

Multifamily Direct Loan Program Information

Application Delivery Instructions

All Applicants must upload a PDF copy and Excel copy of the complete Application to the Department's secure web transfer server. Each copy must be in a single file and individually bookmarked as further described in this manual. Additional files required for Application submission (e.g., Third Party Reports) outside the Uniform Application must also be uploaded to the secure web transfer server. It is the responsibility of the Applicant to confirm the upload to the Department's secure web transfer server was successful.

If you are applying for Multifamily Direct Loan ("MFDL") funds in conjunction with 4% or 9% Housing Tax Credits, you must complete the following sections of 2017 Multifamily Uniform Application *in addition* to what you would normally complete when applying for 4% or 9% Housing Tax Credits:

- Multifamily Direct Loan Certification
- Tab 9 – Applicable sections (if seeking points under the 2017 MFDL NOFA)
- Tab 10 – Applicable sections (if seeking points under the 2017 MFDL NOFA)
- Tab 12 – Site and Neighborhood documentation (New Construction only)
- Tab 17 – Section 5 (Direct Loan request)
- Tab 19 – Section 2
- Tab 20 – Section 3
- Tab 21 – Uniform Relocation Act (Rehabilitation only)
- Tab 32 (if applicable)
- Tab 33
- Tab 44
- Tab 46 – Section 2

If you are applying for Multifamily Direct Loan funds as the only source of Department funds, you must complete all sections of the 2017 Multifamily Uniform Application except for those sections that reference Housing Tax Credit applications only. All applicable Third Party Reports are required in accordance with 10 TAC §10.205 regardless of whether or not your application is layered with Housing Tax Credits.

The application deadline for applicants applying in conjunction with 2017 9% Housing Tax Credits is 5:00 p.m. (Austin local time) on March 1, 2017, with a Market Analysis Delivery Date of April 1, 2017. The application deadline for all other applicants is 5:00 p.m. (Austin local time) on August 31, 2017. If you are applying for HOME funds under the CDHO Set Aside, please also check the CHDO box in Tab 17 of the 2017 Multifamily Uniform Application and submit the 2017 CHDO Certification Packet (located on the Apply for Funds page of the Multifamily Programs page). For applicants applying in conjunction with 2017 9% Housing Tax Credits, the 2017 CHDO Certification Packet must be received no later than 5:00 p.m. (Austin local time) on March 1, 2017. For all other applicants, the 2017 CHDO

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Certification Packet must be submitted with the 2017 Multifamily Uniform Application. Applicants for HOME funds under the CHDO Set Aside are eligible to apply for up to \$50,000 in CHDO Operating Expense Grant funds (Tab 17 – Funding Request) that can be used to pay for necessary costs for the operation of a CHDO. These costs include salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment; materials; and supplies.

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Multifamily Direct Loan funds are made available through program income generated from prior year HOME allocations, de-obligated funds from prior year HOME allocations, the 2015 and 2016 Grant Year HOME allocation, and loan repayments from the Tax Credit Assistance Program ("TCAP Repayment funds" or "TCAP RF"). Multifamily Direct Loan Funds are set aside for Supportive Housing/Soft Repayment loans and eligible Community Housing Development Organizations ("CHDO") in the amounts described in the NOFA.

Except for the Supportive Housing/ Soft Repayment Set-Aside, Multifamily Direct Loan funds are structured as a fully repayable loan with a term of 15-40 years and an amortization of 30 years, except in cases where the first lien mortgage is a federally insured HUD or FHA mortgage as allowed in 10 TAC §13.8(c)(2). If the loan is in a second or third lien position, the term and amortization should match within six months of the shortest term and amortization of the senior loan(s) so long as neither exceeds 40 years and 6 months. The interest rate requested on the loan may be as low as 3.25% in accordance with 10 TAC §13.8(a). The final approved interest rate may be the interest rate requested by the Applicant or higher depending on whether or not REA staff believes the deal can support more debt.

Please refer to the [2017-1 Multifamily Direct Loan Notice of Funding Availability \(NOFA\)](#) and [10 TAC Chapter 13](#) for more information. The NOFA and the Multifamily Direct Loan Rule work in conjunction; Applicants are cautioned to fully review both.

CHDO Overview

The 2017 CHDO Certification Packet must be submitted for all Applicants requesting funds under the CHDO Set-Aside. Applicants, or the sole members of the general partners of applicants, for HOME funds under the CHDO Set Aside must meet the requirements of the definition of Community Housing Development Organization in [24 CFR 92.2](#). Please read carefully the requirements under the CHDO definition in 92.2 and ensure that your organization meets these requirements before submitting an application under the CHDO Set Aside. Furthermore, a CHDO must be the owner, developer, or sponsor of the housing proposed to be built in accordance with [24 CFR 92.300](#). Finally, a member of a CHDO's board cannot be a Principal of the development beyond his/her role as a board member of the CHDO or be an employee of the development team, and may not receive financial benefit other than reimbursement of expenses from the CHDO (*e.g.* a voting board member cannot also be the paid executive director of the CHDO).

A CHDO must demonstrate its accountability to the low income community where the housing is being proposed in accordance with 8(i) and (ii) of the CHDO definition in 24 CFR 92.2. This requirement may be met, in part, by having board members from the community where the housing is being proposed and/or having an advisory board comprised of members from the community where the housing is being proposed. Additionally, the CHDO must have a formal process for low-income input to advise the organization in its decisions regarding the design, siting, development, and management of affordable

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housing. As a final requirement within 8(i) and (ii), the CHDO must have a designated service area (i.e. the “community” in which it produces housing) and have demonstrated experience serving the community for at least one year prior to applying for HOME funds. A community can be a neighborhood or neighborhoods, city, county, metropolitan area, or multi-county area (but not the entire state).