the development community and public broadly, we strive to incorporate the answers into this FAQ. We encourage program participants to contact staff when needed. It is our desire to address issues before they develop into bigger problems or result in deficiencies or appeals. We encourage folks to browse through the FAQs periodically to stay informed on any new clarifications.

Some in the development community may notice that staff has incorporated a lengthy disclaimer into the signature block of our email correspondence. This disclaimer was not incorporated to distance ourselves from any responsibility we might have in conveying information incorrectly but rather to

ensure that recipients of our guidance and assistance understand the inherent limitations thereof. My staff and I always provide guidance in good faith and in an effort to resolve problems before they occur. However, final decisions and rule interpretations are made by our Governing Board. The purpose of this disclaimer is to remind applicants that the responsibility for complying with the rules and requirements is ultimately theirs.

As always, should you have any questions please feel free to contact me at cameron.dorsey@tdhca.state.tx.us, Jean Latsha at jean.latsha@tdhca.state.tx.us, or Teresa Morales at teresa.morales@tdhca.state.tx.us.

Sincerely,

Cameron Dorsey

Cameron F. Dorsey
Director of Multifamily Finance



2014 TDHCA Multifamily Application Training Workshop

Workshop Format

- ✓ This workshop is for general guidance for the 2014 multifamily programs.
- ✓ There will be a Q&A at the end but 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.

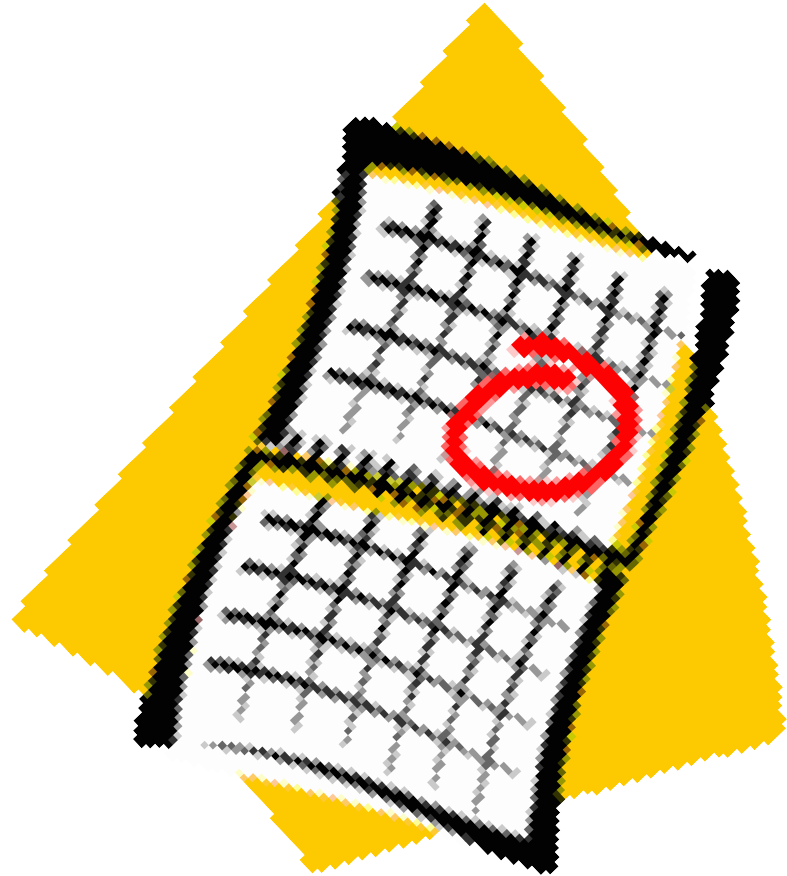
Disclaimer

11.3(b) Due Diligence and Applicant Responsibility. Department staff may, from time to time, make available for use by Applicants information and informal guidance in the form of reports, frequently asked questions, and responses to specific questions. The Department encourages communication with staff in order to clarify any issues that may not be fully addressed in the QAP or be unclear when applied to specific facts. However, while these resources are offered to help Applicants prepare and submit accurate information, Applicants should also appreciate that this type of guidance is limited by its nature and that staff will apply the rules of the QAP to each specific situation as it is presented in the submitted Application. Moreover, after the time that an issue is initially presented and guidance is provided, additional information may be identified and/or the issue itself may continue to develop based upon additional research and guidance. Thus, until confirmed through final action of the Board, staff guidance must be considered merely as an aid and an Applicant continues to assume full responsibility for any actions Applicant takes regarding an Application. In addition, although the Department may compile data from outside sources in order to assist Applicants in the Application process, it remains the sole responsibility of the Applicant to perform independently the necessary due diligence to research, confirm, and verify any data, opinions, interpretations, or other information upon which an Applicant bases an Application or includes in any submittal in connection with an Application. These rules may need to be applied to facts and circumstances not contemplated at the time of their creation and adoption. When and if such situations arise the Board will use a reasonableness standard in evaluating and addressing Applications for Housing Tax Credits.

Schedule

- 8:30 Staff Introductions
- 8:45 Section 811 Program
- 9:15 Previous Participation
- 9:45 Timeline, application materials, RAF, award and request limits, set-asides
- 10:15 Subchapters A, B, and C
- 11:15 Waivers, pre-clearance, staff determinations
- 11:30 LUNCH
- 12:30 QAP – housing de-concentration
- 12:45 QAP – scoring criteria
- 2:35 Submission of apps, evaluation process
- 2:45 Filling out the application
- 3:30 Challenges
- 3:45 HOME Funds
- 4:15 Tax-exempt bond applications
- 4:30 Q & A Session

Competitive Housing Tax Credit Timeline



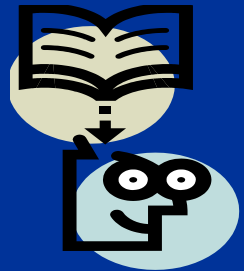
2014 Competitive HTC Program Timeline

- 1/02/2014 2014 Application Acceptance Period Begins
- 1/16/2014 Pre-Applications Due
- 2/28/2014 Full Applications Due
- 2/28/2014 Quantifiable Community Participation (QCP) Due
- 2/28/2014 Third-Party Reports Due (includes Phase I ESA, Site Design and Feasibility Report, PCA and Appraisal, if applicable)
- 2/28/2014 Market Analysis Summary Due
- 2/28/2014 Resolutions related to Housing De-concentration Factors Due
- 4/01/2014 Final Input from State Representative Due
- 4/01/2014 Resolutions for Local Government Support Due
- 4/01/2014 Market Analysis Report Report Due
- 5/01/2014 Challenges to Neighborhood Organization Opposition Due

2014 Competitive HTC Program Timeline

- **5/07/2014** 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
- **11/03/2014** Carryover Documentation Due
- **7/01/2015** 10% Test Documentation Due
- **12/31/2016** Placement in Service Deadline

Application Materials



Application Materials

- **2014 Uniform Multifamily Rules**
- **2014 Qualified Allocation Plan (QAP)**
- **2014 Multifamily Programs Procedures Manual**
- **2014 Competitive HTC Pre-Application**
- **2014 Uniform Application**
- **2014 Quantifiable Community Participation Packet**
- **2014 Experience Certification Packet**
- **2014 Uniform Multifamily Application Templates**
- **2014 Site Demographic Characteristics Report**
- **2014 Uniform Multifamily Certifications**
- **Electronic Filing Agreement and Payment Receipt**

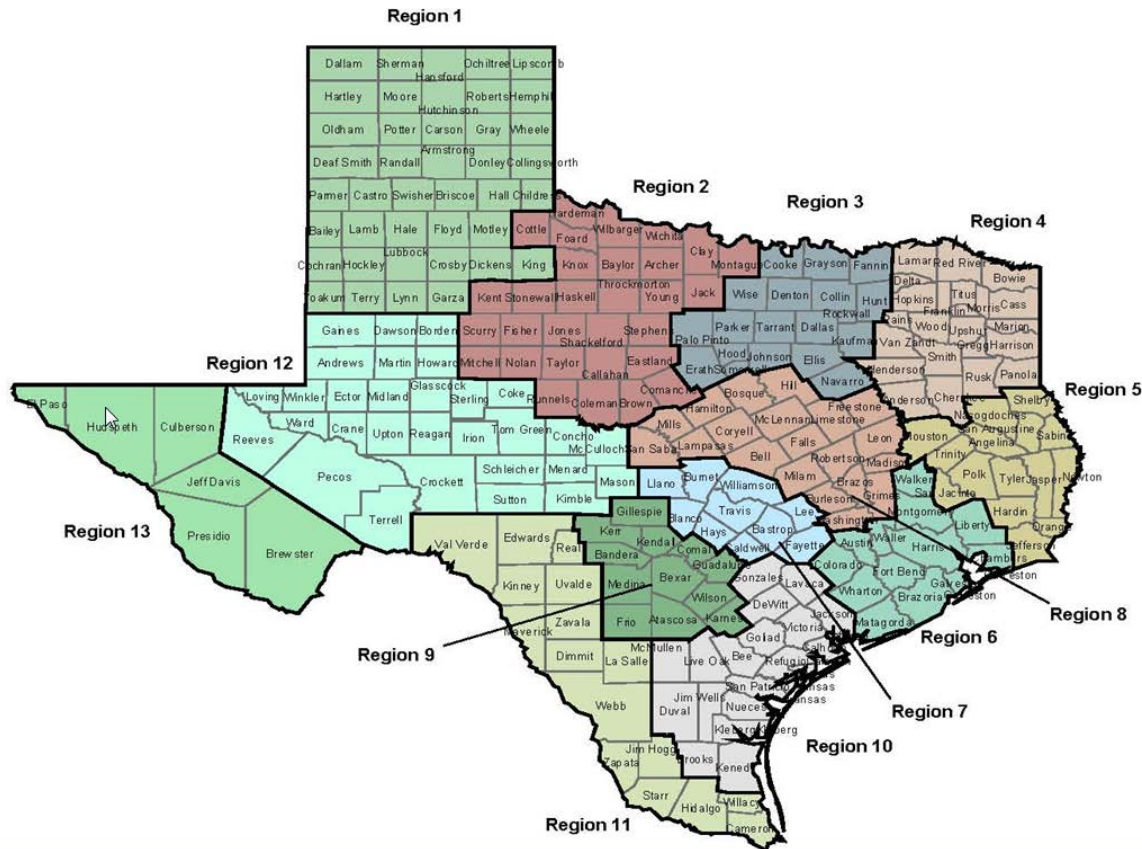
Application Materials (continued)

- **2014 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 Provisions



Competitive HTC Regional Allocation Formula (RAF)

13 State Service Regions



Estimated State Credit Ceiling is **\$59.9 million**.
85% of the State Credit Ceiling to be divided between the 13 State Service Regions and further split into urban and rural areas.

Estimated 2014 Regional Allocation

Region	Geographic Area	Initial Sub-Region Amount	2014 Calendar Year Returns	Sub-Region Amount after Returns	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 %
Urban	1 Lubbock	\$ 1,174,316		\$ 1,174,316	\$ -	\$ 674,316	2%	\$ (17,641)	\$ 1,156,675	2.27%
	2 Abilene	\$ 499,802		\$ 499,802	\$ 198	\$ -	0%	\$ 198	\$ 500,000	0.98%
	3 Dallas/Fort Worth	\$ 10,955,703		\$ 10,955,703	\$ -	\$ 10,455,703	27%	\$ (273,536)	\$ 10,682,167	20.97%
	4 Tyler	\$ 1,086,669		\$ 1,086,669	\$ -	\$ 586,669	2%	\$ (15,348)	\$ 1,071,321	2.10%
	5 Beaumont	\$ 796,885		\$ 796,885	\$ -	\$ 296,885	1%	\$ (7,767)	\$ 789,118	1.55%
	6 Houston	\$ 9,655,494		\$ 9,655,494	\$ -	\$ 9,155,494	23%	\$ (239,521)	\$ 9,415,973	18.48%
	7 Austin/Round Rock	\$ 3,729,422		\$ 3,729,422	\$ -	\$ 3,229,422	8%	\$ (84,486)	\$ 3,644,936	7.15%
	8 Waco	\$ 1,446,485		\$ 1,446,485	\$ -	\$ 946,485	2%	\$ (24,761)	\$ 1,421,724	2.79%
	9 San Antonio	\$ 4,120,815		\$ 4,120,815	\$ -	\$ 3,620,815	9%	\$ (94,726)	\$ 4,026,090	7.90%
	10 Corpus Christi	\$ 1,215,747		\$ 1,215,747	\$ -	\$ 715,747	2%	\$ (18,725)	\$ 1,197,022	2.35%
	11 Brownsville/Harlingen	\$ 5,268,818		\$ 5,268,818	\$ -	\$ 4,768,818	12%	\$ (124,759)	\$ 5,144,058	10.10%
	12 San Angelo	\$ 760,795		\$ 760,795	\$ -	\$ 260,795	1%	\$ (6,823)	\$ 753,972	1.48%
	13 El Paso	\$ 2,530,249		\$ 2,530,249	\$ -	\$ 2,030,249	5%	\$ (53,114)	\$ 2,477,135	4.86%

Max Funding Request/Award Limits
\$ 1,500,000
\$ 750,000
\$ 1,500,000
\$ 1,500,000
\$ 1,183,678
\$ 1,500,000
\$ 1,500,000
\$ 1,500,000
\$ 1,500,000
\$ 1,500,000
\$ 1,500,000
\$ 1,130,958
\$ 1,500,000

Rural	1 Lubbock	\$ 692,994		\$ 692,994	\$ -	\$ 192,994	0%	\$ (5,049)	\$ 687,945	1.35%
	2 Abilene	\$ 564,197		\$ 564,197	\$ -	\$ 64,197	0%	\$ (1,679)	\$ 562,517	1.10%
	3 Dallas/Fort Worth	\$ 573,723		\$ 573,723	\$ -	\$ 73,723	0%	\$ (1,929)	\$ 571,794	1.12%
	4 Tyler	\$ 1,455,022		\$ 1,455,022	\$ -	\$ 955,022	2%	\$ (24,985)	\$ 1,430,037	2.81%
	5 Beaumont	\$ 908,187		\$ 908,187	\$ -	\$ 408,187	1%	\$ (10,679)	\$ 897,508	1.76%
	6 Houston	\$ 366,480		\$ 366,480	\$ 133,520	\$ -	0%	\$ 133,520	\$ 500,000	0.98%
	7 Austin/Round Rock	\$ 199,198		\$ 199,198	\$ 300,802	\$ -	0%	\$ 300,802	\$ 500,000	0.98%
	8 Waco	\$ 593,381		\$ 593,381	\$ -	\$ 93,381	0%	\$ (2,443)	\$ 590,938	1.16%
	9 San Antonio	\$ 450,050		\$ 450,050	\$ 49,950	\$ -	0%	\$ 49,950	\$ 500,000	0.98%
	10 Corpus Christi	\$ 527,931		\$ 527,931	\$ -	\$ 27,931	0%	\$ (731)	\$ 527,200	1.03%
	11 Brownsville/Harlingen	\$ 908,294		\$ 908,294	\$ -	\$ 408,294	1%	\$ (10,682)	\$ 897,613	1.76%
	12 San Angelo	\$ 403,467		\$ 403,467	\$ 96,533	\$ -	0%	\$ 96,533	\$ 500,000	0.98%
	13 El Paso	\$ 61,619		\$ 61,619	\$ 438,381	\$ -	0%	\$ 438,381	\$ 500,000	0.98%

\$ 1,031,917
\$ 843,776
\$ 857,691
\$ 1,500,000
\$ 1,346,262
\$ 750,000
\$ 750,000
\$ 886,407
\$ 750,000
\$ 790,800
\$ 1,346,419
\$ 750,000
\$ 750,000

Urban Totals	\$ 43,241,200	\$ -	\$ 43,241,200	\$ 198	\$ 36,741,399		\$ -	\$ 42,280,190	82.99%
Rural Totals	\$ 7,704,541	\$ -	\$ 7,704,541	\$ 1,019,186	\$ 2,223,728		\$ -	\$ 8,665,552	17.01%

Regional Totals	\$ 50,945,742	\$ -	\$ 50,945,742	\$ 1,019,385	\$ 38,965,126		\$ -	\$ 50,945,742	85.00%
At-Risk Totals	\$ 8,990,425	\$ -	\$ 8,990,425				\$ -	\$ 8,990,425	15.00%
USDA (From At-Risk)	\$ 2,996,808	\$ -	\$ 2,996,808				\$ -	\$ 2,996,808	5.00%
Grand Totals	\$ 59,936,167	\$ -	\$ 59,936,167				\$ -	\$ 59,936,167	100.00%



HTC Award Recommendation Methodology

§11.6 (3) Award Recommendation Methodology

(Step 1) USDA Set-Aside Application Selection

(Step 2) At-Risk Set-Aside Selection

(Step 3) Initial Application Selection in Each Sub-Region

(Step 4) Rural Collapse

(Step 5) Statewide Collapse

(Step 6) Contingent Qualified Nonprofit Set-Aside

Award Recommendation Methodology

Awards from the Waiting List §11.6(4)



Waiting List. The Applications that do not receive an award by July 31 and remain active and eligible will be recommended for placement on the waiting list. The waiting list is not static. The allocation process will be used in determining the Application to award. For example, if credits are returned, those credits will first be made available in the set-aside or sub-region from which they were originally awarded. This means that the first Application on the waiting list is in part contingent on the nature of the credits that became available for award. The Department shall hold all credit available after the late-July awards until September 30 in order to collect credit that may become available when tax credit Commitments are submitted. Credit confirmed to be available, as of September 30, may be awarded to Applications on the waiting list unless insufficient credits are available to fund the next Application on the waiting list. For credit returned after September 30, awards from the waiting list will be made when the remaining balance is sufficient to award the next Application on the waiting list based on the date(s) of returned credit. Notwithstanding the foregoing, if decisions related to any returns or rescissions of tax credits are under appeal or are otherwise contested, the Department may delay awards until resolution of such issues. (§2306.6710(a) - (f); §2306.111)

§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.

- All entities that share a Principal are Affiliates.
- Persons to who this does NOT apply include those who provide equity or commercial financing or those who receive no more than 10% of Developer Fee (or 20% for developments in which a tax-exempt entity owns 50% of the general partner).



Tax Credit Request and Award Limits

Pursuant to §11.4(b) of the 2014 QAP:

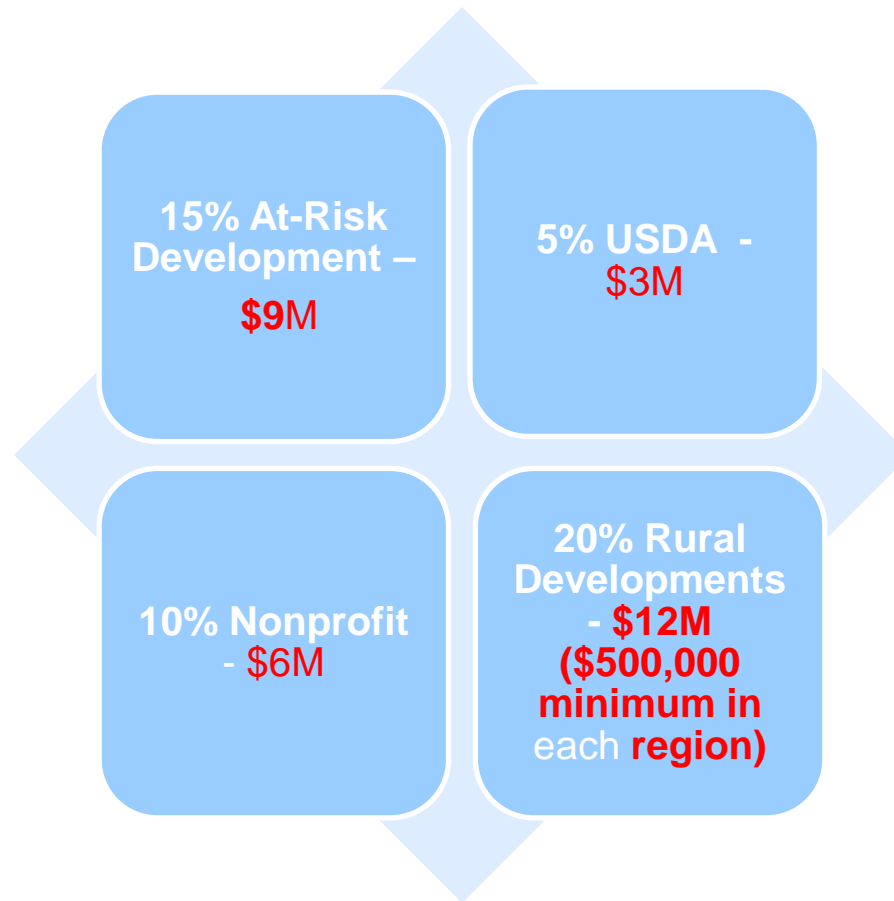
- ❑ Maximum competitive HTC request cannot be greater than 150% of the available amount in the sub-region or \$1,500,000, whichever is less.
- ❑ Maximum request for At-Risk Set-Aside is \$2,000,000.
- ❑ The Board may not award to any individual Development more than \$2 million in a single Application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

2014 Allocation Set-Asides



Nonprofit Set-Aside Requirements

- No notable changes from 2013.
 - See § 11.5(1) of the QAP.
-
- 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) or (B).
- ❑ Refer to the Multifamily Procedures Manual for a complete list.
 - ❑ New subsidies added in §2306.6702(a)(5)(B) as a result of H.B. 1888; public housing subsidies received under Section 9 of Housing Act of 1937.
- ❑ 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 years of July 31, 2014. Developments with HUD-insured mortgages qualifying as At-Risk under §2306.6702(a)(5) may be eligible if the HUD-insured mortgage is eligible for prepayment without penalty.



At-Risk Set-Aside Requirements

- ❑ 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. Alternatively, an Applicant may propose relocation of the existing units in an otherwise qualifying At-Risk Development if:
 - ❑ The affordability restrictions and any At-Risk eligible subsidies are approved to be transferred to the Development Site prior to the tax credit Commitment deadline;
 - ❑ The Applicant seeking tax credits must propose the same number of restricted units; and
 - ❑ The new Development Site must qualify for points on the Opportunity Index under §11.9(c)(4).



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.
- ❑ 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.

At-Risk Set-Aside Requirements

- ❑ The Department has submitted a request to the Attorney General for a formal opinion regarding Applications proposing a Rental Assistance Demonstration (RAD) conversion to determine whether or not they will qualify to compete under the At-Risk Set-Aside.
- ❑ The Department does not know when such opinion will be rendered, so Applicants proposing a RAD conversion and submitting under the Set-aside do so at their own risk.
- ❑ Pursuant to §11.6(3)(C) of the QAP, Applications electing the At-Risk Set-Aside are not eligible to receive an award out of the regional allocation.



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.

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.
- What exactly does the term “Place” mean?
- For any Development Site located in the ETJ of a municipality and not a in a Place, the Application shall have the Rural Area or Urban area designation of the municipality whose ETJ includes the location of the Development Site.
- For any Development Site not located within the boundaries of a Place or the ETJ of a municipality, the applicable designation is that of the closest Place.



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 tract may not exceed 20% 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**
- ❑ Applicant elects to restrict an additional 10% of proposed LI Units at or below 30% of AMGI; **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 **20%** HTC Units per household; **and** 
- ❑ QCT designation coincides with the program year the Certificate of Reservation is issued from the Bond Review Board.

Increase in Eligible Basis – 30% Boost

Competitive HTC and Tax-Exempt Bond



- For Developments located in QCT with 20% or higher HTC Units per households, the Development is eligible for the boost if the Application includes a resolution stating that the Governing Body of the appropriate municipality or county containing the Development has by vote specifically allowed the construction of the new Development and references this rule.
- If a resolution is required it must be submitted by the Full Application Delivery Date for Competitive HTC Applications or 14 days before the Board meeting for consideration of the 4% credits.

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.



Subchapter A

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

Developer Fee - Compensation in amounts defined in §10.302(e)(7) of this chapter (relating to Underwriting Rules and Guidelines) paid by the Owner to the Developer for Developer Services inclusive of compensation to a Development Consultant(s), Development Team member or any subcontractor that performs Developer Services or provides guaranties on behalf of the Owner will be characterized as Developer Fee.

Developer Services – A scope of work relating to the duties, activities and responsibilities for pre-development, development, design coordination and construction oversight of the Property generally including but not limited to:

Revised or New Definitions

Developer Services (cont'd) –

- (A) site selection and purchase or lease contract negotiation;
- (B) identifying and negotiating sources of construction and permanent financing, including financing provided by the Department;
- (C) coordination and administration of activities including the filing of applications to secure such financing;
- (D) coordination and administration of governmental permits and approvals required for construction and operation;
- (E) selection and coordination of development consultants including architect(s), engineer(s), third-party report providers, attorneys, and other design or feasibility consultants;
- (F) selection and coordination of the General Contractor and construction contract(s);
- (G) construction oversight;

Revised or New Definitions

Developer Services (cont'd) –

- (H) other consultative services to and for the Owner;
- (I) guaranties, financial or credit support if a Related Party; and
- (J) any other customary and similar activities determined by the Department to be Developer Services.

Economically Distressed Area - An area that is in a census tract that has a median household income that is 75 percent or less of the statewide median household income and in a municipality or, if not within a municipality, in a county that has been awarded funds under the Economically Distressed Areas Program administered by the Texas Water Development Board within the five (5) years ending at the beginning of the Application Acceptance Period. Notwithstanding all other requirements, for funds awarded to another type of political subdivision (e.g. a water district), the Development Site must be within the jurisdiction of the political subdivision.

Revised or New Definitions

Material Noncompliance – no longer exists.

Place – An area defined as such by the United States Census Bureau, which, in general, includes an incorporated city, town, or village, as well as unincorporated areas known as census designated places. The Department may provide a list of Places for reference.

Revised or New Definitions

Rural Area – (resulting from H.B. 429)

(A) A Place that is located:

(i) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area; **or**

(ii) within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 25,000 or less and does not share a boundary with an urban area

(B) For areas not meeting the definition of a Place, the designation as a Rural Area or Urban Area is assigned in accordance with §10.204(5) of this chapter (relating to Required Documentation for Application Submission).



Subchapter B

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 State or Local Government has undertaken and mitigation efforts or Development meets the requirements established for New Construction.

Site and Development Restrictions & Requirements

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

Examples: grocery store, pharmacy, bank, public transportation stop (see requirements), etc.

NEW: community, civic or service organizations (examples include Kiwanis or Rotary Club)



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, support structures for high voltage transmission lines, radio antennae, satellite towers, or other similar structures. 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)



- Rehabilitation Developments without ongoing and existing federal assistance from HUD or USDA may be granted an exemption from the undesirable site features.
- Request must be submitted at the time of or prior to the filing of an application.

Site and Development Restrictions & Requirements (continued)

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

- A history of significant or recurring flooding;
- Significant presence of blighted structures, blighted being the visible and physical decline of a property or properties due to a combination of economic downturns, residents and businesses leaving the area, and the cost of maintaining the quality of older 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.



Site and Development Restrictions & Requirements (continued)

Undesirable Area Features (continued):

- 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.

Site and Development Restrictions & Requirements (continued)

Undesirable Area Features (continued)

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



Disclosure (requests for pre-clearance) will be accepted at any time during the Application Acceptance Period.

Ineligible Developments

Few notable changes from 2013, except as follows:



- An Application proposing Rehabilitation (including Reconstruction) is not eligible for HOME Direct Loan funds from the Department.

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): 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.
- All other developments require a \$25K 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 and the tenants must receive written notice of the elections made by the Development Owner.
- ❑ Minimum number of required parking spaces must be provided at no cost.

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.

Few notable changes from 2013 include:


- Additional green building amenities
- Required tenant notification of amenities

Language correction:

- National Green Building Standard (~~NAHB~~ Green) (4 points)
 - “ICC 700 National Green Building Standard” is correct reference

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.
- ❖ Rehabilitation Developments (including Reconstruction) will be treated as Substantial Alteration, in accordance with §1.205. 





Subchapter C

Ineligible Applicants, §10.202



Note: Several criteria have been updated/clarified for 2014. Applicant will be ineligible if the Applicant:

- is found to be ineligible because of material uncured noncompliance reflected in the compliance history to the extent and where allowed by law or as assessed in accordance with §1.5 (relating to Previous Participation Reviews).
- was the owner or Affiliate of the owner of a Department HOME-assisted rental development for which the federal affordability requirements were prematurely terminated and the affordability requirements have not re-affirmed or HOME funds repaid.
- is found to have participated in the dissemination of misinformation about affordable housing and the persons it serves that would likely have the effect of fomenting opposition to an Application where such opposition is not based in substantive and legitimate concerns that do not implicate potential violations of fair housing laws.

Public Notifications, §10.203

- The historical requirement to request a list of Neighborhood Organizations is no longer required.
- Applicants are responsible for determining if neighborhood organizations exist whose boundaries contain the development site and that may be required to be notified.



Otherwise, public notification requirements remain largely the same.

New Threshold Requirement for Tax-Exempt Bond Developments, §10.204(4)



After providing Public Notification, as required by §10.203, the governing body of the area containing the Development Site (the municipality if within one, the County if not and both if within an ETJ) must:

- Hold a public hearing soliciting public input concerning the Application or Development. The Applicant may be asked to address any concerns raised at the meeting.
- A resolution of no objection from the applicable governing body must be presented to the Department by the Resolutions Delivery Date described in §10.4. (14 days before the Board meeting for consideration of 4% Credits)

New Threshold Requirement for Tax-Exempt Bond Developments, §10.204(4)



NEW!

- In providing a resolution, a municipality or county should consult its own staff and legal counsel as to whether such resolution will be consistent with Fair Housing laws as they may apply, including, as applicable, consistency with any FHAST form on file, any current Analysis of Impediments to Fair Housing Choice, or any current plans such as one year action plans or five year consolidated plans for HUD block grant funds, HOME or CDBG funds.
- Resolution must contain all appropriate references and certifications or the application may be terminated.
- Required certifications are described in §10.204(4)(D)(i-iv).

Experience Requirement, §10.204(6)




- Experience certificates from previous years no longer accepted.
- Principal of the Developer, Development Owner, or General Partner must provide evidence of involvement in the developing and placement in service of at least 150 units.
- For purposes of any individual attempting to use the experience of another individual, must demonstrate that they HAD the authority to act on their behalf and that substantiates the minimum 150 unit requirement. *Buying a portion of a limited partnership at a later date, after placement in service, does not constitute development experience.*
- Requests for experience certificates may be submitted prior to application submission or with the full application. Early submission does not guarantee a response from staff before application submission, but if a Principal is found not have the required experience, a replacement may be found before award.

Market Analysis Summary



- Applies to competitive HTC applications only.
- Due with full application submission.
- Consists of Primary Market Area (PMA) map, how the PMA is defined, and basic demographic information.
- See §10.205(2) of the Uniform Multifamily Rules.



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)
 - ✓ Chapter 12 (Multifamily Housing Revenue Bond Rules)

- ❑ 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 Chapter 2306 of the Texas Government Code).

Waiver of Rules for Applications (Cont.)



- ❑ Applicant may request a waiver in writing at any time during the Application Acceptance Period and subsequent to award.
- ❑ Waiver requests will not be accepted between submission of the Application and any award for the Application.
- ❑ There is no template or form for requesting waivers. Requests for waivers should be submitted directly to the appropriate program staff :
 - ❑ Competitive HTC applications – Jean Latsha
 - ❑ 4% HTC/Bond applications – Teresa Morales
 - ❑ HOME applications – Andrew Sinnott
 - ❑ Other – Cameron Dorsey



General Pre-clearance Process

- ❑ Pre-clearance may be requested for issues related to Undesirable Area Features.
- ❑ There is no Department form or template for the requests; see previous slide for staff members that will accept pre-clearance requests
- ❑ Applicant is encouraged to submit with the requested pre-clearance any plans for mitigation or alternative solutions.
- ❑ Any pre-clearance, if granted, shall apply solely to the Application and should not be construed to apply in other situations that may appear similar.
- ❑ **NOTE: No pre-clearance provision for CRPs (further discussion under Selection Criteria)**

Waivers and Pre-clearance requests

- ❑ Pre-clearance may be granted by the Executive Director.
- ❑ Pre-clearance and waivers may be granted by the Board.
- ❑ 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

§10.3(b) of Subchapter A of the 2014 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.

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.
- An Applicant may appeal a determination for their Application if the determination provides for a treatment that relies on factors other than the explicit definition.
- A Board determination or a staff determination not timely appealed cannot be further appealed or challenged.
- It is the Applicant's sole responsibility to request a determination.

Remaining Subchapters/Questions

- Subchapter D – Underwriting and Loan Policy
- Subchapter E – Post Award and Asset Management
- Subchapter G – Fee Schedule and Other Provisions
- Questions
- Break for lunch!



QAP / Chapter 11

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 within the same county in the same calendar year.
 - ❖ §2306.6711(f) of the Texas Government Code and §11.3(a) of the 2014 QAP.

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 by Full Application Delivery Date for HTC or Resolution Delivery Date in §10.4 for Tax Exempt Bonds).
- ❖ **NOTE:** If in an ETJ or unincorporated census designated place, look to the county both to determine whether in a “2X county” and to subsequently provide the resolution necessary for eligibility.
- ❖ Reference §2306.6703(a)(4) Texas Government Code and §11.3(b) of the 2014 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.
-  ❑ Exceptions can be found in §11.3(c) of the 2014 QAP.
 - ❑ Local Resolution may be necessary (Due by Full Application Delivery Date for HTC or Resolution Delivery Date in §10.4 for Tax Exempt Bonds).
- ❑ §2306.6703(a)(3) Texas Government Code.

Housing De-Concentration Factors (Cont.)

Limitations on Developments in Certain Census Tracts

- ❖ Applies to New Construction or Adaptive Reuse only where the tract has more than 20% HTC units per total household as established by the 5-year American Community Survey.

UNLESS



- ❖ The Development is in a place where population is less than 100,000; **or**
- ❖ Application includes local resolution from the Governing Body of the appropriate municipality or county (Due by Full Application Delivery Date for Competitive HTC or 14 calendar days before the Board meeting for Tax Exempt Bonds).
- ❖ §11.3(d) of the 2014 QAP.



Housing De-Concentration Factors (Cont.)

Developments in Certain Sub-Regions and Counties –



The following counties are ineligible for Qualified Elderly Developments unless located in a Rural Area of the county:

- ❖ Collin, Denton, Ellis, Johnson, Hays, and Guadalupe

The following Regions are ineligible for Qualified Elderly Developments unless located in a Rural Area of the region:

- ❖ 5, 6 and 8
- ❖ §11.3(e) of the 2014 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 as reflected in a current rent roll.
- ❖ The Application proposes the Rehabilitation or replacement of existing federally-assisted affordable housing units or federally-assisted affordable housing units demolished on the same site within two years of the beginning of the Application Acceptance Period.
- ❖ §11.3(f) of the 2014 QAP





Scoring 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 pertain to Full Application and are not included on the Self-Score form but will be included in the final awarded score.

- ❑ §11.9(d)(1) Local Government Support,
- ❑ §11.9(d)(4) Quantifiable Community Participation (QCP),
- ❑ §11.9(d)(5) Community Support from ~~State Senator and~~ State Representative, and
- ❑ §11.9(d)(6) Input from Community Organizations,

- ❑ **Change from 2013:** Applicants will need to elect desired points for Community Revitalization Plan and Cost of Development per Square Foot.

This is...



Selection Criteria

The Selection Criteria items are arranged by category in the QAP. They are divided as follows:

- ❑ **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 which are elected in the following tabs of the application:

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

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

(A) Unit Sizes (8 points) - 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

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 other Principals of the Applicant or Developer (excluding another Principal of said HUB or Qualified Nonprofit Organization).

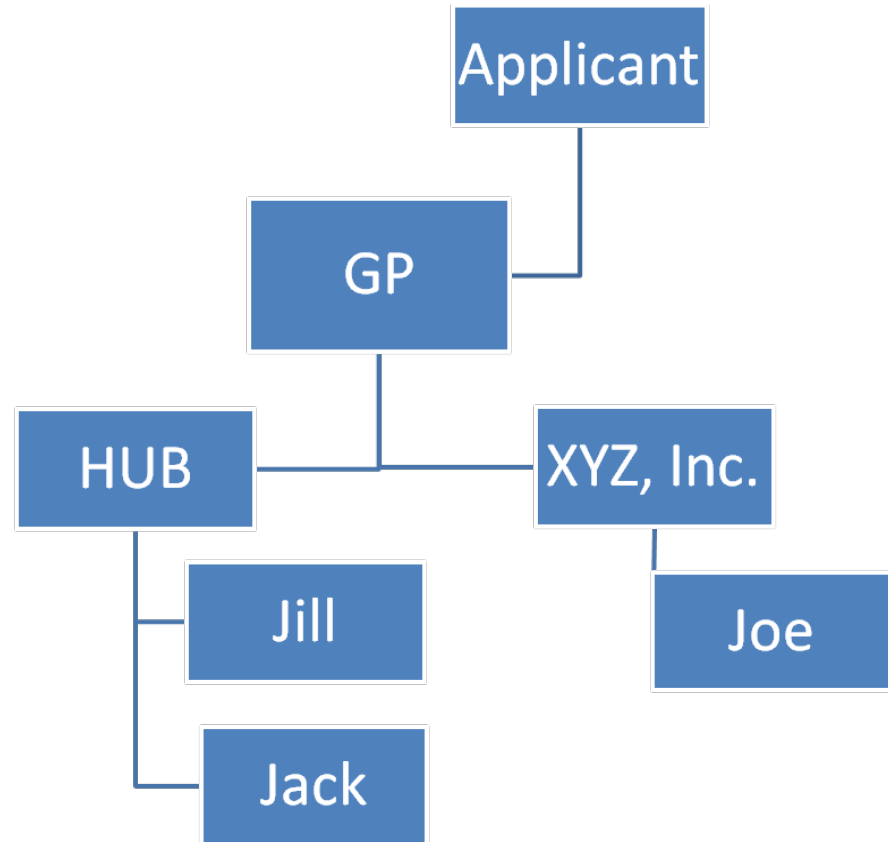
§11.9(b)(2) Sponsor Characteristics (continued)

It is OK for Jill and Jack to be related, but neither can be related to Joe.

Examples:

Jill and Jack are siblings, spouses, parent/child = OK

Joe and Jill/Jack are siblings, spouses, parent/child = **X**



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

§11.9(c)(1) Income Levels of Tenants

(1) Income Levels of Tenants - Up to 16 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 (16 points),

at least 30% of all low income Units at 50% or less of AMGI (14 points),

at least 20% of all low-income Units at 50% or less of AMGI (12 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 (16 points),

at least 15% of all low-income Units at 50% or less of AMGI (14 points),

at least 10% of all low-income Units at 50% or less of AMGI (12 points).

§11.9(c)(2) Rent Levels of Tenants



(2) Rent Levels of Tenants. Up to 13 points for restricting rents throughout the Affordability Period. Only one selection can score. For 13 points:

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 or the City of Houston’s Permanent Supportive Housing (“PSH”) program (13 points).**

If electing these points using the PSH program the following must also be met:

- ✓ **The application for PSH funds must have been submitted by the full Application Delivery Date;**
- ✓ **A commitment of PSH funds must be received by Commitment;**
- ✓ **The tax credit Application must qualify for either 5 or 7 Opportunity Index points; and**
- ✓ **No more than 18% of the total Units are restricted for Persons with Special Needs.**

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

§11.9(c)(2) Rent Levels of Tenants, cont'd

(2) **Rent Levels of Tenants.** Selections for 11 and 7 points are:

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 (11 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 or a Development participating in the City of Houston’s Permanent Supportive Housing (“PSH”) program may receive up to **11** points and all other Developments may receive up to **10** 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)(3) Tenant Services, cont'd

Just a Reminder...



If participating in the City of Houston's Permanent Supportive Housing program and electing 11 points, the Applicant:

- Must have applied for PSH funds by the Full Application Delivery Date. Evidence should be in the Full Application;
- Must have a commitment of PSH funds by Commitment;
- Must qualify for 5 or 7 Opportunity Index points; and
- Must have no more than 18% of the total Units restricted for Persons with Special Needs.

§11.9(c)(4) Opportunity Index

Opportunity Index. Generally eligibility for points is dependent on location in census tracts with certain income levels and poverty rates and in attendance zones of highly rated schools.

- ✓ The poverty rate is based on the most recent 5-year American Community Survey available on October 1, 2013.
- ✓ 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 *that may possibly be attended by the tenant.*

NEW!

- ✓ **NEW:** If claiming points under Community Revitalization Plan, applications are not eligible for points on the Opportunity Index.

§11.9(c)(4) Opportunity Index, (cont'd)

- ✓ School ratings will be the Texas Education Agency (TEA) 2013 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, (cont'd)

(A) For Developments located in an Urban Area and within a census tract with a poverty rate below 15% for individuals (35% in Regions 11 & 13) (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 has a Met Standard rating and 77 or greater on index 1 (7 points).

(ii) Development targets general population or Supportive Housing, CT is in second quartile in median household income for county or MSA, as applicable, and Site is in the attendance zone of an elementary school that has a Met Standard rating and 77 or greater on index 1 (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 (3 points).

(iv) Regardless of population served, Development is in CT with income in top two quartiles of median household income for county or MSA as applicable (1 points).

§11.9(c)(4) Opportunity Index - Urban

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	Met Standard rating and ≥ 77 on index 1	7
ii)	<15% for all individuals	General or Supportive Housing	Top 2 Quartiles	Met Standard rating and ≥ 77 on index 1	5
iii)	<15% for all individuals	Any	Top Quartile		3
iv)	<15% for all individuals	Any	Top 2 Quartiles		1



For Regions 11 and 13 only, the poverty rate threshold is <35%.

TEXAS EDUCATION AGENCY
 2013 Accountability Summary
 VALLEY VIEW EL (227909103) - EANES ISD



Met Standard rating

Accountability Rating
Met Standard

Met Standards on - Student Achievement - Student Progress - Closing Performance Gaps	Did Not Meet Standards on - NONE
--	--

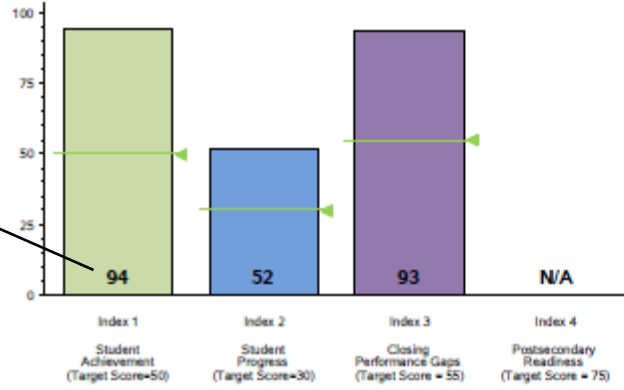
Distinction Designation

Academic Achievement in Reading/ELA Percent of Eligible Measures in Top Quartile 1 out of 4 = 25% NO DISTINCTION EARNED
--

Academic Achievement in Mathematics Percent of Eligible Measures in Top Quartile 0 out of 3 = 0% NO DISTINCTION EARNED

Top 25 Percent Student Progress NO DISTINCTION EARNED
--

Performance Index Report



Must be 77 or higher

Campus Demographics

Campus Type	Elementary
Campus Size	504 Students
Grade Span	KG - 05
Percent Economically Disadvantaged	6.5%
Percent English Language Learners	3.4%
Mobility Rate	4.4%

Grade span served

Performance Index Summary

Index	Points Earned	Maximum Points	Index Score
1 - Student Achievement	632	671	94
2 - Student Progress	412	800	52
3 - Closing Performance Gaps	743	800	93
4 - Postsecondary Readiness	N/A	N/A	N/A

System Safeguards

Number and Percent of Indicators Met	
Performance Rates	10 out of 10 = 100%
Participation Rates	6 out of 8 = 75%
Graduation Rates	N/A
Total	16 out of 18 = 89%

§11.9(c)(4) Opportunity Index (cont'd)

(B) For Developments located in a Rural Area, the Development Site must first meet at least one of the following three criteria:

√ Located within a census tract with a poverty rate of <15% for individuals (35% for regions 11 & 13); or

√ Is within a census tract with income in the top or second quartile of median household income for the county or MSA as applicable; or

√ Is within the attendance zone of an elementary school that has a Met Standard rating and has achieved a 77 or greater on index 1.

Once met, the Applicant may qualify for a maximum of 7 cumulative points for each of the following met by the Development Site:

(i) Located within the attendance zone AND within one linear mile of an elementary, middle or high school with a Met Standard rating. (For purposes of this clause only, any school, regardless of the number of grades served, can count towards points. However, schools without ratings, unless paired (by TEA) with another appropriately rated school, or schools with a Met Alternative Standard rating, will not be considered. (3 points)

§11.9(c)(4) Opportunity Index (cont'd)

- (ii) Site is within one linear mile of a center that is licensed by the Department of Family and Protective Services specifically to provide a school-age program (2 points);
- (iii) Site is located within one linear mile of a full-service grocery store (2 points);
- (iv) Site is located within one linear mile of a center that is licensed by the Department of Family and Protective Services to provide a child care program for infants, toddlers and pre-kindergarten, at a minimum (2 points);
- (v) Development is Qualified Elderly and the Site is located within one linear mile of a senior center (2 points); and/or
- (vi) Site is located within one linear mile of a health-related facility (1 point).

Applicants should review FAQs for guidance regarding the definitions of full service grocery store, health-related facility, and senior center

Child Care Search Result Details

[DFPS Home](#) / [Child Care](#) / [Search Texas Child Care](#) / [This Page](#)

Operation Details

You may click on the question mark image (?) to view the [Frequently Asked Questions](#)

Operation Number:	1018666
Operation Type:	Licensed Center
Program Provided:	Child Care Program
Operation/Caregiver Name:	Habibis Hutch Preschool
Location Address:	2004 BERT AVE AUSTIN, TX 78704
Mailing Address:	2004 BERT AVE AUSTIN, TX 78704
Phone Number:	512-478-7775
County:	TRAVIS
Website Address:	www.habibishutch.com
Email Address:	
Administrator/Director Name:	Andrew Urbanus
Type of Issuance: ?	Full Permit
Issuance Date:	7/31/2009
Conditions on Permit: ?	No
Accepts Child-Care Subsidies: ?	Yes
Hours of Operation:	07:30 AM-06:00 PM
Days of Operation:	Monday - Friday
Total Capacity:	96
Licensed to Serve Ages:	Toddler, Pre-Kindergarten, School
Corrective Action: ?	No
Adverse Action: ?	No
Temporarily Closed:	No

Licensed to serve school-age children but does not serve them

Does not serve infants

§11.9(c)(4) Opportunity Index – Rural

May accumulate up to 7 points

Rural Development	Required Target Population	Required Elementary School TEA Rating	Points
i)	Any	Site is within the attendance zone and 1 linear mile of an elementary, middle or high school with Met Standard rating and 77 on index 1.	3
ii)	Any	Site is within 1 linear mile of a center licensed by the Department of Family and Protective Services for school-age program.	2
iii)	Any	Site within 1 linear mile of a full-service grocery store	2
iv)	Any	Site is within 1 linear mile of a center, licensed by the Department of Family and Protective Services for child care program serving infants through pre-K.	2
v)	Qualified Elderly	Site is within 1 linear mile of a senior center.	2
vi)	Any	Site within 1 linear mile of a health-related facility.	1

§11.9(c)(5) Educational Excellence

Location in attendance zone(s) of public school(s) with TEA rating of Met Standards and have achieved a 77 or greater on index 1 of TEA's performance index, 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 2013 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, (cont'd)

- 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 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, (cont'd)

Points are as follows:

(A) Location in attendance zone of an elementary school, middle school and high school with the appropriate rating (**3 points**); or

(B) Location in attendance zone of elementary school and either middle school or high school with the appropriate rating (**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

Violence Against Women Act Protections

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:

- **Local Government Support** – Resolution of support or no objection.
- **Commitment of Funding by Local Political Subdivision (LPS)** – *Financing Narrative*
- **Declared Disaster Area** - *Site Information Form II*
- **Quantifiable Community Participation (QCP)** – QCP packet submitted by Neighborhood Organization.
- **Community Support by State Representative ~~or Senator~~** - Actual letters received.
- **Input from Community Organizations** – Actual letters received behind Site Information Form II.
- **Community Revitalization Plan** – Actual plan submitted behind *Site Information Form II*

§11.9(d)(1) Local Government Support

Local Government Support. An Application may qualify for up to seventeen (17) points for a resolution or resolutions voted on and adopted by *local governing bodies*.

- The resolution(s) must be dated prior to April 1, 2014 and must be submitted to the Department no later than the Final Input from Elected Officials Delivery Date as identified in §11.2 of this chapter.
- Such resolution(s) must specifically identify the Development whether by legal description, address, Development name, Application number or other verifiable method.



The resolution(s) must come from...

§11.9(d)(1) Local Government Support (cont'd)

Within a municipality, the Application will receive:

- (i) seventeen (17) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality supports the Application or Development; or
- (ii) fourteen (14) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality has no objection to the Application or Development.

§11.9(d)(1) Local Government Support (cont'd)

Within the extraterritorial jurisdiction of a municipality:

- (i) eight and one-half (8.5) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality supports the Application or Development; **or**
- (ii) seven (7) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality has no objection to the Application or Development; **and**
- (iii) eight and one-half (8.5) points for a resolution from the Governing Body of that county expressly setting forth that the county supports the Application or Development; **or**
- (iv) seven (7) points for a resolution from the Governing Body of that county expressly setting forth that the county has no objection to the Application or Development.

§11.9(d)(1) Local Government Support (cont'd)

Within a county and not within a municipality or the ETJ of a municipality:

- (i) seventeen (17) points for a resolution from the Governing Body of that county expressly setting forth that the county supports the Application or Development; or
- (ii) fourteen (14) points for a resolution from the Governing Body of that county expressly setting forth that the county has no objection to the Application or Development.

§11.9(d)(2) Commitment of Development Funding by Local Political Subdivision (LPS)

Score up to **14 points** for commitment of funding from city or county (LPS) containing the Development.

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

- instrumentalities first award the funds to the city or county for administration, AND
- at least 60 percent of the governing board of the instrumentality is comprised of the locality's city council members or county commissioners as applicable, or
- 100% of the governing board is appointed by the elected officials of the Development Site's city or county.

§11.9(d)(2) Commitment of Development Funding by LPS (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)(2) Commitment of Development Funding by LPS(continued)



Funds cannot be provided to the LPS by the Applicant or a Related Party **but** if the LPS borrows funds in order to commit funding, the applicant or Related Party may provide collateral or guarantees to the LPS.

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 sub-recipient 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, 2014**.

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 LPS in the Application.

§11.9(d)(2) Commitment of Development Funding by LPS (continued)


(A) Population in funding calculations below is population of the Place that determines the Development's Rural or Urban Area designation. Locations within an ETJ, whether unincorporated or not, may seek funding from the municipality, provided population of the same municipality is used to determine points.



(B) Funds for each scoring level are per Low Income Unit.

- (i) **11** points for the lesser of the population of the Place times 0.15 or \$15,000,
- (ii) **10** points for the lesser of the population of the Place times 0.10 or \$10,000,
- (iii) **9** points for the lesser of the population of the Place times 0.05 or \$5,000,
- (iv) **8** points for the lesser of the population of the Place times 0.025 or \$1,000, or
- (v) **7** points for the lesser of the population of the Place times 0.01 or \$500.

§11.9(d)(2) Commitment of Development Funding by LPS (continued)

 **(C) 2 additional points** are available if the Applicant provides a firm commitment for LPS funds in the form of a resolution from the Local Political Subdivision **and** provides a commitment for the same source(s) at Commitment. The resolution must reflect the required terms.

(D) 1 additional point is available if LPS financing is in the form of a grant or in-kind contribution meeting the requirements **or** a permanent loan with:

- A minimum term of fifteen (15) years;
- A minimum amortization period of thirty (30) years;
- Interest rate no higher than 3 percent per annum; and
- Certification from the Applicant that they intend to maintain the Development funding for the full term of the funding, barring unanticipated events.

For Applicants electing this additional point, that have not yet received the award or commitment, the structure of the funds will be reviewed at Commitment.

11.9(d)(2) Commitment of Development Funding by LPS (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 or county, 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 county commissioners for that county; or
 - A government instrumentality of the city or county, in which the Development Site is located, provided that 100% of the board of the instrumentality is appointed by the city council or county commissioners.

11.9(d)(2) Commitment of Development Funding by LPS (continued)

- If Development is located outside city limits, 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 county; 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.

See in conjunction with previous slide regarding funding sources for developments located in the ETJ of a municipality.

§11.9(d)(3) Declared Disaster Area

This item scores up to **10** points as follows:



- **10** 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.

§11.9(d)(4) Quantifiable Community Participation (QCP)



An Application may qualify for up to **9** 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 16, 2014 – Pre-App Due Date**;
- 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 February 28, 2014**.

§11.9(d)(4) 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 February 28, 2014. 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. [SEE LIMITATIONS IN QAP]

§11.9(d)(4) 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;
- Certification that no person required to be listed in accordance with Texas Government Code §2306.6707 for the relevant Development participated in any way in the deliberations of the Neighborhood Organization, including any votes taken;

§11.9(d)(4) QCP (Continued)

NEW!

- Certification that at least 80% of the current membership of the Neighborhood Organization consists of persons residing or owning real property within the organization's boundaries; 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)(4) QCP (Continued)

Point Values for QCP



- 9 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.
- 8 points for explicitly stated support.
- 6 points for statements of explicit neutrality 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.
- 4 points for statements of neutrality from a Neighborhood Organization or statements not explicitly stating support or opposition, or an existing Neighborhood Organization providing no statement of either support, opposition or neutrality (a non-committal letter), which will be viewed as the equivalent of neutrality or lack of objection;

§11.9(d)(4) QCP (Continued)

Point Values for QCP (Continued)



- 4 points for areas where no Neighborhood Organization is in existence, equating to neutrality or lack of objection, or where the Neighborhood Organization did not meet the explicit requirements of this section; or
- 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)(5) Community Support from State Representative

Applications may **score 8 points or lose 8 points** for this item.

- letters must be on the State Representative's letterhead,
- signed by the State Representative, 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, 2014**.

□ 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).

□ State Representatives are those in office at the time the letter is submitted and whose district boundaries include the proposed Development Site.

§11.9(d)(5) Community Support from State Representative (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.

§11.9(d)(6) Input from Community Organizations



Where the Development Site does not fall within the boundaries of any qualifying Neighborhood Organization, then, in order to ascertain if there is community support, an Application may receive up to four (4) points for letters qualifying under (A), (B) and/or (C) below. **Up to 4 points maximum.**

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)(6) Input from Community Organizations (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, **1 point** 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)(6) Input from Community Organizations (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 February 28, 2014, include the Site.

(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)(7) Community Revitalization Plan



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

- ✓ Criteria differs for Rural Areas.
- ✓ **Reminder:** Community Revitalization Plan must already be in place and not waiting for adoption.
- ✓ Applicants electing points under Opportunity Index will not be eligible for CRP points.

§11.9(d)(7) Community Revitalization Plan- Urban Region 3

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

- (i)** Score up to **6 points** if Development Site is located in an area targeted for revitalization in an community revitalization plan and the plan and meets criteria (I) – (VI):
- (I) Plan was adopted by municipality or county containing the Site.
 - (II) In a process providing for public input, the municipality or county assessed 5 of the 8 factors included in §11.9(d)(7)(A)(II) of the QAP.
 - (III) The target area must be larger than the assisted housing footprint and should be limited in size to specific neighborhoods rather than large areas of the city/county.

§11.9(d)(7) Community Revitalization Plan- Urban Region 3

- (IV) 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.
- (V) The adopted plan must describe the planned budget and uses of funds to accomplish its purposes within the applicable target area. Expenditures incurred within the target area in the prior four (4) years may be accounted for in a statement from a city or county official. The amount of the expenditure and purpose of the expenditure should be stated.

§11.9(d)(7) Community Revitalization Plan- Urban Region 3

(VI) Plan must already be in place at Full 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)(7) Community Revitalization Plan- Urban Region 3

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

- (I) **4 points** if plan's total budget for or projected economic value to the targeted area is \$6,000,000 or greater; **or**
- (II) **2 points** if plan's total budget for or projected economic value to the targeted area 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.

§11.9(d)(7) 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 OR

(ii) Application may score **4 points** if :

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

§11.9(d)(7) 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)** Is subject to administration in a manner consistent with 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)** Certify that the plan and the Application are consistent with the municipality or county's plan to affirmatively further fair housing under the Fair Housing Act; and
- (V)** Plan is in place prior to the Full application Final Delivery Date.

§11.9(d)(7) Community Revitalization Plan- Rural Area

(C) For Developments located in a Rural Area

(i) Applications may score up to 4 points by having a CDBG-DR commitment (and meeting the requirements on the previous slides) if located in a Rural Area outside Region 3.

OR

(ii) Score up to **4 points** if the city, county, state or federal government has approved expansion of basic infrastructure projects.

- 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.

§11.9(d)(7) Community Revitalization Plan- Rural Area

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

- Applicant or Related Party cannot contribute funding/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. .
- The project or infrastructure must have been completed no earlier than January 2, 2013, or
- Be approved and projected to be completed by January 2, 2015.

§11.9(d)(7) Community Revitalization Plan- Rural Area

Application is eligible for **2 points for one** of the following items or **4 points for at least two** of the items:

- (I) New paved roadways (includes paving of existing unpaved road) or expansion of paved roadways by at least one lane, within ½ mile;
- (II) New water service line or new extension of at least 500 ft, within ½ mile;
- (III) New wastewater service or new extension of at least 500 ft, within ½ mile;
- (IV) Construction of a new law enforcement or emergency services 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)(7) Community Revitalization Plan- Rural Area



- (C)(iii)** The Applicant must provide a letter from a government official with specific knowledge of the project (or from an official with a private utility company, if applicable). 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.

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 Form II*

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

Extended Affordability or Historic Preservation - *Development Activities Form II*

Right of First Refusal - *Development Activities Form II*

Funding Request Amount - *Development Narrative and Development Activities Form II*

§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 **12 points** for Building Cost per square foot of Net Rentable Area (NRA). No longer based on a mean.



(Step 1) Take the Building Cost OR Hard Costs as originally submitted on the Development Cost Schedule.

- Building Cost will exclude structured parking or commercial space not included in Eligible Basis. Cost of parking or commercial space must be certified by an experienced Third Party General Contractor or subcontractor.
- Hard Costs will include general contractor overhead, profit and general requirements.

(Step 2) Divide the amount from step 1 above by the NRA shown on the Rent Schedule.

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

- The calculations will be based on the cost listed in the Development Cost Schedule and NRA shown in the Rent Schedule of the Application.
- No inclusion of interior corridor space or common area as in the past.



- High cost area developments:
 - (i) Elevator served (either Qualified Elderly w/elevator or General having 4 or more floors and elevators); **or**
 - (ii) More than 75% single family design; **or**
 - (iii) Supportive Housing; **or**
 - (iv) Development site qualifies for 5 or 7 Opportunity Index points **AND** is Urban.

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

(B) 12 points if New Construction or Reconstruction and one of the following is met:

- (i) Building Cost/sq. ft. < \$70; or
- (ii) Building Cost/sq. ft. < \$75 AND is a high cost development; or
- (iii) Hard Cost/sq. ft. < \$90; or
- (iv) Hard Cost/sq. ft. < \$100 AND is a high cost development.

(C) 11 points if New Construction or Reconstruction and one of the following is met:

- (i) Building Cost/sq. ft. < \$75; or
- (ii) Building Cost/sq. ft. < \$80 AND is a high cost development; or
- (iii) Hard Cost/sq. ft. < \$95; or
- (iv) Hard Cost/sq. ft. < \$105 AND is a high cost development.

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

(D) 10 points if New Construction or Reconstruction and one of the following is met:

- (i) Building Cost/sq. ft. < \$90; or
- (ii) Hard Cost/sq. ft. < \$110.

(E) Adaptive Reuse or Rehabilitation (excluding Reconstruction) are eligible as follows:

- (i) **12 points** if Hard Costs + Acquisition (in Eligible Basis) < \$100/sq. ft.;
or
- (ii) **12 points** if Hard Costs + Acquisition (in Eligible Basis) < \$130/sq. ft.
AND Development qualified for 5 or 7 Opportunity Index points; or
- (iii) **11 points** if Hard Costs + Acquisition (in Eligible Basis) < \$130/sq. ft.

§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 16, 2014 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;
- ✓ 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



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



- (A) 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, RAD, or Choice Neighborhoods funding and the HTC funding request is less than 9% of the Total Housing Development Cost (**3** points);
 - (ii) HTC funding request is less than 8% of the Total Housing Development Cost (**3** points);
 - (iii) HTC funding request is less than 9% of the Total Housing Development Cost (**2** points);
 - (iv) HTC funding request is less than 10% of the Total Housing Development Cost (**1** points);

§11.9(e)(4)(B) 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*.
- 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. Points will not increase in response to changes.
- Changes after underwriting or award will not be reassessed unless there is clear evidence that original information was intentionally misleading or incorrect.



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

One of two options must be met to qualify:

- ❑ **(A) 2 points** if Development Owner agrees to extend the affordability period for a Development to 35 years total;

or

- ❑ **(B) 4 points** if an Application includes a tax credit request amounting to less than or equal to \$7,000 per HTC unit, that has received a letter from the Texas Historical Commission determining preliminary eligibility for historic (rehabilitation) tax credits and is proposing the use of historic (rehabilitation) tax credits (whether federal or state credits). At least one existing building that will be part of the Development must reasonably be expected to qualify to receive and document receipt of historic tax credits by issuance of 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 and §10.408 (Qualified Contracts Requirements) of the Uniform Multifamily Rules.

§11.9(e)(7) Funding Request Amount



An Application may qualify to receive one (1) point if the Application reflects a Funding Request of Housing Tax Credits, as identified in the original Application submission, of **no more than 100%** of the amount available within the sub-region or set-aside as estimated by the Department as of December 1, 2013.



§11.9(f) Point Deductions (Continued)

Staff will recommend to the Board a **deduction of up to 5 points** for any items in **(1)** 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.

- (1) 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.
- (2) If the Developer or Principal of the Applicant violates the Adherence to Obligations.
- (3) Any deductions assessed by the Board for (1) or (2) 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.



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 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. (Central Time Zone) on Thursday, January 16, 2014.**



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. (Central Time Zone) **Friday, February 28, 2014.**
- ❖ **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 for Priority 3 applications is 14 calendar days after the Certificate of Reservation date. Parts 5 and 6 must be submitted no later than 75 calendar days prior to the Board meeting at which the credits will be considered.



MF Application Submission

- ❖ **Tax-Exempt Bond Application Submission (cont'd):**



- ❖ A Certificate of Reservation must be issued by the Bond Review Board **before** a 4% HTC application can be submitted to the Department.
- ❖ Applications may be presented before the Board if they did not meet the 75 calendar-day submission requirement only if staff completes its evaluation in sufficient time for Board consideration.
- ❖ Staff may choose to delay presentation to the Board in instances in which an applicant is not reasonably expected to close within 60 calendar days of the issuance of a Determination Notice.




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)

- ❖ **2014 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 Serv-U HTTPs site. *This form only needs to be submitted if a Pre-Application was not submitted.*

- ❖ **2014 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 Multifamily Pre-Application

Competitive HTC Pre-Application

- *2014 Multifamily Document and Payment Receipt* - **Submit hard copy.**
- *2014 Electronic Filing Agreement* – **Submit hard copy.**
- *2014 Competitive HTC Pre-Application Certification*
- *Applicant Information Form*
- *Development Information Form*
- *Self-Score Form* – Does not include QCP, Input from Community Organizations, Community Support from State Representative, Community Revitalization Plan, Commitment of Development Funding by LPS, Local Government Support or Point Deductions.

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;

Pre-application Threshold Criteria (cont'd)

2014 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 Development Information Form – Includes these sections:

- Development Type (Construction Type)
- Target Population - General, Elderly, or Supportive Housing
- Development Information - Address, Urban or Rural Designation, Region, Relationship to city boundaries
- 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. Applicants are encouraged to submit documentation to support eligibility to compete in the elected set-aside.

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 2014 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)

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(10) of the 2014 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.
- ❑ 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 **January 2, 2014** 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 functional equivalent for an existing lease with at least 45 years remaining;

or

- ❑ Contract or option for lease with a minimum term of 45 years that includes price; address and/or legal description; proof of consideration; and expiration date;

or

- ❑ Contract for sale or option to purchase that includes a price; address and/or legal description; proof of consideration 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 2014 QAP.**
- ✓ **For Developments in an ETJ you must notify both city and county officials.**
- ✓ **Additional notifications could be required at full Application if officials and/or jurisdiction boundaries change after Pre-Application.**
- ✓ **All boxes must be checked.**
- ✓ **A sample Public Notification Template is available in the Pre-Application.**

**Notifications must be made no later than
January 16, 2014 (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.

Pre-Application Threshold Criteria

Notifications:



- It is no longer required to request Neighborhood Organization information from the city or county. It is the responsibility of the Applicant to identify all Neighborhood Organizations.
- The notification may not contain any false or misleading statements. Without limiting the generality of the foregoing, the notification may not create the impression that the proposed Development will serve the elderly unless 100 percent of the Units will be for Qualified Elderly and it may not indicate that it will target or prefer any subpopulation unless such targeting or preference is in full compliance with all applicable state and federal laws, including state and federal fair housing laws.



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. Central Time Zone 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. Central Time Zone 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. Central Time Zone 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. Central Time Zone 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

Tax-Exempt Bond Applications:



- ❖ Department staff may not assess and Administrative Deficiency Notice Late Fee or terminate Applications during periods when private activity bond volume cap is undersubscribed.

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 2014 QAP and/or §10.4 of the Uniform Multifamily Rules.
- ❖ A satisfactory response from staff does not establish any entitlement to points, eligibility status, or a presumption of having fulfilled a requirement.



Common Mistakes

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



Multifamily Application

The Multifamily Application

- ✓ 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

- ✓ 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.
- ❑ **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 natural persons (Principals, Non-principals, Board Members, etc.) 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

Development address – including urban/rural designation, participating jurisdiction, and region number

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.
- The Median Household Income, Median Household Income Quartile, and the Poverty Rate for the Census Tract will auto-populate.

Community Assets - Include map with scale and radius showing location of amenities

Undesirable Area Features – indicate whether or not pre-clearance was requested and/or granted

Housing De-Concentration Factors – boxes should be checked, or a resolution is required. **Due with the application!**

Zoning and Flood information – be sure to include supporting docs

MF Application-Site Information Form

Part II (cont'd)

Complete Selection Criteria Sections for the following if applicable:

- Educational Excellence,
- Opportunity Index,
- Underserved Area,
- Community Revitalization,
- Input from Community Organizations, and
- Declared Disaster Area.
- Local Government Support – note that resolutions are not due until April 1, 2014

MF Application-Site Information Form

Part III

The Site Information Form Part III 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 **January 2, 2014.**
- ❑ Indicate the anticipated closing date and expiration date.

MF Application-Site Information Form

Part III (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

Part III (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 Acceptance Period 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

Part III

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 20% HTC units per total household. Resolution from Governing Body may be submitted if the QCT exceeds 20% households.

Multiple 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 (January 2, 2014) 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)

- ❑ 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.** If appropriate, indicate that a pre-application was submitted but that re-notifications were required. The second two boxes are required to be marked.
- ❑ **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)(4) 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 –

- **Construction Type**
- **Target Population**
- **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.

MF Application – Development Activities

- Required for all Applications
- Threshold requirements for:
 - Common Amenities
 - Unit Sizes
 - Unit Amenities
 - Tenant services (does not apply to 9% HTC)
 - Accessibility Requirements

MF Application-Development Activities II

Development Activities Form – This 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**
- **Funding Request Amount**

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 January 2, 2014;
- ✓ Written explanation of process to notify and consult with tenants;
- ✓ 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 –

- ❑ All 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, using correct labels consistent with Building/Unit Configuration form.
 - ✓ Delineates floodplain boundaries and shows all easements.
 - ✓ Indicate possible placement of detention/retention pond(s) (if applicable).
 - ✓ Indicate the location of the parking spaces and local parking requirements.



MF Application-Architectural Drawings

- ✓ Building floor plans for each building type must include square footage (including calculations for balconies, breezeways, corridors and other areas not included in net rentable area), perimeter wall dimensions, scale and floor heights.
- ✓ Elevations for each building type must clearly give 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, IF elevations ARE proposed to be altered, then post-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-Building/Unit Type Configuration

- ❑ This form is required for all Development types.
- ❑ Additional information required regarding parking that is free or available for a fee
- ❑ 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.

MF Application-Rent Schedule

- Use rent and utility limits available at the time the Application is submitted.
- Gross Rent cannot exceed the maximum rent limits unless documentation of project-based rental assistance is provided.
- To find current rent limits, 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!**
- **Development Cost per Square Foot calculation at the bottom, but Applicants must still select points!**

MF Application-Rent Schedule (cont'd)

-Do not state “Misc.,” “Other”, or “etc.” or include any fees that are not identified by name, 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.

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.
- **Any utility allowances that require Department review, must have requested such review prior to submission of the Application.**



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						Email:			



The *pro forma* includes a section at the bottom for the Lender to certify for Financial Feasibility point item.

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 – Off-Site Costs and Development Cost Schedule

- The off-site costs form should not include contingency, Contingency should be included only on the Development Cost Schedule.
- Contingency has been broken out on the development cost schedule and developer fees moved toward the bottom.
- Either the “Subtotal Building Costs” or “TOTAL CONSTRUCTION CONTRACT” will be used for calculations for scoring under Development Costs per Square Foot. These calculations are at the bottom of the *Rent Schedule*.

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.
- ✓ Make sure any figures in the narrative match other exhibits!

Summary of Sources & Uses

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

Indicate lien positions

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%							

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 HOME Rules for Match requirements.

MF Application-Financing Scoring and Supporting Docs

Scoring -

Points for which an application is eligible will auto-populate based on other selections, but applicants must claim points in order for them to be included in the self-score form!

Term Sheets and 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(7) of the Uniform Multifamily Rules.

LPS Funding -

Evidence will require either a resolution from the LPS or a letter stating that the application for funding has been received. ALL LPS documentation should include a statement that funds were not first provided by the Applicant or Related Party. Applicants should also include information about guarantees and/or collateral provided by the Applicant.

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

- ✓ 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 names of organizations and natural persons should be consistent throughout the Application. **Check spelling and avoid nicknames.**
- ✓ 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 – List:

- 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 form.
- Any person, regardless of Ownership interest, receiving >10% of the Developer fee, each board member, and executive director.
- Units of General Local Government.

Nonprofit Participation - All Applications with a 501(c)(3) or (4) nonprofit General Partner or Owner must submit the following forms **IF electing to participate in the Nonprofit Set-Aside** (*competitive HTC and Tax Exempt Bond Applications only*):

- ❖ *IRS Determination Letter*
- ❖ *Nonprofit Participation Exhibit*
- ❖ *Third Party Legal Opinion*
- ❖ *Copy of most recent CPA-prepared financial statement*
- ❖ *Certification stating whether board members live within the correct distance from the Development.*
 - ❖ *Inside the state of Texas if Development is RURAL; or*
 - ❖ *Not more than ninety (90) miles from the Development if URBAN.*
- ❖ *Must make the correct election on the Nonprofit Participation Form*



Nonprofit Participation - Applications with a 501(c)(3) or (4) nonprofit General Partner or Owner, that elect **NOT to be treated under the Nonprofit Set-Aside**, must make the election and certify by checking the correct box on the Nonprofit Participation Form. They must also provide the following (*competitive HTC and Tax Exempt Bond Applications only*):

- ❖ *Nonprofit Participation Form, with non-election box checked; and*
- ❖ *IRS Determination Letter stating nonprofit status; or*
- ❖ *If other than 501c3 or 4, proof of basis of nonprofit status.*

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 - Experience Certification

❑ Experience Certification Requirements §10.204(6) -

- ❑ All Applications must include an Experience Certificate or Experience Certificate Request (using the 2014 Experience Certification Request Form and all required documentation).
- ❑ Principal of the Developer, Development Owner, or General Partner must establish that they have experience in the development of 150 units or more.
- ❑ Experience Certificates from prior years (including 2013) are no longer acceptable.
- ❑ Documentation may be submitted prior to the February 28th Application deadline.

MF Application-Experience Certification (cont'd)

The submitted evidence must clearly attribute the appropriate:

- ❑ Level of authority (Able to bind the Owner or Developer);
- ❑ Unit count (150 or more); and
- ❑ Completion of the claimed units

to the individual named in the experience application.

- ❑ Authority must have been given at the time of the units were developed.
- ❑ Be sure to include documentation of the number of units for each site submitted for credit.
- ❑ Evidence of unit completion could include 8609s, executed G704, online ad showing available units for lease or Certificates of Occupancy.
- ❑ Evidence should collectively fulfill §10.304(6).

9% HTC Applicant Credit Limit Documentation and Certification -

- ❖ The Housing Tax Credit cap is \$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.	<input style="width: 100%; height: 20px;" type="text"/>
2.	<input style="width: 100%; height: 20px;" type="text"/>
3.	<input style="width: 100%; height: 20px;" type="text"/>

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 **February 28, 2014** (competitive HTC).
- ESA must not be dated more than 12 months prior to the first day of the Application Acceptance Period.
- ESA must be addressed to the Department or have a statement granting the Department authority to rely on the report findings.
- A statement should be included confirming that the person or company preparing the report will not materially benefit from the Development in any other way than receiving a fee for performing the ESA, and that the fee is in no way contingent upon the outcome of the assessment.
- **A statement that report preparer has read and understood §10.305 of the 2014 Uniform Multifamily Rules must also be included.**
- 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 **February 28, 2014** (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.
- ✓ PCA should be either addressed to the Department or have a statement granting the Department authority to rely on the report findings.
- ✓ A statement that the report preparer has read and understood §10.306 of the Uniform Multifamily Rules must also be included.

MF Application-Appraisal

- If applicable, the **Appraisal** must be submitted to the Department no later than 5pm CST on **February 28, 2014** (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.
- The appraisal should be addressed to the Department or have a statement granting the Department authority to rely on the report findings.
- A statement that the report preparer has read and understood §10.304 of the Uniform Multifamily Rules must also be included.

MF Application-Market Summary & Analysis

NEW!

Market Analysis Summary must be submitted to the Department no later than 5pm CST on **February 28, 2014** (Competitive HTC Applications).

NEW!

Summary must include a Primary Market Area (PMA) map, description of how the PMA is defined and basic demographic information for PMA.

- The **Market Analysis** must be submitted to the Department no later than 5pm CST on **April 1, 2014** and must not be dated more than six (6) months prior to the first day of the Application Acceptance Period.
- Analysis must be addressed to the Department or have a statement granting the Department authority to rely on the report findings.
- Include a statement that the report preparer has read and understood §10.303 of the Uniform Multifamily Rules.

MF Application-Market Summary & Analysis

- The Market Analyst is required to already be on the Department's approved list of Market Analysts by the time an Application is submitted.
- It is the responsibility of the Applicant to ensure that this analysis forms a sufficient basis for the Applicant to be able to use the information obtained to ensure that the Development will comply with fair housing laws.



NEW!

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 **February 28, 2014** (Competitive HTC Applications).
- ✓ This report is threshold requirement and must come in with the Application.
- ✓ Required for New Construction Developments.
- ✓ Refer to §10.205(5)(A-D) of the 2014 Uniform Multifamily Rules for a complete list of requirements for the report.





Challenges of HTC Applications

Challenge of Competitive HTC Applications

The Department will address challenges received from unrelated entities to a specific 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 7, 2014**.
- Challenge is clearly identifiable and includes contact information of challenger.
- Documentation in support of the challenge must be credible and substantiates the challenge.
- **Decisions concerning challenges cannot be appealed by a party unrelated to the Applicant that is the subject of the challenge.**

Challenge of Competitive HTC Applications

- Challenges will be promptly posted to the Department's website.
- 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 2014 QAP.



Challenges to Neighborhood Organization Opposition

Challenges to Neighborhood Organization Opposition §11.9(d)(4)(D)

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, 2014**.

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 following steps will be followed:

- Challenger must declare the basis for the challenge and submit such challenge by **May 1, 2014**.
- The Neighborhood Organization expressing opposition will be given seven (7) calendar days to provide any information related to the issue of whether their assertions are contrary to the findings or determinations of a local Governmental Entity.
- 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 of the issue presented by this subsection. The fact finder **will not make determinations as to the accuracy of the statements presented, but only with regard to whether the statements are contrary to findings or determinations of a local Governmental Entity**. The fact finder's determination will be final and may not be waived or appealed.



HOME Program Funds

HOME Changes in Uniform Multifamily Rules

- Applicants proposing rehabilitation or reconstruction may not request HOME funds
- Minimum of 5% Match required for **all** applicants
- At least 90% of the HOME units must be restricted at 60% AMI or below at initial occupancy
- Interest rate may be as low as 0% on HOME loan → no longer tied to the amount of Match provided

HOME Funding for 2014

- Status of current NOFA
- Possible NOFA for 2014
- Award limits and Set-Asides



Tax Exempt Bond Applications

Texas Bond Volume Cap

- ❖ Approximately \$550 million in 2014 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.

2014 TDHCA Bond Pre-Application Submission

- ❖ Pre-Inducement Questionnaire must be submitted prior to filing the bond pre-application. Information gathered by the Questionnaire may be found in §12.4(a) of the Multifamily Housing Revenue Bond Rules.
- ❖ 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, §12.5 and §12.6 respectively.
- ❖ 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 & Giuliani
 - ❖ \$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

- ❖ **Application and Issuance Fees for Refunding Applications:**
 - ❖ \$10,000 (if TEFRA hearing will be required); **or**
 - ❖ \$5,000 (if no TEFRA will be required)

Fees continued

- ❖ **Closing Fees (TDHCA as Issuer):**
 - ❖ 50 basis points of the issued principal Bond amount.
 - ❖ First 2 years of admin. Fee, equal to 20 basis points of the principal amount.
 - ❖ Bond compliance fee of \$25/unit, which will be applied the third year after closing.

- ❖ **Annual Administration Fee:**
 - ❖ 10 basis points of the outstanding bond amount on its date of calculation.

- ❖ **Bond Compliance Monitoring Fee:**
 - ❖ \$25 per Unit;

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, Statutes and Rules

- Memorandum Opinion and Order – Remedial Plan
- Annual Report
- § 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

Multifamily Contacts

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(512) 936-7366
- **Carolyn Kelly**
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Other Department Contacts

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Compliance:

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Successful Completion

