



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Multifamily Finance Production Division 2007 APPLICATION SUBMISSION PROCEDURES MANUAL Multi-Family for Job Creation (Job Creation ASPM)

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I. INTRODUCTION

The Texas Department of Housing and Community Affairs' (the Department) Application Submission Procedures Manual (ASPM) sets forth the basic information needed for filing a Pre-Application or Application for all Department rental development programs. All portions of the ASPM must be followed when filing a Pre-Application or an Application for any program. This document is meant to serve only as a complementary guide on how to put the Application together. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the programs they are applying for.

Competitive Housing Tax Credits (Competitive HTC): The Department's estimated available 2007 tax credit authority for Competitive HTC Applications is approximately \$43 million. The Pre-Application and Application are based on the 2007 Qualified Allocation Plan and Rules (QAP), which were approved by the Board at the November 9, 2006 Board Meeting, subject to approval by the Governor. For the 2007 Competitive HTC Application Round, a complete Pre-Application or Application must be submitted to the Department within the Pre-Application or Application Acceptance Periods, respectively.

Tax Credits for Tax-Exempt Bond Developments: For Applications involving Tax-Exempt Bonds – regardless of the entity serving as the issuer – an Application may be submitted for the 4% Tax Credits. There is not a cumulative ceiling to these types of Applications, however to the extent that there is a bond ceiling governed by the Texas Bond Review Board, the quantity of corresponding 4% Tax Credit Applications is limited. Application submission deadlines relating to this program are somewhat fluid and are dictated by the reservation date of the bonds as well as the intended Department Board meeting. Please note that forms which indicate HTC only, should also be included in the 4% HTC or Tax-Exempt Bond Application.

HOME Investment Partnerships Program (HOME): For Applications involving TDHCA HOME may be submitted to the Department when a Notice of Funding Availability (NOFA) has been approved by the TDHCA Board and published to the Department website. The NOFA will detail the funding amount available for allocation and the application deadlines.

Because of changes to all of the Department's programs and rules, and the competitive nature of some programs, attendance at the 2007 Application Workshops is strongly recommended. Information regarding the workshop registration is detailed on the Department's website, www.tdhca.state.tx.us.

II. INELIGIBILITY

The following section is presented as a guide to ineligibility under the 2007 QAP, 10 TAC Part 1, Chapter 53, 24 CFR Part 92 and the HOME NOFA, which can be found at <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>, and is titled “2007 Final QAP Signed by Governor (PDF).” Please read this section prior to completing an application to ensure that the proposed Development is eligible for funding under Department guidelines. Please note that this list is a guide, and is not comprehensive; Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the programs they are applying for as well as to read the sections of the 2007 QAP cited below (§§49.1-49.23).

Department Deadlines

1. Administrative Deficiencies for Competitive HTC – If Administrative Deficiencies are not resolved within five business days, five points will be deducted from the Selection Criteria score for each additional day the Administrative Deficiency remains outstanding. If Administrative Deficiencies are not resolved by the end of the 7th business day, the Application will be terminated -- §49.9(d) (4).
2. Administrative Deficiencies for Tax-Exempt Bond Developments – If Administrative Deficiencies are not resolved within five business days, a penalty of \$500 will be incurred for each additional day the Administrative Deficiency remains outstanding. If Administrative Deficiencies are not resolved by the end of the 10th business day, the Application will be terminated (and the Applicant will owe all penalties regardless) -- §49.9(e) (2).
3. Third party reports Competitive Applications (HTC and HOME) – If third party reports are not received by April 2, 2007, the Application will be terminated -- §49.9(h)(14)(G)(i) and (ii).
4. Administrative Deficiencies for the HOME Investment Partnerships Program – If Administrative Deficiencies are not resolved within five business days of the deficiency notice date, then five points shall be deducted from the application score for each additional day the deficiency remains unresolved. If deficiencies are not clarified or corrected within seven business days from the deficiency notice date, then the application shall be terminated.

Development Location

The following locations are ineligible:

1. Two times per capita – Development located in a municipality, or ETJ of a municipality, or if completely outside a municipality, in a county that has more than twice the state average of Units per capita supported by HTC or private activity bonds at the time the Application Round begins (or at time of reservation for Tax-Exempt Bond Developments) -- §49.5(a)(7). (Applies to HTC and Bond Applications)

Exceptions: Approval and written statement of support from the governing body of the municipality or county received by Department by April 2, 2007 (for Competitive HTC Developments) or 14 days prior to the Board meeting (for Tax-Exempt Bond Developments) - - §49.5(a)(7)(A), (B) and (C).
2. One-mile three-year rule – Proposed New Construction Development in Dallas, Tarrant, Bexar or Harris Counties within one mile of a Development that received HTC for New Construction during the three years preceding the date the Application Round begins (or for Tax-Exempt Bond Developments, the date the Volume 1 is submitted) -- §49.5(a)(8). (Applies to HTC and Bond Applications)

Exceptions: Development is using HOPE VI funds, is in a county with a population less than one million, is located outside a metropolitan statistical area or local government has approved the Development's construction within one mile of the previously funded Development -- 49.5(a)(8)(D).

3. One-mile one-year – Developments within one linear mile of another Development (Competitive HTC ONLY) -- §49.6(f). (Applies to Competitive HTC Applications Only)

4. Floodplain – New Construction or Rehabilitation within a FEMA 100-year floodplain.

Exceptions: Rehabilitation receives funding from HUD or TX USDA-RHS and New Construction is built to the specifications outlined in the QAP -- §49.6(a).

Required for HOME Applications also.

5. Census Tracts – Development located in a census tract that has more than 30% HTC per total households -- §49.6(g).

Exceptions: Development located in area with population less than 100,000, proposes only Rehabilitation or Reconstruction or governing body of municipality or county has approved Development in the form of a resolution -- §49.6(g)(1), (2) and (3).

6. 30% Increase for certain Qualified Census Tracts (QCT) – Developments located in QCTs with more than 40% HTC Units per household will not receive a 30% increase in Eligible Basis -- §49.6(h)(2).

Exception: Development proposes only Rehabilitation or Reconstruction -- §49.6(h)(2).

7. Adherence to Obligations. Effective December 1, 2006, if a Development Owner does not produce the Development as represented in the Application and in any amendments approved by the Department subsequent to the Application, or does not provide the necessary evidence for any points received by the required deadline, the Board will opt either to terminate the Application and rescind the Commitment Notice, Determination Notice or Carryover Allocation Agreement as applicable or the Department must -- §49.9(c):

- Reduce the score for Applications for tax credits that are submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development by ten points for the two Application Rounds concurrent to, or following, the date that the non-conforming aspect, or lack of financing, was identified by the Department; and
- Prohibit eligibility to apply for tax credits for a Tax-Exempt Bond Development that are submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development for 12 months from the date that the non-conforming aspect, or lack of financing, was identified by the Department.
- Required for HOME Applications

8. HOME NOFA. Refer to the current NOFA § 2 (c) for Ineligible Location under the HOME Competitive Cycle.

Design Issues

1. Ineligible Building Types:

a. Hospitals, nursing homes, trailer parks, dormitories, or transient housing -- §49.3(52)(A).

- b. Elderly Developments or age restricted buildings within Intergenerational Developments without elevators for two stories or more -- §49.3(52)(B).
- c. Elderly Developments or age restricted buildings within Intergenerational Developments with more than two bedrooms -- §49.3(52)(C).
- d. Four or more story building with no elevator -- §49.3(52)(D).

2. Unit Mix:

- a. One bedroom – No more than 30% of the total Units (§49.3(52)(G)(i).
- b. Two bedroom – No more than 55% of the total Units (§49.3(52)(G)(ii).
- c. Three bedroom – No more than 40% of the total Units (§49.3(52)(G)(iii).
- d. Four bedroom – No more than 5% of the total Units ((§49.3(52)(G)(iv).

Exceptions: Rural Allocation, 100% Rehabilitation, Reconstruction, Qualified Elderly Development, single room occupancy, transitional, entirely single family, or an increase above allowable percentage to reach the next highest number divisible by four -- §49.3(52)(G).

3. Development Size

- a. HOME minimum – 4 Units -- §53.53(3)(f), HTC minimum – 16 Units -- §49.6(e)(1).
- b. Rural maximum – 76 Units for New Construction, no limit on Rehabilitation -- §49.6(e)(2).
- c. New Construction maximum for Competitive Housing Tax Credit Units – 252 total Units, only 200 of which can be Department administered Units. Tax-Exempt Bond Developments are limited to 252 total Units with no limit on Department administered Units -- §49.6(e)(3).
- d. Second phase or adjacent to existing development maximum – combined Unit total for the Developments may not exceed the max allowable Development size unless a market study supports the absorption of additional Units -- §49.6(e)(4).

Exceptions: Reconstruction of Existing Residential Development to replace previously existing affordable multifamily Units on the site, or the first phase has been completed and has attained Sustaining Occupancy for at least six months -- §49.6(e)(4).

Ineligibility – General

- 1. Ineligibility, etc. – Debarment, suspension, or termination from procurement in a state or federal program, or presence on List of Parties Excluded from Federal Procurement or Non-Procurement Programs; subject to an enforcement or disciplinary action under state or federal securities law or by the NASD, subject to a federal tax lien, or subject to any enforcement proceeding with any Governmental Entity – applies to Applicant, Development Owner, Developer or Guarantor -- §49.5(a)(1) and (3).
- 2. Conviction in past 15 years – Conviction of fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds within 15 years preceding Application deadline – applies to Applicant, Development Owner, Developer or Guarantor -- §49.5(a)(2).

3. Unresolved issues with Department – Unresolved audit findings or questioned or disallowed costs – applies to Applicant, Development Owner, Developer or Guarantor -- §49.5(a)(4).
4. Two year rule – Applicant or Related Party has been a member of the Board, Executive Director, Deputy Executive Director, Director of Multifamily Finance Production, Director of Portfolio Management and Compliance, Director of Real Estate or manager over housing tax credits employed with the Department at time of Application or during the 2-year period preceding the date the Application Round begins -- §49.5(a)(5). Not applicable to HOME Applications
5. Replacement of Bond financing – Applicant proposes to replace in less than 15 years any private activity bond financing -- §49.5(a)(6). Not applicable to HOME Applications
Exceptions: 100% of Units supported by HTC will be restricted at 50% AMGI for 30 years and at least 1/3 of all Units in Development are public housing or Section 8 Development-based Units -- §49.5(a)(6)(A) and (B).
6. Quality of Application – Application has entire volume missing, has excessive omissions or is too unclear and disjointed that a review cannot be performed by the Department -- §49.5(a)(9).
7. Contract with certain Developers – Development Owner has or will contract with Developer that is on the Department’s debarred list, has an uncorrected breach of contract with a public agency or has made misrepresentations to subcontractors -- §49.5(c)(4).
8. Material Noncompliance -- The Applicant, Development Owner, Developer or Guarantor or anyone that has Controlling ownership interest in the Development Owner, Developer or Guarantor that is active in the ownership or Control of one or more other rent restricted rental housing properties in the state of Texas administered by the Department is in Material Noncompliance with the LURA -- §49.5(b)(2).
9. Previous Funding with the Department -- Previous funding contracts or commitments have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the applications pursuant to §49.5(b)(9), or a pre-development award from the Department has not been repaid for the Development at the time of Carryover Allocation or Bond closing pursuant to §49.5(b)(10).

Repeat: Please note that this list is a guide, and is not comprehensive; Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the programs they are applying for as well as to read the sections of the 2007 QAP in its entirety.

III. NOTIFICATION OVERVIEW AND DEADLINES

The following section is presented as a guide to notification requirements under the 2007 QAP, which can be found at <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>, and is titled “2007 Final QAP Signed by Governor (PDF).” Please note that this list is a guide, and is not comprehensive; Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the programs they are applying for as well as to read the sections of the 2007 QAP cited below (§§49.1-49.23). (See applicable NOFA for HOME notification and deadlines)

III. COMPETITIVE HOUSING TAX CREDITS: PRE-APPLICATION AND APPLICATION SUBMISSION

A Pre-Application for a Housing Credit Allocation from the State Housing Credit Ceiling may be filed at any time during the Pre-Application Acceptance Period. An Application for a Housing Credit Allocation from the State Housing Credit Ceiling may be filed at any time during the Application Acceptance Period. For the 2007 Competitive Housing Tax Credit Application Round the dates are:

Pre and Full Application Cycle Open:

Friday, December 8, 2006

Pre-Application Acceptance Period Closes:

Monday, January 8, 2007

Application Acceptance Period Closes:

Thursday, March 1, 2007

Applications received after 5:00 P.M. on the last day of the Acceptance Period(s) **will not be accepted**. The deadline is **strictly** adhered to; therefore the Department strongly encourages you to consider traffic and travel delays when planning your submission.

IV. COMPETITIVE HOUSING TAX CREDITS: FORMAT FOR SUBMITTING PRE-APPLICATION

The Pre-Application for Competitive HTC consists of three parts: bound items, unbound items and electronic submission. The complete Pre-Application for each proposed development must be submitted as described in this section. **Incomplete Pre-Applications or improperly bound Pre-Applications will not be accepted.**

Please note that Applicants are not required to submit a Pre-Application. However, pursuant to §49.7(a) and (b)(2) of the 2007 QAP, Applicants who apply for Competitive HTC under the At-Risk Set-Aside or USDA allocation must either submit a Pre-Application or file an *Intent to Request 2007 Housing Tax Credits* form by January 8, 2007 to be considered for the 2007 Application Round. This form will be made available on the Department's website along with all 2007 Application Materials.

Exhibits shown in *italics* are forms, templates or reference material included on the Department's website and in the Pre-Application. The forms, templates and reference materials required to complete the Pre-Application are:

1. "2007 9% HTC Pre-Application (PDF)" – Will be referred to as "***Pre-Application Exhibits***" in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/htc/applications.htm>.
2. "2007 Reference Manual" – Will be referred to as "***Reference Manual***" in this ASPM. All items are provided in the link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>.
3. "2007 Templates and Financials (DOC)" and "Financials" (XLS) – Will be referred to as "***Templates***" in the ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>.
4. "2007 Final QAP Signed by Governor (PDF)" – Will be referred to as "***2007 QAP***" in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>.

Submission Format:

- ❖ **Identifying Labels** – All sets of documentation submitted with the Pre-Application must be clearly labeled with the following:
 1. Development Name
 2. Owner Name
 3. Owner Name
 4. Contact Name(s)
 5. Contact Address(es)
 6. Contact Phone and Fax Number(s)
 7. Contact Email Address(es)
- ❖ **Required Binding Materials** – The bound portion of the Pre-Application must be bound using the following:
 1. Yellow Pressboard Binders – If the required documentation exceeds the capacity of one binder, a second binder may be used to subdivide the volume. Information on where to purchase binders is available in the ***Reference Manual*** on the Department website.

2. Divider Tabs – Information on where to purchase tabs is available in the *Reference Manual* on the Department website.

A. Bound Items: The Pre-Application consists of one bound volume, Tabs 1-3. All required forms may be found on the Department’s website at the links provided above; the names of these forms are presented in *italics*. Each form must be completed; all questions must be answered and spaces completed. If a question does not pertain to the Development, mark “N/A.”

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

Tab 1: All forms included in the *Pre-Application Exhibits* under *Tab 1*

1. *Part A: HTC Pre-Application Submission Form*

- Form must include an original signature
- Entire form must be completed
- The amount of credits being requested cannot exceed \$1.2 million
- A second contact person must be provided

2. *Part B: The HTC Pre-Application Self-Scoring Form*

- **Note: Pursuant to §49.9(h)(15) of the 2007 QAP, an Applicant may not adjust the Self- Scoring Form in an Administrative Deficiency without a specific request from the Department. Therefore, it is important that care is taken when requesting points.**

Tab 2: Evidence of Site Control (§49.9(h)(7)(A) .

- Site control must be valid through March 1, 2007
- Evidence must be in one of the following forms:
 - a. A recorded warranty deed with a corresponding executed settlement statement (unless an identity of interest)
 - b. A contract for lease (45 yr minimum term)
 - c. A contract for sale or purchase option
- Evidence must be in the name of the Development Owner. If not in the name of the Development Owner, then the documentation must reflect an expressed ability to transfer the rights to the Development Owner.
- If a contract is provided as evidence of site control, the closing date must be highlighted or flagged. If the date is not explicitly stated, but rather is triggered by other dates or periods, submit on outline of the dates that must be used to derive the closing date.

Tab 3: All forms included in the *Pre-Application Exhibits* under *Tab 3*

1. *Relevant Development Information Form Parts I and II*

- Entire form must be completed
- **IMPORTANT:** If there is a change from Pre-Application to Application that results in a total unit increase of greater than 10%, an increase of

greater than 10% for any given level of AMGI, a change in the target population, or a change in an elected official, you must re-notify as required by §49.9(h)(8)(A) of the 2007 QAP.

- Note: The Department is not responsible for notifying Applicants if information contained herein is inaccurate. It is each Applicant's sole responsibility to ensure all information contained in this form is accurate and that any errors identified are corrected and proper re-notifications are made.

2. *Public Notification Information and Certification Form, Pages 1-6 -- §49.8(d)(3).*

- Page six of the form must be signed and dated
- Single-member district – If the city council and/or county commission is a single-member district body, check the box to indicate this and list the single district representative in the space provided; you do not have to list the other members.
- Both single member and at-large district – If the city council or county commission has both district-based and at-large members, indicate so on the form and list the single district representative in the space provided and all at-large members in the spaces provided for all representatives.
- At-large district – List all representatives in the spaces provided
- Note: The Department is not responsible for notifying Applicants if information contained herein is inaccurate. It is each Applicant's sole responsibility to ensure all information contained in this form is accurate and that any errors identified are corrected and proper re-notifications are made.

3. *Certification of Pre-Application Notification Form -- §49.8(d)(3).*

- All four boxes on the form must be checked
- The form must be signed, dated and notarized
- While copies of notifications are not required to be submitted with the Pre-Application, Applicants should maintain evidence of all notifications made. This evidence may be requested by the Department at any time during the application review.
- Please note the following:
 - a. Sample *Neighborhood Organization Request Format* and *Public Notification Format (Written)* available on the Department's website under ***Templates***
 - b. Request for a list of Neighborhood Organizations must be made by December 8, 2006 -- §49.8(d)(3)(A)(i).
 - c. Notifications must be made no later than the date the Pre-Application is submitted to the Department

- d. Notifications should be made using a form of delivery that can be tracked. While it is not required to be submitted behind this tab, Applicants must keep evidence of all notifications made and provide this evidence to the Department upon request at any time during the Application review.
- e. Developments located in Extra Territorial Jurisdictions (ETJ) of a city are not required to notify city officials
- Notifications must be made using the language outlined in the *Neighborhood Organization Request Format* and *Public Notifications Format (Written)* available on the Department's website under **Templates**.

B. Unbound Items: The following items must be submitted with the Pre-Application, but must not be bound within the Pre-Application:

- ❖ *Document and Payment Receipt*
- ❖ Pre-Application Fee – **The Department will not accept a Pre-Application without the corresponding fee (Non-Profit organizations may receive a 10% reduction of fees if 501(c)(3) form is submitted with payment receipt).**

C. Electronic Submission: A searchable electronic copy of the complete Pre-Application bound volume must be submitted as one PDF file on a recordable compact disk (CD-R). This electronic copy must be submitted with the Pre-Application on or before January 8, 2007 in the following required format:

- ❖ The volume's tabs must be correctly bookmarked
- ❖ Files should average less than 100 Kilobytes per page
- ❖ Files must be readable with free PDF file viewers including Adobe Reader and be compatible with Adobe Reader 5.0 and above
- ❖ Files should be saved so that "Fast Web View" (or page-at-a-time downloading) is enabled
- ❖ Text within the PDF file should be searchable using the "Find" command in the PDF viewer
- ❖ The PDF file should be named in the following format -- <file_name>.pdf (i.e., Greens Crossing.pdf)
- ❖ **Please note that the PDF format is an open technology and not proprietary to Adobe, therefore other PDF format applications are available to the public. Questions about electronic submission should be directed to Jason Burr (jason.burr@tdhca.state.tx.us)**

V. FORMAT FOR PRE-CERTIFICATION AND ACKNOWLEDGEMENT (EXPERIENCE CERTIFICATE)

All Applicants are required to submit an Experience Certificate as part of their Application. The Experience Certificate is issued by the Department and must either be requested in advance of the Application deadline (for Competitive HTC) or be requested at the time of Application submission (for Tax-Exempt Bond Developments).

Process: Individuals (a person or an entity) that will be utilizing their experience to meet the experience threshold requirement must submit evidence of experience to the Department to the attention of Multifamily Finance Production Division. After staff review of the documents, a Certificate of Experience will be issued by the Multifamily Finance Production Division and mailed back to the entity that requested the certificate. For Competitive HTC, the request for an Experience Certificate must be submitted by Thursday, February 15, 2007. For Tax-Exempt Bond Developments, the request must be included with the Application submission. While a form requesting the experience certificate is not required, a form has been created for this purpose entitled *2007 Experience Certification*; this form is available on the Department's website and facilitates the Department's prompt issuance of the requested document.

Eligibility of Previously Issued Experience Certificates: 2004, 2005 and 2006 Experience Certificates are eligible for use in all 2007 applications; requests for recertification are not necessary.

Required Documentation: The required documentation is explained in detail in §49.9(g) of the 2007 QAP.

VI. FORMAT FOR SUBMITTING THE APPLICATION (Applies to all programs unless specifically mentioned in this section)

The Application consists of three parts: bound items, unbound items and electronic submission. A complete Application for each proposed Development must be submitted as described in this section. **Incomplete Applications or improperly bound Applications will not be accepted.** Applications must be presented in the order provided below.

Exhibits shown in *italics* are forms, templates or reference material included on the Department's website and in the Application. The forms, templates and reference materials required to complete the Application are:

1. "2007 Uniform Application (DOC)" – Will be referred to as "*Uniform Application*" in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>.
2. "MF App 2007 Uniform Application Inserts (XLS)" – Will be referred to as "*Excel Inserts*" in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>.
3. "2007 Reference Manual (PDF)" – Will be referred to as "*Reference Manual*" in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>.
4. "2007 Templates and Financials (DOC)" and "Financials" (XLS) – Will be referred to as "*Templates*" in the ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>.
5. "2007 Final QAP Signed by Governor (PDF)" – Will be referred to as "*2007 QAP*" in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>.
6. "2007 Real Estate Analysis Rules and Guidelines (PDF)" – Will be referred to as "*REA Rules*" in this ASPM. Link found at <http://www.tdhca.state.tx.us/rea/>.
7. "2007 HOME Investment Partnerships Program Application (DOC)" – Will be referred to as "HOME Application". Link found at <http://www.tdhca.state.tx.us/multifamily/home.htm>

Submission Format:

❖ **Identifying Labels** – All sets of documentation are clearly labeled with the following:

1. Development Name
2. If a Pre-Application was submitted, include the assigned TDHCA Development Number
3. Owner Name
4. Contact Name(s)
5. Contact Address(es)
6. Contact Phone and Fax Number(s)
7. Contact Email Address(es)

❖ **Required Binding Materials** – The bound volumes of the Application must be bound using the following:

1. Red Pressboard Binders – Each volume must be submitted in a separate red pressboard binder. If the required documentation for a volume exceeds the

capacity of one binder, a second binder may be used to subdivide the volume. Information on where to purchase binders is available in the *Reference Manual* on the Department website.

2. Divider Tabs – Information on where to purchase tabs is available in the *Reference Manual* on the Department website.

A. Bound Items: The bound portion of the Application consists of Volumes 1 through 4. The volumes listed below are required for each funding program unless otherwise noted.

All required forms may be found on the Department’s website at the links provided above; the names of these forms are presented in *italics*. The forms submitted to the Department must be the current version available on the Department website; the Department will not accept Application materials from previous years, and will terminate Applications for this reason. Each form must be completed; all questions must be answered and spaces completed. If a question does not pertain to the Development, mark “N/A.”

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

Volume 1 – Priority Review and Threshold Documentation

Volume 2 – Site Packet

Volume 3 – Supplemental Threshold Documentation

Volume 4 – Selection Documentation for Competitive Housing Tax Credit Program
(applies only to Competitive Housing Tax Credit Developments)

Volume 7- HOME Application and Selection

B. Unbound Items: The following documents are a part of the Application, but must not be bound within the red pressboard binders used for any volume of the Application. Please note that not all of the Unbound Items listed below are due at the same time as the bound portion of the Application (i.e. third party reports). Please do not use three-ring binders for these unbound submissions.

- ❖ *Document and Payment Receipt*
- ❖ Application Fee – **The Department will not accept an Application without the corresponding fee.**
- ❖ Appraisal (if required) -- §49.9(h)(14)(D), (7)(A)(iv)(I) and (II) and (12)(A) of the 2007 QAP and §1.34 of the REA Rules
 1. Submission Deadlines:
 - Competitive Housing Tax Credit Developments
 - a. Engagement letters (submitted bound in Volume 3 Tab 8) – Due upon Application submission, March 1, 2007.
 - b. Report – Must be submitted not later than 5:00 p.m. CST, April 2, 2007. If each entire report is not received by that time, the Application will be terminated and will be removed from consideration.

- Tax-Exempt Bond Developments
 - a. Report – Must be submitted 60 days prior to the date of the Board meeting at which the decision to issue a Determination Notice would be made -- §49.12(a)(2).
 - HOME Investment Partnerships Program
 - a. Engagement letters (submitted bound in Volume 3 Tab 8) – Due upon Application submission.
 - b. Report – Must be submitted not later than 5:00 p.m. CST, April 2, 2007 for a competitive HOME cycle. If each entire report is not received by that time, the Application will be terminated and will be removed from consideration.
2. Hardcopy – Must be provided and may be bound using the analyst’s preferred format.
- Must be prepared in accordance with the Department’s Appraisal Rules and Guidelines, §1.34 of the current year’s Real Estate Analysis Rules and Guidelines.
 - Must be prepared by a qualified Third Party.
 - Must be dated within six months of the first day of the Application Acceptance Period or with an updated appraisal from the Person that prepared the initial report; however any appraisal which is more than 12 months old as of the first day of the Application Acceptance Period will not be accepted.
 - Must include a transmittal letter from the provider stating that the Department may rely on the report.
 - Values stated must include the as-is value of the land and the value of any improvements must be stated separately (remember that acquisition credits may only be requested for buildings that have value and the eligible basis for the credits in *Volume 1, Tab 3 Part A. Development Cost Schedule* must be consistent with the appraisal, just as the land must be)

For Developments which require an appraisal from TX-USDA-RHS, the appraisal may be more than six months old, as long as TX-USDA-RHS has confirmed in writing that the existing appraisal is still acceptable.

3. Electronic copy – A searchable electronic copy in the format of a single file containing all information and exhibits in the hard copy report, presented in the order they appear in the hard copy report on a CD-R clearly labeled with the report type, Development name, and Development location are required -- §49.9(h)(14)(G)(iii).

Phase I Environmental Site Assessment -- §49.9(h)(14)(A) of the 2007 QAP and §1.35 of the REA Rules

1. Submission Deadlines:

- Competitive Housing Tax Credit Developments

- a. Engagement letters (submitted bound in Volume 3 Tab 8) – Due upon Application submission, March 1, 2007.
 - b. Report – Must be submitted not later than 5:00 p.m. CST, April 2, 2007. If each entire report is not received by that time, the Application will be terminated and will be removed from consideration.
- Tax-Exempt Bond Developments
 - a. Report – Must be submitted 60 days prior to the date of the Board meeting at which the decision to issue a Determination Notice would be made -- §49.12(a)(2).
 - HOME Investment Partnerships Developments
 - a. Engagement letters (submitted bound in Volume 3 Tab 8) – Due upon Application submission.

Report – Must be submitted not later than 5:00 p.m. CST, April 2, 2007 for a competitive HOME cycle. If each entire report is not received by that time, the Application will be terminated and will be removed from consideration.
Hardcopy – Must be provided and may be bound using the analyst’s preferred format.

- TX-USDA-RHS Developments will not be required to supply an ESA.
- Must be prepared in accordance with the Department’s Environmental Site Assessment Rules and Guidelines -- §1.35 of the current year’s Real Estate Analysis Rules and Guidelines.
- Must be prepared by a qualified Third Party -- §1.35 of the REA Rules
- Must be dated within 12 months of the first day of the Application Acceptance Period or including an update letter or updated report from the original provider, dated within three months of the first day of the Application Acceptance Period, confirming that the site has been re-inspected and reaffirming the initial conclusions or identifying any changes.
- Must include a transmittal letter from the provider stating that the Department may rely on the report.
- Statement from the provider that the report fee is his sole benefit and findings are not contingent on compensation from the client or its affiliates -- §1.35 of the REA Rules.
- Applicant must certify that appropriate action has been or will be undertaken if the ESA indicates that either abatement or further investigation of any environmental issue is warranted -- §1.35 of the REA Rules.
- Noise study must be expressly stated to be recommended or not recommended -- §1.35 of the REA Rules.

- FEMA map panel, including panel number, of the subject area with the outline of the subject site superimposed (or otherwise unmistakably identified) (NOTE: find out if the ESA provider intends to include a FEMA map – if not, use another provider or submit it, yourself. Remember to identify the site on the map and to show the panel number) -- §1.35 of the REA Rules.
 - All other items specified in §1.35 of the REA Rules.
3. Electronic copy – A searchable electronic copy in the format of a single file containing all information and exhibits in the hard copy report, presented in the order they appear in the hard copy report on a CD-R clearly labeled with the report type, Development name, and Development location are required - §49.9(h)(14)(G)(iii).
- ❖ Market Analysis -- §49.9(h)(14)(B) of the 2007 QAP and §1.33 of the REA Rules
1. Submission Deadlines:
- Competitive Housing Tax Credit Developments
 - a. Engagement letters (submitted bound in Volume 3 Tab 8) – Due upon Application submission, March 1, 2007.
 - b. Report – Must be submitted not later than 5:00 p.m. CST, April 2, 2007. If each entire report is not received by that time, the Application will be terminated and will be removed from consideration.
 - Tax-Exempt Bond Developments
 - a. Report – Must be submitted 60 days prior to the date of the Board meeting at which the decision to issue a Determination Notice would be made -- §49.12(a)(2).
 - HOME Investment Partnerships
 - a. Engagement letters (submitted in Volume 3 Tab 8) – Due upon Application submission.
- Report – Must be submitted not later than 5:00 p.m. CST, April 2, 2007 for a competitive HOME cycle. If each entire report is not received by that time, the Application will be terminated and will be removed from consideration.
Hardcopy – Must be provided and may be bound using the analyst’s preferred format.
- Must be prepared by a Third Party Market Analyst approved by the Department as indicated in the Department’s Market Analysis Rules and Guidelines -- §1.33 of the current year’s Real Estate Analysis Rules and Guidelines.
 - Must be dated within six months of the first day of the Application Acceptance Period or the Person that prepared the initial report must supply an updated Market Analysis; however, if the initial Market Analysis was more than 12 months old, it will not be accepted;

- Must include a transmittal letter from the provider stating that the Department may rely on the report.
 - Must include a map, including scale, showing primary market area - §49.9(h)(14)(G)(ii)
 - Must include a map, with scale, showing secondary market area - §49.9(h)(14)(G)(ii)
 - Report must conform with all other Market Analysis Rules and Guidelines -- §1.33 of the REA Rules
 - For the TX-USDA-RHS Set-Aside, acquisition and Rehabilitation of residential structures at or above 80% occupancy at the time of Application, the appraisal, required under §49.9(h)(7) or (12), prepared in compliance with the Department's Appraisal Rules and Guidelines, §1.34, will satisfy the requirement for a Market Analysis; however the Department may request additional information as needed -- §2306.67055, §42(m)(1)(A)(iii)
3. Electronic copy – A searchable electronic copy in the format of a single file containing all information and exhibits in the hard copy report, presented in the order they appear in the hard copy report on a CD-R clearly labeled with the report type, Development name, and Development location are required - §49.9(h)(14)(G)(iii).
- ❖ Property Condition Assessment (if required) -- §49.9(h)(14)(C) and (6)(E) of the 2007 QAP and §1.36 of the REA Rules
1. Submission Deadlines:
- Competitive Housing Tax Credit Developments
 - a. Engagement letters (submitted bound in Volume 3 Tab 8) – Due upon Application submission, March 1, 2007.
 - b. Report – Must be submitted not later than 5:00 p.m. CST, April 2, 2007. If each entire report is not received by that time, the Application will be terminated and will be removed from consideration.
 - Tax-Exempt Bond Developments
 - a. Report – Must be submitted 60 days prior to the date of the Board meeting at which the decision to issue a Determination Notice would be made -- §49.12(a)(2).
 - HOME Investment Partnerships
 - a. Engagement letters (submitted bound in Volume 3 Tab 8) – Due upon Application submission.
- Report – Must be submitted not later than 5:00 p.m. CST, April 2, 2007 for a competitive HOME cycle. If each entire report is not received by that time, the Application will be terminated and will be removed from consideration.
- Hardcopy – Must be provided and may be bound using the analyst's preferred format.

- Must be prepared by a qualified Third Party as stated in the Department’s Property Condition and Assessment Rules and Guidelines -- §1.36 of the current year’s Real Estate Analysis Rules and Guidelines.
 - Must be dated within six months prior to the first day of the Application Acceptance Period or including an updated PCA report from the Person or organization that prepared the initial report, but the Department will not accept any PCA report that is more than six months old as of the first day of the Application Acceptance Period.
 - Must include a transmittal letter from the provider stating that the Department may rely on the report. Must be prepared in accordance with all other requirements of §1.36;
 - For Developments which require a capital needs assessment from TX-USDA-RHS, the capital needs assessment may be substituted and may be more than six months old, as long as TX-USDA-RHS has confirmed in writing that the existing capital needs assessment is still acceptable.
3. Electronic copy – A searchable electronic copy in the format of a single file containing all information and exhibits in the hard copy report, presented in the order they appear in the hard copy report on a CD-R clearly labeled with the report type, Development name, and Development location are required - §49.9(h)(14)(G)(iii). Questions regarding the Market Study, Appraisals, ESAs and PCA should be directed to the Lisa Vecchietti in the Real Estate Analysis Division at (512) 475-3227.
- ❖ Volume 1 Tab 5 unbound – An extra copy of unbound Volume 1 Tab 5 bound with a clip or staple
 - ❖ *Part A.2: Applicant Unique Identifier Number*, form included in Uniform Application Word document
 - **Do not include in Electronic Submission**
 - The shaded area in the form is provided as an example of how to complete the form.
 - All references to the “Development Owner” mean the Development Owner excluding the investor limited partner position that will typically be filled by a third-party syndicator. Any limited partner or special limited partner that is not the syndicator must be included in the form.
 - Note that the first entry on the form will be the Development Owner. The Development Owner will only appear on the form once. Therefore, the middle column of the Development Owner’s line must be left blank so that the identification number of the Development Owner may be entered in the right-hand column.
 - Every organization that is listed in the middle column as a Principal of the Development Owner will later be listed again in the left-hand column with its own Principals listed in the middle column starting on the line below it. For simplicity, do not make entries in both the left-hand column and middle column of the same line. If an organization is named in the left-hand

column of a line, leave the middle column blank and begin the list of “Principals” on the next line below the line with the blank middle column.

- The Principals of nonprofit organizations will be the board members and executive officers, with the ownership percentage of each being stated as “0%.”
 - In general, every organization will be listed at least once in the middle column of the form and, generally, only once in the left-hand column of the form. Exceptions in which the same organization might be listed twice in the left-hand column include cases wherein the same organization is both an owner and a developer, and other such “special cases” as explained below.
 - **Special Cases:** The Developer, Guarantor and any entity that will receive more than 10% of the developer fee must also be listed on the form, even if they do not have any ownership. Therefore, after listing owners, list the applicable entities that have no ownership, including any Developers, Guarantors and organizations or Persons that will receive more than 10% of the developer fee. Where there is no ownership, be sure to state the percentage of ownership as “0%.”
 - Use additional pages of the form as necessary to completely list all applicable participants.
- ❖ Volume 3 Tab 7 unbound – An extra copy of unbound Volume 3 Tab 7 if the Applicant is a nonprofit; must include the depiction of the organizational charts.
 - ❖ Volume 2 unbound – An extra copy of unbound Volume 2.
 - ❖ Financials – Submitted unbound and clearly labeled as required by §49.9(h)(13). Please note: forms relating to this section are available on the Department’s website under **Templates. Form may be submitted in either the Excel or Word versions available on the Department’s website.** For questions relating to this requirement, contact Lisa Vecchietti at (512) 475-3227.

1. *Financial Statement and Authorization to Release Credit Information*

- Must be completed and signed for every General Partner, Developer or Guarantor and any Person that has a 10% ownership interest in the Development Owner, general Partner, Developer or Guarantor.
- Nonprofit entities, public housing authorities and publicly traded corporations are only required to submit documentation for the entities involved; documentation for individual board members and executive directors is not required.

2. Financial Statements

- Must be submitted for each party and Person listed in number 1 above.
- Entities that have not yet been formed and entities that have been formed recently but have no assets, liabilities or net worth are not required to submit this documentation, but must submit a statement with the Application stating that this is the case.

- Financial statements for individuals must not be older than 90 days from the first day of the Application Acceptance Period.
 - Financial statements for partnerships or corporations should be for the most recent fiscal year ended 90 days from the first day of the Application Acceptance Period.
- ❖ Support/Opposition letters – If the Applicant has received support/opposition letters from elected officials and/ or neighborhood organizations, members of the public, or neighborhood organizations, they can be submitted at the time the Application is submitted. **Please staple such documents together with a brief letter of transmittal identifying them as such. DO NOT bind these documents in the Application, unless instructed to do so in the Application itself.**

Note: If applying for points under §49.9(i)(16), Demonstration of Community Support other than Quantifiable Community Participation, letters must be submitted under Volume 4, Tab 12 if available at the time of Application.

C. Electronic Submission: A searchable electronic copy of complete applicable Application Volumes 1-4 must be submitted as one PDF file on a recordable compact disk (CD-R). This electronic copy must be submitted with the Full-Application March 1, 2007 in the following required format:

Any Social Security numbers appearing in any portion of the Application submission must be removed from the PDF copy prior to submission to the Department. The file will be posted to the Department's website and the Department will not be responsible for editing.

- ❖ Each volume's tabs must be correctly bookmarked
- ❖ Files should average less than 100 Kilobytes per page
- ❖ Files must be readable with free PDF file viewers including Adobe Reader and be compatible with Adobe Reader 5.0 and above
- ❖ Files should be saved so that "Fast Web View" (or page-at-a-time downloading) is enabled
- ❖ Text within the PDF file should be searchable using the "Find" command in the PDF viewer
- ❖ The PDF file should be named in the following format -- <file_name>.pdf (e.g., greens_crossing.pdf)
- ❖ **Please note that the PDF format is an open technology and not proprietary to Adobe, therefore other PDF format applications are available to the public. Questions about electronic submission should be directed to Jason Burr (jason.burr@tdhca.state.tx.us)**

VII. LIST OF REQUIRED EXHIBITS FOR THE APPLICATION

This section describes the specific documents required for the bound portions of the application. **You must compile the Application based on the order provided in this document.** Note that this order does not necessarily follow the order that is used in the QAP!

Exhibits shown in *italics* are forms, templates or reference material included on the Department’s website and in the Application. The forms, templates and reference materials required to complete the Application are:

1. “2007 Uniform Application (DOC)” – Will be referred to as “*Uniform Application*” in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>.
2. “MF App 2007 Uniform Application Inserts (XLS)” – Will be referred to as “*Excel Inserts*” in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>. [Note: this workbook includes multiple sheets; ALL sheets must be completed]
3. “2007 Reference Manual (PDF)” – Will be referred to as “*Reference Manual*” in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>.
4. “2007 Templates (DOC)” – Will be referred to as “*Templates*” in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>.
5. “2007 Final QAP Signed by Governor (PDF)” – Will be referred to as “*2007 QAP*” in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>.
6. “2007 Real Estate Analysis Rules and Guidelines (PDF)” – Will be referred to as “*REA Rules*” in this ASPM. Link found at <http://www.tdhca.state.tx.us/rea/>.

Volume 1. Priority Review and Threshold Documentation

Include all of the following documents:

Volume 1 Tab 1: All forms included in the *Uniform Application* under *Volume 1, Tab 1 Parts A-C*

1. *Part A. Activity Overview*
 - This form must have an original signature.
2. *Part B. Applicant Information*
 - All items must be completed.
 - A second contact must be provided.
3. *Part C. Funding Request*
 - Correctly select the appropriate items.
 - Annual amount of Housing Tax Credits cannot exceed \$1,200,000. (§49.6(d)).
 - If applying for TDHCA HOME funds, indicate if there is a “Special Needs” set-aside.
 - If applying for TDHCA HOME CHDO funds, check the HOME CHDO box.

- If applying for TDHCA HOME funds, the maximum award is \$3 million per application. The maximum cannot exceed 90% of the Total Development Cost listed on the Development Cost Schedule. The minimum amount of HOME funds that should be invested is \$1,000 per HOME assisted unit and the maximum cannot exceed the 221 (d) (3) limits.

Volume 1 Tab 2: All forms included in the *Uniform Application* under *Volume 1, Tab 2* and in the *Excel Inserts* under *Volume 1, Tab 2 Parts B-F*

1. *Part A. Populations Served*

- Note that the “Type of Unit” categories are not mutually exclusive. For instance: for a 200 unit Qualified Elderly Development with 10% of the Units set aside for Persons with Disabilities, the table would read 200 Elderly Units and 20 Units for Persons with Disabilities with corresponding percentages of total Units.

2. *Part B. Rent Schedule*

- Note that this is a two-page form.
- If the Development includes efficiency Units, label these Units as zero (0) bedrooms.
- If any non-rental income is included, describe the source(s) of the income.

NOTE: If applying for local or TDHCA HOME funds, staff recommends that the Applicant consult with the Department prior to Application submission to ensure compliance with Department and IRC Rules.

3. *Part C. Utility Allowances*

- Form must be completed; if the form is not applicable, indicate such and submit the form. If the Development is all bills paid, indicate such and indicate the utilities and energy source.
- Support documentation must be included (i.e. Current PHA utility allowances sheet or local utility provider estimate specific to development).

4. *Part D. Annual Operating Expenses*

5. *Part E. 30 Year Rental Housing Operating Pro Forma*

- Note: The Applicant must complete this form for all 30 years; however, no Applicant will be determined by the Real Estate Analysis Division as “infeasible” based on any information relating to years 16-30 contained within this document.
- HOME Application proforma must maintain a positive cash flow for years 1-15. Any deferred developer’s fee must be shown to be fully repaid by year 15. The initial year one operating expenses divided by effective gross income must be less than 65%.

6. *Part F. Building/Unit Type Configuration*

- Units and square footage must be consistent to *Part B. Rent Schedule*
- Number of buildings must conform to the site plan.

Volume 1 Tab 3: All forms included in the *Excel Inserts* under *Volume 1, Tab 3 Parts A-C*

1. *Part A. Development Cost Schedule*

- Must be signed by Development Owner and Contractor.
- Owner's Requested Credits must match *Volume 1, Tab 1 Part C. Section 3. Funding Request*
- IMPORTANT: If projected site work costs include unusual or extraordinary items or exceed \$9,000 per Unit, then the Applicant must provide -- §49.9(h)(6)(G):
 - a. a detailed cost breakdown prepared by a Third Party engineer or architect, and
 - b. a letter from a certified public accountant allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible.

2. *Part B. Offsite Costs Breakdown*

- This form is only applicable if offsite costs are included in *Part A. Development Cost Schedule*.
- Must be signed by registered engineer or architect.

3. *Part C. Site Work Costs*

- This form is only applicable if the subtotal site work cost from *Part A. Development Cost Schedule* is above \$9,000 per unit.

Volume 1 Tab 4: All forms included in the *Uniform Application* under *Volume 1, Tab 4* and in the *Excel Inserts* under *Volume 1 Tab 4 Part A*

1. *Part A. Summary of Sources and Uses of Funds*

- Financing participants must be listed in the right-hand column.
- Total sources of funds must equal total uses of funds.
- Total sources must match *Volume 1, Tab 3 Part A. Development Cost Schedule* Total Development Cost.
- Amounts listed must match amounts listed in *Part B. Financing Participants*, the Financing Narrative, Commitment Letters and Syndicator Letters.

2. *Part B. Financing Participants*

- The sources and amounts of funds indicated on this form must match those indicated on *Part A. Summary of Sources and Uses of Funds*.

3. Financing Narrative -- §49.9(h)(6)(A).

- Sources and amounts of funds must match *Part A. Summary of Sources and Uses of Funds*.
4. Commitment Letters -- §49.9(h)(7)(C).
- Evidence of interim and permanent financing
 - Evidence must be consistent with *Part A. Summary of Sources and Uses of Funds*
 - Evidence must be provided in one or more of the following forms:
 - a. Valid and binding loan agreement, deed of trust in the name of the Development Owner and/or that allows transfer to the Development Owner, and, if USDA Rehabilitation, a letter indicating that USDA has received a Consent Request or Primary Submittal.
 - b. Commitment or term sheet:
 - Must be addressed to Development Owner
 - Must be executed by lender
 - Must indicate a principal amount, loan term, stated interest rate, amortization term and expiration date
 - c. For any soft debt of subsidized gap financing:
 - Provide intent to apply or evidence from lending agency that an application has been received, and
 - Term sheet that indicates terms and amount of funding and date funding determination will be made and a commitment issued
 - d. If Development is financed through more than 5% Development Owner contributions:
 - Third Party CPA letter verifying the capacity of the Development Owner to provide the proposed funding with funds not other wise committed, and
 - Letter from Development Owner's bank confirming that sufficient funds are available to the Development Owner
5. Syndicator Letters -- §49.9(h)(6)(C).
- Evidence must be consistent with *Part A. Summary of Sources and Uses of Funds*
 - Letter of commitment from a syndicator that, at a minimum, provides an estimate of the amount of equity dollars expected to be raised for the Development in conjunction with the amount of housing tax credits requested for allocation to the Development Owner, including pay-in schedules, syndicator consulting fees and other syndication costs.
 - No syndication costs should be included in the Eligible Basis.

Volume 1 Tab 5: All forms included in the *Uniform Application* under *Volume 1, Tab 5 Parts A-E*. ***Note: Do not bind Part A.2 and do not include in Electronic Submission.**

1. *Part A.1. Applicant and Developer Ownership Chart* (use form as template) -- §49.9(h)(9)(A).
 - **At minimum, two charts must be provided:** A separate chart must be provided for the Applicant and Developer; the charts must not be combined.
 - If a Guarantor that is not an owner exists, a separate chart must be provided.
 - Chart must show the following:
 - a. Name and ownership percentage of each entity and Person with an ownership interest in the Development Owner, General Partner, Special Limited Partner, Guarantor and Developer.
 - b. State the percentage of ownership of each entity and Person in the chart in terms of the entity's or Person's direct ownership of the organization that the entity or Person owns, not in terms of the Development Owner as a whole (See examples of ownership percentages in the example chart).
 - c. Trusts must show trustee and each beneficiary.
 - d. Nonprofit entities, public housing authorities and publicly traded corporations must show name of organization, president, vice president and secretary (executive officers).
 - e. Any person receiving 10% of the Developer Fee must also be included in the chart.

NOTE: A.2 Applicant Unique Identifier Number is not bound here.

2. *Part B. List of Organizations with an Ownership Interest or Special Interest in the Applicant*
 - Only organizations are listed on this form.
 - Every organization listed on the organizational chart must be included.
 - Natural persons will only be reported on this form if they directly own an interest in the Development Owner rather than owning an interest as members of an organization with an ownership interest.
 - Submit as many pages of the form as necessary to report all applicable organizations (and all natural persons with direct interests as owners, developers, guarantors or recipients of more than 10% of the developer fee).
3. *Part C. List of Principals of Organizations or Special Interest with an Ownership Interest in the Applicant*
 - Every natural person listed on the organizational chart must be included.

- To complete this form, refer to the instructions for *Part A.2. Applicant Unique Identifier Number* (found in the “Unbound Items” portion of section VI. Format for Submitting the Application).
 - a. Be sure to list all organizations and natural persons that are “Special Cases.”
 - b. Be sure that every entity listed in the left-hand column does not have a “Principal” listed by it on the same line (i.e. each line should contain the name of only one organization or if it is a “special case,” one natural person).

4. *Part D. Certification of Principal*

- Must be completed by all natural persons that appear on the organization chart.
- This certification must be signed and filed by all natural persons who, either directly or through ownership of an intermediary organization, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization that will receive more than 10% of the developer fee, or who, directly, will receive more than 10% of the developer fee.
- For publicly traded corporations, the chief executive officer and members of the board must each sign.
- For nonprofit corporations and governmental or quasi-governmental organizations, such as public housing authorities, the executive director and each board member must sign.

5. *Part E. Previous Participation and Background Certification -- §49.9(h)(9)(C).*

- Must be completed for each entity and natural person shown on the organizational chart
- For nonprofit entities, public housing authorities and publicly traded corporations, exhibit must be completed for entity, individual board members and executive director
- Must be completed for any Person receiving more than 10% of the Developer fee

Volume 1 Tab 6: The form included in the *Uniform Application* under *Volume 1 Tab 6*

1. *Part A. Development Team Members*

- **IMPORTANT:** If there is a direct or indirect, financial or other interest with the Applicant or other team members, provide an attachment behind Volume 3 Tab 2 of the Application that explains the relationship.

Volume 1 Tab 7: All forms included in the *Uniform Application* under *Volume 1, Tab 7*

1. *Part A. HTC Application Supplement*

- **IMPORTANT:** Section 1 – Once a set-aside election is made, it is irrevocable.
2. *Part B. 9% HTC Confirmation of Set-Aside and Allocation Eligibility (Competitive Housing Tax Credit Developments ONLY)*
- If documentation is required for any set-aside selected, the documentation must be provided behind this tab unless already required elsewhere within the application.
3. **At-Risk Set-Aside documentation (Competitive Housing Tax Credit Developments applying under the At-Risk Set-Aside ONLY) -- §49.3(13).**
- Development must be at risk of losing all affordability from all of the financial benefits available on the Development
 - Evidence that the Development has received a subsidy or benefit from at least one of the following must be submitted (Note: if more than one is received as a subsidy on the Development, they must be checked on the form):
 - a. Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. §17151);
 - b. Section 236, National Housing Act (12 U.S.C. §1715z-1);
 - c. Section 202, Housing Act of 1959 (12 U.S.C. §1701q);
 - d. Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. §1701s);
 - e. Section 8 Additional Assistance Program for housing Developments with HUD-Insured and HUD-Held Mortgages administered by the United States Department of Housing and Urban Development;
 - f. Section 8 Housing Assistance Program for the Disposition of HUD-Owned Projects administered by the United States Department of Housing and Urban Development;
 - g. Sections 514, 515, and 516, Housing Act of 1949 (§42 U.S.C. §§1484, 1485, and 1486); and/or
 - h. Section 42, of the Internal Revenue Code of 1986 (26 U.S.C. §42)
 - Evidence must show that all subsidies or benefits expire (provided such benefit constitutes a subsidy) no later than July 31, 2009, is eligible for prepayment or that the Development is eligible to request a qualified contract under Section 42, of the Internal Revenue Code of 1986; **this information must be flagged within the documentation submitted.**
 - a. Evidence for a qualified contract must be provided in the form of a copy of the recorded LURA, the first year's IRS Forms 8609 for all buildings showing Part II completed and, if applicable, documentation from the original application regarding the right of first refusal.
 - An Application for a Development that includes the demolition of the existing Units will not qualify as an At-Risk Development unless the redevelopment will include the same site.
 - Certification that states that all possible financial benefit will be retained or renewed

4. **USDA Set-Aside documentation (Competitive Housing Tax Credit Developments applying under the USDA Set-Aside ONLY)** Rural Developments which are financed through TX-USDA-RHS 538 Guaranteed Rural Rental Housing Program, or Rehabilitation or Reconstruction Developments that are financed through existing TX-USDA-RHS 515 funds from USDA that retains the 515 loan and restrictions may qualify if the Applicant has filed a Pre-Application or an “Intent to Request 2007 Housing Tax Credits” form by the Pre-Application submission deadline.
 - Evidence required for Rehabilitations or Reconstruction Developments financed under existing 515 loans: An application must have evidence from the state office of RHS of its financing or intent to finance.
 - Evidence required for any Development financed through TX-USDA-RHS 538 Guaranteed Rural Rental Housing Program:
 - Letter from lender indicating that a submission for 538 NOFA Response has been made; or
 - A 538 “USDA NOFA Response”; or
 - A letter from a lender with a conditional commitment of 538 Loan; and
 - No later than April 15, 2007 the Applicant must submit to the Department a “Notice to Proceed” from USDA; and
 - By June 1, 2007, the Department strongly encourages that the Applicant submits a 538 Application to USDA for timely processing; and
 - No later than June 20, 2007 the Applicant must submit a 538 Application to USDA for timely processing; and
 - At the time the Carryover documentation is required to be submitted by the Applicant, an Obligation letter must be received by the Department.
5. *Part C. HTC Development Owner Certification*
 - Refer to QAP definition of Development Owner
6. *Part D. HTC Consultant Certification*
 - Refer to QAP definition of Development Consultant
7. *Part E. HTC Applicant Credit Limit Documentation and Certification*
 - Refer to QAP definitions when completing this two-part form. In general, each Person and entity listed on the organizational chart should be listed on Part I.
 - For each person or entity listed in Part I, you must submit a separate Part II for that Person or entity.

Volume 1 Tab 8: All forms included in the *Uniform Application* under *Volume 1, Tab 8*

1. *Relevant Development Information Form (Parts I and II)*

- If a Pre-Application was submitted and no information has changed since Pre-Application, check the two boxes that indicate no change from Pre-Application; no other information is required to be submitted.
 - If a Pre-Application was not submitted, if any of the information has changed, or if re-notifications were necessary, submit the form with updated information indicated. Note: The Department is not responsible for notifying Applicants if information contained herein is inaccurate. It is each Applicant's sole responsibility to ensure all information contained in this form is accurate and that any errors identified are corrected and proper re-notifications are made.
2. *Public Notification Information and Certification Form (Pages 1-6) -- §49.9(h)(8)(A).*
- Page six of the form must be signed and dated.
 - If a Pre-Application was submitted and no information has changed since Pre-Application, check the box that indicate no change and sign and date the last page. **Note: in this case, although only boxes are required to be checked, these forms are required at Application, even if a Pre-Application was submitted.**
 - If a Pre-Application was not submitted, if any of the information has changed, or if re-notifications were necessary, submit the signed and dated form with updated information indicated.
 - Single-member district – If the city council and/or county commission is a single-member district body, check the box to indicate this and list the single district representative in the space provided; you do not have to list the other members.
 - Both single member and at-large district – If the city council or county commission has both district-based and at-large members, indicate so on the form and list the single district representative in the space provided and all at-large members in the spaces provided for all representatives.
 - At-large district – List all representatives in the spaces provided.

Volume 2. Site Packet

Include all of the following documents:

Volume 2 Tab 1:

1. Current site address
2. Project name
3. State whether the project is existing or proposed
4. Indicate housing type
5. Owner name, contact name and phone number

Volume 2 Tab 2:

1. A full, legible legal description of the site.

Volume 2 Tab 3:

1. A fold-up city map or a copy of a map clearly indicating the location of the development in relation to the entire city or town in which it is located. The map should also indicate the location of the following facilities within 2 miles of the site:
 - Existing HTC or other affordable housing projects
 - Retail centers
 - Medical complexes
 - Recreational facilities
 - Educational facilities (elementary, secondary, high school, college or vocational) and libraries
 - Large scale employment centers
 - Public transportation stop closest to the site (if it falls within the two mile radius)

Volume 2 Tab 4:

1. Copy of the site plan. Site plan must indicate adjacent street names, existing/proposed buildings, parking, ingress, egress, encroachments, flood plains, and easements. A copy of the site plan must also be provided in Volume 3 Tab 1.

Volume 2 Tab 5:

1. Photographs of site features (street signs, billboards, existing structures etc.) that will help staff correctly identify the site during the site inspection.

Volume 2 Tab 6:

1. Written instructions to the site from the nearest state or interstate highway.

Volume 3. Supplemental Threshold Documentation

Include all of the following documentation:

Volume 3 Tab 1 – Development Certification and Design Items: All forms included in the *Uniform Application* under *Volume 3, Tab 1 Parts A-C*

1. *Part A.1. Development Certification Form*
 - Must be signed and dated; signature does not have to be an original.
 - Required for all Development types (i.e. New Construction, Rehabilitation, etc.); no exceptions.
 - If “Scattered Site” is checked, submit evidence that the Application is a scattered site application pursuant to the definition of “Development” in the QAP. The Development must be 100% rent restricted. Evidence of scattered site must include:

- Evidence that the Application Development Site is comprised of non-contiguous sites; and
 - At least one building will be constructed on each site in the Development Site.
2. *Part A.2. Architect Certification Form*
- Must be signed and dated; signature does not have to be an original.
 - Required for all Development types (i.e. New Construction, Rehabilitation, etc.); no exceptions
3. *Part B: Specifications and Amenities*
- Required for all Development types (i.e. New Construction, Rehabilitation, etc.); no exceptions
4. *Part C: Common Onsite Amenities (Part 1 & 2) -- §49.9(h)(4)(A)*
- Must be signed and dated; signature does not have to be an original.
 - Required for all Development types (i.e. New Construction, Rehabilitation, etc.); no exceptions
 - Note: Developments proposing Rehabilitation or Single Room Occupancy will receive 1.5 times the point value for any selected amenity. Developments involving non-contiguous scattered sites must include a separate onsite amenities form for each separate site.
5. *Part D: Unit Amenities* (Tax Exempt Bond Developments with TDHCA as the Issuer only) -- §35.6(d)(4) of the 2007 Multifamily Housing Review Bond Rules
6. *Part E: Unit Amenities* (Competitive Housing Tax Credits Only)
- NOTE: A copy of this form must be submitted behind Volume 4, Tab 4.**
7. Architectural drawings -- §49.9(h)(5)(A)(i) through (iii).
- Site plan
 - a. Must include an accurate scale and/or dimensions, and be legible to the unaided eye.
 - b. Must include a unit matrix which is consistent with *Volume 1, Tab 2 Part B. Rent Schedule* and *Part F. Building/Unit Configuration*.
 - c. Number of residential and non residential buildings shown must be consistent with *Volume 3, Tab 1 Part B. Specifications and Amenities*
 - e. Must delineate all floodplain boundaries and easements.
 - Building floor plans (**NOT required for Developments involving Rehabilitation in which the Unit configurations are not being altered**)
 - a. Must include an accurate scale and/or dimensions, and be legible to the unaided eye.

- b. Must be submitted for each residential building type and all common buildings.
 - **Building elevations (NOT required for Developments involving Rehabilitation in which the Unit configurations are not being altered)**
 - a. Must include an accurate scale and/or dimensions, and be legible to the unaided eye.
 - b. Must be submitted for each residential building type and all common buildings.
 - c. Must include a percentage estimate of the exterior composition materials used.
 - **Unit floor plans**
 - a. Must include an accurate scale and/or dimensions, and be legible to the unaided eye.
 - b. Must be submitted for each unit type.
 - c. Net rentable area must be indicated and must be consistent with *Volume 1, Tab 2 Part B. Rent Schedule*
8. Boundary Survey -- §49.9(h)(5)(B)
- If the tract of land being purchased is larger than the portion being used for the Development; the survey must depict both the larger tract as well as the site to be developed.

Volume 3 Tab 2: The form included in the *Uniform Application* under *Volume 3, Tab 2*

1. *Site Information*
2. Tax Assessment -- §49.9(h)(7)(D)(ii)
 - Provide the most current tax assessment valuation from the applicable county.
 - Must indicate tax rates for each taxing jurisdiction.
3. Evidence of Site Control -- §49.9(h)(7)(A)
 - Site control must be valid for the entire period the Development is under consideration, which is:
 - a. July 31, 2007 for Competitive Housing Tax Credit Developments.
 - b. For Tax Exempt Bond Developments, site control must be valid through December 1, 2006, with option to extend through March 1, 2007 (applications submitted for lottery), or 90 days from the date of the bond reservation with the option to extend through the scheduled TDHCA Board meeting. The potential expiration of site control does not warrant the Application being presented to the TDHCA Board prior to the scheduled meeting.
 - Evidence must be in one of the following forms:

- a. A recorded warranty deed (with a corresponding executed settlement statement-unless identity of interest transaction)
 - b. A contract for lease (45-year minimum term)
 - c. A contract for sale or purchase option
- Evidence must be in the name of the Development Owner. If not in the name of the Development Owner, then the documentation must reflect an expressed ability to transfer the rights to the Development Owner.
 - If a contract is provided as evidence of site control, the closing date must be highlighted or flagged. If the date is not explicitly stated, but rather is triggered by other dates or periods, submit an outline of the dates that must be used to derive the closing date.
 - If the contract expires prior to the date the Board will consider for an award, there must be an exclusive option to extend in the contract.
 - **Note: Do not include documentation required under §49.9(h)7(A)(iv) for identity of interest transactions; this documentation must be provided in Volume 3 Tab 6 (see page 36 of ASPM).**

4. Evidence of zoning -- §49.9(h)(7)(B)

- Zoning must match representation made in *Volume 3, Tab 2 Site Information* form.
- Evidence must have been prepared and executed not more than six months prior to the close of the Application Acceptance Period.
- Evidence must include official description or definition of the zoning claimed or proposed.
- Evidence must be in one of the following forms:
 - a. A letter from the CEO of the political subdivision or another local official with appropriate jurisdiction stating the Development is located in a political subdivision which does not have a zoning ordinance and that the Development fulfills a need for additional affordable rental housing as evidenced in the local consolidated plan, comprehensive plan or other local planning document;
 - b. A letter from the CEO of the political subdivision or another local official with appropriate jurisdiction stating that the Development is permitted under the provisions of the zoning ordinance that applies to the location of the Development; or
 - c. A letter stating the Applicant is in the process of seeking the appropriate zoning and has signed and provided to the political subdivision a release agreeing to hold the political subdivision and all other parties harmless in the event the appropriate zoning is denied; and a time schedule for completion of appropriate zoning. Submit a copy of the application for change in zoning as well as proof of delivery in the form of a signed certified or overnight mail receipt, or confirmation from said official.

- d. For Developments involving Rehabilitation, if the property is currently a non-conforming use as presently zoned, a letter which addresses the following items must be submitted:
 - Nature of non-conformance; detailed narrative must be provided.
 - Applicable destruction threshold.
 - Owner's right to reconstruct in the event of damage.
 - Penalties for noncompliance.
5. Legal Description and Title Commitment/Policy -- §49.9(h)(7)(D)(i) - (iii)
 - Copy of the full legal description
 - Title commitment/policy
 - a. Must be less than six months old as of the date the Application Acceptance Period closes. If the documentation is older than six months, a letter from the title company indicating that nothing further has transpired on the policy or commitment must be provided.
 - b. Evidence must be one of the following:
 - Current title policy which shows that the ownership (or leasehold) of the land/Development is vested in the exact name of the Development Owner; or
 - Current title commitment with the proposed insured matching exactly the name of the Development Owner and the title of the Property/Development vested in the exact name of the seller or lessor as indicated on the sales contract or lease.
6. Census Tract Map (**Required for all Developments** -- §§49.6(g), (h) and 49.9(h)(6)(D):
 - Must clearly show that the proposed Development is located within the Census tract .
 - Census tract numbers must be clearly marked on the map.
 - Census tract number must be identical to the census tract number stated in the Department's *2007 Housing Tax Credit Site Demographic Characteristics and Volume 3, Tab 2 Site Information*.

Volume 3 Tab 3 – Evidence of Notifications: The form included in the Uniform Application under *Volume 3, Tab 3*

1. *Certification of Notifications (Sections A-C)* -- §49.9(h)(8)(A)
 - The form must be signed, dated and notarized.
 - *Section A* of the form must be completed by all Applicants:

- a. If a Pre-Application was submitted and all notifications and/or appropriate re-notifications have been made, check the box in *Section 1 (Competitive Housing Tax Credit Developments ONLY)*.
 - b. If a Pre-Application for Competitive Housing Tax Credits was not submitted, or if the submission did not satisfy the Department's review, all three boxes in *Section 2* must be checked.
- *Section B* of the form must only be completed if mailings were completed in lieu of posting signage on the property.
 - *Section C* of the form must only be completed if the Application is for Rehabilitation of an existing property that was occupied at the time of Application submission.
 - While copies of notifications are not required to be submitted with the Pre-Application, please note the following:
 - a. Sample *Request for Neighborhood Organizations and Public Notification Format* in **Templates** on the Department's website.
 - b. Request for a list of Neighborhood Organizations must be made by:
 - January 15, 2007 for Competitive Housing Tax Credit Developments that did not submit a Pre-Application
 - Not later than 21 days prior to submission of the Volume 3 for Tax-Exempt Bond Developments
 - c. Notifications must be made no later than the date the Application is submitted to the Department.
 - d. Notifications should be made using a form of delivery that can be tracked.
 - e. Developments located in Extra Territorial Jurisdictions (ETJ) of a city are not required to notify city officials.
2. Evidence of signage or alternative -- §49.9(h)(8)(B)
- *Public Notifications Format [Signage]* and alternative *Public Notifications Format (Written)* are available in **Templates** on the Department's website.
 - Must submit either evidence of signage or evidence of signage alternative
 - a. Signage:
 - Submit a photo of sign; content of the sign must be legible and must show the relative location of the sign on the Development Site.
 - Sign must be four feet by eight feet.
 - Sign must be located within 20 feet of and facing the main road adjacent to the site.
 - Sign must be continuously maintained on the Development Site until the day the Board takes final action on the Application.

- Non-contiguous scattered sites must have a sign on each separate site
- Sign must be installed:
 - i. Prior to the date the Application is submitted (EXCEPT for Tax-Exempt Bond Developments), or
 - ii. Scattered site Developments must install a sign on each Development site. For Tax-Exempt Bond Developments, regardless of the priority of the application or the issuer, the sign must be installed within thirty (30) days of the Department's receipt of Volumes I and II. The date, time and location of the bond public hearing must be included on the sign no later than thirty (30) days prior to the scheduled public hearing.
- b. Alternative – mailed notifications
 - Submit a map of the proposed Development site that marks the distance required by local zoning, or if no zoning, 1,000 feet, and indicates street names and addresses.
 - Submit a list of all addresses the notice was mailed to.
 - Submit an exact copy of the notice that was mailed.
 - Submit evidence of local zoning notification requirements or evidence of no zoning.
 - *Certification of Notifications, Section B* must be completed.

Volume 3 Tab 4 – Organization Documents -- §49.9(h)(9)(B)

Each entity shown on the organizational chart provided in Volume 1 Tab 5 must provide the following documentation as applicable:

1. For entities that are not yet formed but are to be formed either inside or outside the state of Texas, a certificate of reservation of the entity name from the Texas Secretary of State must be submitted.
2. For existing entities whether formed inside or outside of the State of Texas, evidence that the entity has the authority to do business in Texas or has applied for such authority must be submitted.

Volume 3 Tab 5 – Precertification Documents, Experience Certificate

- Please see section V. Format for Pre-Certification and Acknowledgement (Experience Certificate) for detailed requirements
- For Competitive Housing Tax Credit Developments, the request for an Experience Certificate must be submitted by Thursday, February 15, 2007.

- For Tax-Exempt Bond Developments, the request for an Experience Certificate must be included with the Application submission.
- 2004, 2005 and 2006 Experience Certificates are eligible for use in all 2007 applications; requests for recertification are not necessary.
- Documentation required for a request for an Experience Certificate is explained in detail in §49.9(g) of the 2007 QAP.

Volume 3 Tab 6 – Acquisition, Rehabilitation and Identity of Interest: The form included in the Uniform Application under *Volume 3, Tab 6 Acquisition Rehabilitation Form Parts A-C*

1. *Volume 3, Tab 6 Acquisition and/or Rehabilitation*

- Required for Developments proposing acquisition and/or Rehabilitation

2. Rehabilitation Developments

- *Volume 3, Tab 6 Acquisition and/or Rehabilitation Part B.* must be completed
- Property Condition Assessment must be submitted unbound [see section VI. Format for Submitting the Application, B. Unbound Items and §49.9(h)(14)(C)].
- If rental assistance, an operating subsidy, an annuity, or an interest rate reduction payment is proposed to exist or continue for the Development -- §49.9(h)(10)(B).:
 - a. Any related contract or other agreement securing those funds or proof of Application must be provided, which at a minimum:
 - Identifies the source of funds
 - Identifies the annual amount of funds
 - Identifies the number of Units receiving the funds, and
 - Identifies the term and expiration date of the contract or other agreement
- Occupied Developments involving Rehabilitation -- §49.9(h)(10)(D)
 - a. At least one of the following must be submitted, unless the current property owner is unwilling to provide the required documentation; in that case, submit a signed statement from the current property owner either refusing to provide the information or stating an inability to provide the information:
 - Monthly operating statements for 12 consecutive months ending not more than three months from the first day of the Application Acceptance Period;
 - The two most recent consecutive annual operating statement summaries;

- The most recent consecutive six months of operating statements and the most recent available annual operating summary; or
 - All monthly or annual operating summaries available **AND** a written statement from the seller refusing to supply any other summaries or expressing the inability to supply any other summaries. Any other supporting documentation used to generate projections may be provided.
- b. A rent roll not more than six months old as of the first day the Application Acceptance Period must be provided
- Must disclose the terms and rate of the lease;
 - Must disclose rental rates offered at the date of the rent roll;
 - Must disclose Unit mix;
 - Must disclose tenant names or vacancy; and
 - Must disclose the dates of first occupancy and expiration of lease;
 - **OR**, if all of the documentation required is not available, provide all foregoing information as possible **AND** a written statement from the seller expressing refusal or inability to supply any other information. Submit any other supporting documentation used to generate proforma projections of revenue.
- c. Written explanation of the process used to notify and consult with the tenants in preparing the Application must be submitted.
- d. For Intergenerational Applications or Qualified Elderly Developments, the number of existing tenants qualified under the target population elected must be identified.
- e. Relocation plan outlining relocation requirements and a budget with an identified funding source must be submitted.
- f. Evidence that the relocation plan has been submitted to the appropriate legal agency must be submitted, if applicable.

For Applications requesting acquisition credits

- No substantial rehabilitation (as defined in tax code) or sale of the property that resulted in a new placed in service date may have occurred in the past ten years.
- *Volume 3, Tab 6 Acquisition and/or Rehabilitation, Part C.* must be completed
- Appraisal must be submitted unbound [see section VI. Format for Submitting the Application, B. Unbound Items and §49.9(h)(14)(D)].

- a. To take acquisition credits, the appraisal must separately state the value of land and buildings. (Note that acquisition credits are only given for buildings, not land, and demolishing a building would disqualify it from receiving acquisition credits.)
 - b. The appraised value must be consistent with the value that is stated in *Volume 1, Tab 3 Part A. Development Cost Schedule* of the Application and with the settlement statement or audited financial statements related to the acquisition. Although a lower value than the documented acquisition cost may be stated in *Volume 1, Tab 3 Part A. Development Cost Schedule*, any increase above the verified acquisition cost must be supported by documenting the costs associated with purchasing, owning, holding and/or improving the property. For transactions which include existing buildings that will be preserved (not demolished), the acquisition cost claimed may include capitalized costs of improvements to the Property, a calculated return on equity at a rate consistent with the historical returns of similar risks, and allow the cost of exit taxes not to exceed an amount necessary to allow the sellers to be made whole in the original and subsequent investment in the Property and avoid foreclosure. The costs and expenses allowable are detailed in §49.9(h)(7)(iii) of the 2007 QAP.
3. Identity of Interest -- §49.9(h)(7)(A)(iv)
- Documentation of the original acquisition cost must be submitted:
 - a. Documentation must be in the form of a settlement statement, or
 - b. If a settlement statement is not available, the seller's most recent audited financial statement indicating the asset value for the proposed Property.
 - If the original acquisition cost is less than the acquisition cost claimed in *Volume 1, Tab 3 Part A. Development Cost Schedule*, the following must be submitted:
 - a. An Appraisal must be submitted unbound [see section VI. Format for Submitting the Application, B. Unbound Items and §49.9(h)(14)(D) of the QAP]
 - The appraisal must indicate the as-is value of the property at the time of acquisition considering only restrictions or conditions that were applicable at that time.
 - The appraised value must be consistent with the value that is stated in *Volume 1, Tab 3 Part A. Development Cost Schedule* of the Application and with the settlement statement or audited financial statements related to the acquisition. Although a lower value than the documented acquisition cost may be stated in *Volume 1, Tab 3 Part A. Development Cost Schedule*, any increase above the verified acquisition cost must be supported by documenting the costs associated with

purchasing, owning, holding and/or improving the property. For transactions which include existing buildings that will be preserved (not demolished), the acquisition cost claimed may include capitalized costs of improvements to the Property, a calculated return on equity at a rate consistent with the historical returns of similar risks, and allow the cost of exit taxes not to exceed an amount necessary to allow the sellers to be made whole in the original and subsequent investment in the Property and avoid foreclosure. The costs and expenses allowable are detailed in §49.9(h)(7)(C)(iii) of the 2007 QAP.

- b. Evidence of any other verifiable costs of owning, holding, or improving the Property that when added to the original acquisition cost justifies the Applicant's proposed acquisition amount.
 - For land-only transactions, documentation of owning, holding or improving costs since the original acquisition date may include Property taxes, interest expense, a calculated return on equity at a rate consistent with the historical returns of similar risks, the cost of any physical improvements made to the Property, the cost of rezoning, replatting or developing the Property, or any costs to provide or improve access to the Property.
 - For transactions which include existing buildings that will be rehabilitated or otherwise maintained as part of the Development, documentation of owning, holding, or improving costs since the original acquisition date may include capitalized costs of improvements to the Property, a calculated return on equity at a rate consistent with the historical returns of similar risks, and allow the cost of exit taxes not to exceed an amount necessary to allow the sellers to be made whole in the original and subsequent investment in the Property and avoid foreclosure.

Volume 3 Tab 7 – Nonprofit Documentation: The form included in the *Uniform Application* under *Volume 3 Tab 7 Evidence of Nonprofit Organization and CHDO Participation, Parts A-B*

Note: This section must only be completed if the Applicant is a Nonprofit.

1. Documents required for all Applications involving a nonprofit General Partner -- §49.9(h)(11)(A).
 - *Volume 3 Tab 7 Evidence of Nonprofit Organization and CHDO Participation, Parts A-B*
 - IRS determination letter which states that the nonprofit organization is a 501(c)(3) or (4) entity. If the organization is a Qualified Nonprofit Organization as defined in the tax code, notwithstanding any apparent

limitations in the QAP about the particular parts of the code under which a nonprofit may qualify, submit an IRS determination letter.

2. Additional documents required for Competitive Housing Tax Credit Developments applying under the Nonprofit Set-Aside -- §49.9(h)(11)(B):

- Third Party legal opinion – Note: A sample *Legal Opinion Letter for Nonprofit Set-Aside Applicants* is available in **Templates** on the Department’s website.
 - a. Must state that the nonprofit is not affiliated with, or Controlled by, a for-profit.
 - b. Must state that the nonprofit is eligible under the QAP to apply in the Nonprofit Set-Aside. In a typical ownership structure, **eligibility as defined by §49.7(b)(1) of the 2007 QAP requires the nonprofit to directly Control the Development as the General Partner of the Development Owner** and, also, to meet the requirements of the IRS Code, §42(h)(5).
 - c. Must state that one of the exempt purposes of the nonprofit must be to provide low-income housing, and
 - d. Must state that the nonprofit prohibits any member of its board, except a member that is also the executive director, from receiving compensation for participation.
 - e. Must state that the Qualified Nonprofit Development will have the nonprofit or its nonprofit affiliate be the Developer or co-Developer as evidenced in the development agreement.
- The nonprofit’s most recent audited financial statement
- A certification that a majority of the board resides:
 - a. Within this state if the Development is in a Rural Area, or
 - b. Within 90 miles of the Development if it is not in a Rural Area.

Volume 3 Tab 8 – Third Party Reports Engagement Letters (Competitive Housing Tax Credits and HOME)

1. Competitive Housing Tax Credit Developments

- Engagement letters – Upon Application submission, March 1, 2007, Applicants must provide an executed engagement letter from the party performing the ESA, Market Study, Appraisal, and PCA, as applicable. The letter must clearly indicate that the required report has been ordered and will be delivered no later than April 2, 2007.
- Third Party Reports (see section VI. Format for Submitting the Application, B. Unbound Items for detailed submission requirements) – The required third party reports, as described in §49.9(h)(14), (12)(A), 7(A)(iii)(II)(-a-), and (6)(E) of the 2007 QAP, respectively, must be submitted not later than 5:00 p.m. CST, April 2, 2007. If each entire report is not received by that

time, the Application will be terminated and will be removed from consideration. If the full report is provided with the Application, then no documentation is needed behind this Tab.

2. HOME Investment Partnerships Developments

- Engagement letters - Upon Application submission, Applicants must provide an executed engagement letter from the party performing the ESA, Market Study, Appraisal, and PCA, as applicable. The letter must clearly indicate that the required report has been ordered and will be delivered no later than April 2, 2007 for a competitive cycle.

Volume 4. Selection Documentation for Competitive Housing Tax Credit Program –
Competitive Housing Tax Credit Developments ONLY

The forms and templates required to complete Volume 4 are:

1. “2007 Competitive HTC Application Supplement (DOC)” – Will be referred to as “*Competitive HTC Supplement*” in this ASPM. Link found at:
<http://www.tdhca.state.tx.us/multifamily/htc/applications.htm>.

Note: If you do not wish to claim points for an item, then no documentation is needed.

Note: For information regarding Quantifiable Community Participation and Level of Community Support from State Elected Officials, please see the Department’s website (more information regarding location of information will be given here). Letters for points for these items should **NOT** be provided in Volume 4.

Volume 4 Tab 1 – Applicant Self Score: The form included in the *Competitive HTC Supplement* under *Volume 4 Tab 1*

1. *Volume 4, Tab 1 Applicant Self Score*
 - Total self score must be correct when added together.
 - All Applications, with the exception of TX-USDA-RHS Applications, must receive a final score totaling a minimum of 105, not including any points awarded or deducted pursuant to §§49.9(i)(2), (6), and (16).
 - **Note: an Applicant may not adjust the *Applicant Self Score* form in an Administrative Deficiency without a specific request from the Department. Therefore, it is important that care is taken when requesting points -- §49.9(h)(15).**

Volume 4 Tab 2 – Financial Feasibility of the Development -- §49.9(i)(1)

1. Fifteen year proforma prepared by the permanent or construction lender that must:
 - a. Identify the first five years and every fifth year thereafter.
 - b. Identify underlying assumptions including general growth factor applied to income and expense.
 - c. Maintain a minimum 1.15 debt coverage ratio for the entire 15 years for all third party lenders that require scheduled repayment.
 - If the lender uses the Department’s form for the proforma, the lender must sign and date the proforma.
2. Commitment letter that includes a statement that the lender’s assessment finds that the Development will be feasible for 15 years.
3. For Developments receiving financing from TX-USDA-RHS, the form entitled “Sources and Uses Comprehensive Evaluation for Multi-Family Housing Loans”

or other form deemed acceptable by the Department will meet these requirements.

Volume 4 Tab 3 – Income Levels of Tenants: The form included in the *Competitive HTC Supplement* under *Volume 4 Tab 3* -- §49.9(i)(3).

1. *Volume 4, Tab 3 Income Levels of Tenants*

- The election should be consistent with *Volume 1, Tab 2 Part B. Rent Schedule*.
- Note: if a new Rent Schedule is submitted in response to a deficiency response at any time in the Department's review of the Application, the points will be reevaluated.

Volume 4 Tab 4 – Size and Quality of Units: The form included in the *Competitive HTC Supplement* under *Volume 4 Tab 4* -- §49.9(i)(4).

1. *Volume 4, Tab 4 Size and Quality of the Units Parts A and B*

- Size of Units:
 - a. Applicants must meet the minimum size requirements under §49.9(i)(4)(A) of the 2007 QAP.
 - b. The size of the Units should be consistent with the *Volume 1, Tab 2 Part B. Rent Schedule* and *Volume 3 Tab 1* architectural plans. Note: if a new Rent Schedule is submitted in response to a deficiency response at any time in the Department's review of the Application, the points will be reevaluated.
 - c. Applications involving Rehabilitation, Developments receiving funding from TX-USDA-RHS, or Developments proposing single room occupancy will automatically be awarded points **only if the points are requested in the Self Scoring Form.**
- Quality of the Units:
 - a. Applicants must include a copy of the form, *Volume 3, Tab 1, Part E, Unit Amenities*, behind this tab.
 - b. The Applicant will be required to comply with all elections made even if more items are selected than necessary to score the maximum number of points.
 - b. Scattered site Developments must provide an amenity for all Units in order for the amenity to count for points.

Volume 4 Tab 5 – Commitment of Funding by Local Political Subdivision: The form included in the *Competitive HTC Supplement* under *Volume 4 Tab 5* (§49.9(i)(5)).

1. *Volume 4, Tab 5 Commitment of Development Funding by Local Political Subdivisions*

- An Applicant may only submit sources needed to the extent that the combined amounts substantiate the point request. For example, if the Applicant is requesting 18 points, five sources may be submitted if each is for an amount equal to 1% of the Total Housing Development Cost. However, five sources may not be submitted if each source is for an amount equal to 5% of the Total Housing Development Cost.
- There is no rounding.
- Local Political Subdivisions or Governmental Instrumentalities (as defined in the 2007 QAP) eligible for these points include:
 - a. Cities
 - b. Counties
 - c. Entities on the *Previously Approved List* located in the *Reference Manual* found on the Department’s website.
 - d. An entity that provides a certification from the funding entity that they are a governmental instrumentality with the legal authority to act on behalf of a Local Political Subdivision.
- The allocation of funds must be for Total Housing Development Costs, (as defined in the QAP and reflected in the Development Cost Schedule) unless project based rental assistance (The value of the contract does not include past subsidies).
- A loan does not qualify as an eligible source unless it has a minimum 1-year term and the interest rate must be at the Applicable Federal Rate (AFR) or below (at the time of application).
- Unless an in-kind contribution is being proposed, the amount of the funding should be indicated on *Volume 1, Tab 4 Part A. Summary of Sources and Uses of Funds* and the terms of the funding should be indicated on *Volume 1, Tab 4 Part B. Financing Participants*
- In-kind contributions such as donation of land, tax exemptions, or waivers of fees such as building permits, water and sewer tap fees, or similar contributions will be acceptable to qualify for these points. The quantified value of the Total Housing Development Cost reduction may only include the value during the period the contribution or waiver is received and/ or assessed.
- If an in-kind contribution is being proposed, the in-kind contribution must provide a tangible economic benefit that results in a quantifiable reduction in the Total Housing Development Cost, and evidence from the Local Political Subdivision that substantiates the value must be provided. If a

donation of land is being proposed, the land must already be under the control of the Applicant. (For example, a letter from the city simply stating, “consistent with the attached [tax assessment, city estimate, third party estimate paid for by the Applicant, etc.], the value of this contribution is [____].”)

- Federal funds are acceptable as long as the funds are being received directly from the local political subdivision.
- To the extent that a Notice of Funding Availability (NOFA) is released and funds are available, funds from TDHCA’s HOME Investment Partnerships (HOME) Program will qualify if a resolution is submitted with the Application from the Local Political Subdivision authorizing the Applicant to act on behalf of the Local Political Subdivision in applying for HOME Funds from TDHCA for the particular Application (sample Resolution in *Templates and Financials*).
- Development based rental subsidies may qualify under this section if evidence of the remaining value of the contract is submitted from the Local Political Subdivision. The value of the contract does not include past subsidies.

2. One of the following must be submitted:

- Commitment of funds:
 - a. The commitment must include a statement that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application unless the Applicant itself is a Local Political Subdivision or subsidiary.
- Application for funding and a letter from the funding entity indicating that the application was received:
 - a. The application should include the amount and terms of the proposed funding.
- Certification of an intent to apply for funding:
 - a. Must indicate the funding entity and program to which the application will be submitted, the loan amount to be applied for and the specific proposed terms.

Volume 4 Tab 6 – Rent Levels of Units: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 6 -- §49.9(i)(7)*.

1. *Volume 4, Tab 6 Rent Levels of Units*

- The election should be consistent with *Volume 1, Tab 2 Part B. Rent Schedule*. Note: if a new Rent Schedule is submitted in response to a

deficiency response at any time in the Department’s review of the Application, the points will be reevaluated.

- Use normal rounding. As an example, if an Application proposes to build a 150 unit Development, and 143 of the Units are proposed low-income Units, then 95.33% of the Development would be rent restricted, or low-income. When normal rounding is applied to this example, 95.33% rounds down to 95% of the proposed Development. Therefore, the Development is eligible for 10 points.

Volume 4 Tab 7 – Cost of the Development by Square Foot: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 7* -- §49.9(i)(8).

1. *Volume 4, Tab 7 Cost of the Development by Square Foot*

- Calculation:
 - a. Use the following line items from *Volume 1, Tab 3 Part A. Development Cost Schedule* to calculate this item: Subtotal Site Work Costs, Subtotal Direct Hard Costs, and Subtotal Direct Construction Costs.
 - b. The Net Rentable Area should be taken from the *Volume 1, Tab 2 Part B. Rent Schedule*. Note: if a new Rent Schedule is submitted in response to a deficiency response at any time in the Department’s review of the Application, the points will be reevaluated.
- Exception – for the purposes of these points only, if the proposed Development is an elevator building serving the elderly or a high rise building serving any population, the NRA may include elevator served interior corridors.
- Use normal rounding for total cost per square foot calculation. For example, if the total cost per square foot is \$74.62, you may round up to \$75. However, you may not round any other costs or NRA prior to the total.
- There are specifically designated First Tier communities within Harris County that are east of State Highway 146 (Pasadena, Morgan’s Point, Shoreacres, Seabrook and LaPorte). In order to qualify for the increased cost per square foot allowance in these communities, **a map must be submitted clearly showing that the Development Site is within the community.**
- The Department will determine if points will be awarded for Intergenerational developments by multiplying the NRA for elderly Units by the applicable square footage limit for the elderly Units and adding that total to the result of the multiplication of the NRA for family Units by the applicable non-elderly square footage limit.
- Note: if a new Rent Schedule is submitted in response to a deficiency response at any time in the Department’s review of the Application, the points will be reevaluated.

Volume 4 Tab 8 – Services to be Provided to Tenants: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 8* -- §49.9(i)(9).

1. *Volume 4, Tab 8 Tenant Supportive Services Certification*

Volume 4 Tab 9 – Use of Existing Housing as Part of a Community Revitalization Plan: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 9* (§49.9(i)(12)).

1. *Volume 4, Tab 9 Use of Existing Housing as Part of a Community Revitalization Plan*
2. A copy of the Community Revitalization Plan (Note the definition of Community Revitalization Plan in the QAP).
3. The ordinance or resolution that shows that the plan has been adopted by the local governing body.
4. A letter from the governing body stating that the Development Site is located within the targeted development areas outlined in the Community Revitalization Plan.

Volume 4 Tab 10 – Pre-Application Incentive Points: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 10* -- §49.9(i)(13).

1. *Volume 4, Tab 10 Pre-Application Certification*

Volume 4 Tab 11 – Development Location: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 11* -- §49.9(i)(14).

1. *Volume 4, Tab 11 Development Location*
2. Evidence to substantiate points requested
 - Evidence must be dated no earlier than June 8, 2006
 - a. The appropriate designation should be noted on *Volume 3, Tab 2 Site Information*
 - b. The appropriate designation should be noted on the *Volume 3, Tab 2 Site Information*. Submit a letter and a map from a city/county official verifying that the proposed Development is located within such a designated zone.
 - c. Refer to the list in the *Reference Manual*. No further evidence is needed.
 - d. Refer to the *2007 Housing Tax Credit Site Demographic Characteristics Report* in the *Reference Manual*. Provide a census tract map with the location of the Development Site identified.
 - e. Provide the name of the school and an attendance zone map of the school with the Development Site identified or a letter from the school stating that the Development Site is in the school's attendance zone.

- f. Refer to the *2007 Housing Tax Credit Site Demographic Characteristics Report* in the **Reference Manual**. Provide a census tract map with the location of the Development Site identified.

Volume 4 Tab 12 – Demonstration of Community Support other than Quantifiable Community Participation -- §49.9(i)(16).

1. *Volume 4, Tab 12, Demonstration of Community Support other than Quantifiable Community Participation (QCP)*
2. Any letters the Applicant wishes to provide to substantiate points for this item should be submitted behind this tab.
3. Letters of support received after March 1, 2007, will not be accepted for this item.
4. Two points will be awarded for each letter of support submitted in the Application, not to exceed 7 points. Should an Applicant elect this option and the Application receives letters in opposition by March 1, 2007, then two points will be subtracted from the score for each letter in opposition, provided that the letter is from an organization serving the community. At no time will the Application, however, receive a score lower than zero for this item.

Volume 4 Tab 13 – Developments in Census Tracts with No Other Existing Developments Supported by Tax Credits -- §49.9(i)(17).

1. Provide a census tract map with the location of the Development Site identified. Refer to the *2007 Housing Tax Credit Site Demographic Characteristics Report* in the **Reference Manual**.

Volume 4 Tab 14 – Tenant Populations with Special Needs: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 11* -- §49.9(i)(18).

1. *Volume 4, Tab 14 Tenant Populations with Special Needs*

Volume 4 Tab 15 - Length of Affordability Period: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 15* -- §49.9(i)(19).

1. *Volume 4, Tab 15 Length of Affordability Period Selection Form*

Volume 4 Tab 16 – Site Characteristics: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 16* -- §49.9(i)(20).

1. *Volume 4, Tab 16 Proximity of Site to Amenities (Part A) and Negative Site Amenities (Part B)*
 - A map must be submitted that includes the following information:
 - a. The location of the Development Site (if scattered sites, must have three services located within the appropriate distance of each site),

- b. A scale or a radius (one mile radius for Urban/Exurban and two miles for Rural),
- c. Services identified by name
- d. If electing points for public transportation, the location of the public transportation stop and a one-quarter mile radius around the Development Site

Volume 4 Tab 17 – Development Size -- §49.9(i)(21).

1. Development must not have more than 36 Units – nothing is required behind this tab.

Volume 4 Tab 18 – Qualified Census Tracts with Revitalization: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 18* -- §49.9(i)(22).

1. *Volume 4, Tab 18 Qualified Census Tract with Community Revitalization Plan*
2. The Community Revitalization Plan – Note the definition of Community Revitalization Plan in the QAP
3. The ordinance or resolution that shows that the plan has been adopted by the local governing body.
4. A letter from the governing body stating that the Development Site is located within the targeted development areas outlined in the Community Revitalization Plan.
5. A census tract map with the location of the Development Site identified.

Volume 4 Tab 19 – Sponsor Characteristics: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 19* -- §49.9(i)(23).

1. *Volume 4, Tab 19 Sponsor Characteristics Certification Form Part A and B*
 - *Part A* – Attach a plan to use Historically Underutilized Businesses (HUB) in the development process consistent with the HUB Guidelines for contracting with the State of Texas.
 - *Part B* – Submit a HUB certification from the Texas Building and Procurement Commission. The HUB must be shown on the Volume 1 Tab 5, organizational chart as having at least a **51% interest in the General Partner**.

Volume 4 Tab 20 – Developments Intended for Eventual tenant Ownership – Right of First Refusal: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 20* (§49.9(i)(24)).

1. *Volume 4, Tab 20 Agreement to the Provision of the Right of First Refusal*

Volume 4 Tab 21 – Leveraging of Private, State, and Federal Resources: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 21 -- §49.9(i)(25)*.

1. *Volume 4, Tab 21 Leveraging of Private, State, and Federal Resources*
 - Funding is from a federal, state or private source in addition to the primary funding (construction and permanent loans) that is proposed to be utilized and cannot be from the same source or an affiliated source.
 - Funding must be equal to or greater than 2% of the Total Development Costs reflected in *Volume 1, Tab 3 Part A. Development Cost Schedule*.
 - *Volume 1, Tab 2 Part B. Rent Schedule* must show that at least 3% of all low-income Units are designated to serve individuals or families with incomes at or below 30% of AMGI. Do not round.
2. One of the following must be submitted:
 - Commitment of funds
 - a. The commitment must include a statement that the provider of funds is not the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application and that the funds committed were not first provided to the entity by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application.
 - Application for funding and a letter from the funding entity indicating that the application was received
 - a. The application should include the amount and terms of the proposed funding.

Volume 4 Tab 22 - Third-Party Funding Commitment Outside of Qualified Census Tracts: The form included in the *Competitive HTC Supplement* under *Volume 4, Tab 22 -- §49.9(i)(26)*.

1. *Volume 4, Tab 22 Third-Party Funding Commitment Outside of Qualified Census Tracts*
 - Funding must be equal to or greater than 2% of the Total Development costs reflected in the *Volume 1, Tab 3 Part A. Development Cost Schedule*. Do not round.
 - Funds from the Department’s HOME and HTF sources will not qualify under this category and the third party source cannot be a loan from a commercial lender.
2. Commitment of funds must be attached
 - Commitment must include a statement that the provider of funds is not the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application and that the funds committed were not first provided to the entity by the Applicant, the

Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application.

3. Evidence that Development is located outside of a Qualified Census Tract.

Volume 4 Tab 23 – Scoring Criteria Imposing Penalties -- §49.9(i)(27).

1. Applicants that request extensions for submitting the carryover allocation agreement and/or 10% test packages will have five points deducted from their Application scores.
 - Only one five-point deduction will be made for carryover allocation extensions and only one five-point deduction will be made for 10% test extensions, no matter how many extensions were requested. The penalty will be calculated and assessed based on the tax credit round immediately preceding the round that is being scored.

All Applicants and Developers must include an affidavit certifying that, as described in §49.9(i)(27)(B) of the 2007 QAP, they have not been removed by the lender, equity provider, or limited partners for failing to perform as required by the loan documents or partnership agreement. The affidavit must disclose each instance of removal with a detailed description of the circumstances. Failure to make the required disclosure will result in termination of the application and/or rescission of the allocation. Principals of the Applicant or Developer that are engaged in court proceedings at the time of Application must disclose the information to be evaluated on the basis of its individual circumstances. Three points will be deducted from the Application score for each instance of removal.

Volume 7. Threshold and Selection Documentation for HOME Rental Housing Development Programs – HOME Rental Housing Development for Rural Job Creation ONLY

Volume 7 is required for all Applicants applying for HOME or Rental Development Funds. Failure to submit this volume along with all other applicable volumes of the Uniform Application may result in termination of the Application.

The Department's underwriting guidelines in 10 TAC Sec.1.32 will be used to determine financial feasibility of all applications. The rules set, as a minimum feasibility standard, a 1.15 debt coverage

ratio. Where the anticipated debt coverage ratio in the year after completion exceeds 1.35, a loan or partial loan will be recommended.

Developments involving rehabilitation must establish that the rehabilitation will substantially improve the condition of the housing and will involve at least \$12,000 per unit in direct hard costs, unless the property is also being financed by the United States Department of Agriculture's Rural Development program. When HOME funds are used for a rehabilitation development the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR 92.251(a)(1).

The forms and templates required to complete Volume 7 are:

1. "2007 HOME Rental Application (DOC)" – Will be referred to as "**HOME Application**" in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/home/applications.htm>
2. "2007 Templates and Financials (DOC)" and "Financials" (XLS) – Will be referred to as "**Templates**" in the ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>
3. "MF App 2007 Uniform Application Inserts (XLS)" – Will be referred to as "**Excel Inserts**" in this ASPM. Link found at <http://www.tdhca.state.tx.us/multifamily/applications.htm>. **[Note: this workbook includes multiple sheets; ALL sheets must be completed]**
4. "2007 Real Estate Analysis Rules and Guidelines (PDF)" – Will be referred to as "**REA Rules**" in this ASPM. Link found at <http://www.tdhca.state.tx.us/rea/>.
5. Evidence of a definite and long-term employment commitment from a business or institution will be required to be consistent with term of the federal tier of affordability for the housing development described in .Sec. 4(b)(i) of this NOFA. The evidence must demonstrate that a minimum of 10 new full-time paid positions will be created as a result of this activity. The jobs created must not be related, directly or indirectly, to the operation or construction of the proposed housing development. The evidence must be a written certification from the most senior officer or Board of Directors of the business or institution that indicates the minimum number of positions to be created, the timeline for facility development, proof of capital investment and other pertinent details.
6. All Applicants are subject to any and all other threshold and review requirements as detailed in the applicable Notice of Funds Availability (NOFA), 10 TAC Sec. 53, and any other rules and regulations that are applicable. At the Department's discretion an application may be terminated or denied recommendation based on failure to meet these requirements.

Volume 7 Tab 1 Development Certification

- Print the Development Owner's name and title on the lines provided.
- This form must have an original signature of the Applicant/Owner.

Volume 7 Tab 2 Davis-Bacon Certification

- Correctly select the appropriate items, as applicable.
- Enter the Labor Standards Officer's name and address on the form.
- Print the Development Owner's name and title on the lines provided.
- This form must have an original signature of the Applicant/Owner.
- If this form is not applicable to the proposed development submit a statement indicating the form is not applicable.

Volume 7 Tab 3 DUNS Number Certification

- Enter the DUNS number on the form.
- Print the Development Owner's name and title on the lines provided.
- This form must have an original signature of the Applicant/Owner.
- The website for obtaining a DUNS number is <http://smallbusiness.dnb.com>.
- If this form is not applicable to the proposed development submit a statement indicating the form is not applicable.

Volume 7 Tab 4 Environmental Clearance Certification

- This form is only applicable to developments that have begun construction within the last 12 months.
- If this form is not applicable to the proposed development submit a statement indicating the form is not applicable.
- Print the Development Owner's name and title on the lines provided.
- This form must have an original signature of the Applicant/Owner.

Volume 7 Tab 5 Uniform Relocation Act Certification

- Correctly select the appropriate item, as applicable.
- Please note the Applicant is not required to submit the Relocation Plan with this application. Maintain a record, including all required documentation, on-site.
- Print the Development Owner's name and title on the lines provided.
- This form must have an original signature of the Applicant/Owner.
- Sample forms are available in the Appendix.

Volume 7 Tab 6 Management Plan Certification

- Attach the Management Plan Addendum behind the Certification. The Addendum, located in the Appendix, must be on letterhead and contain the exact language listed on the form.
- Print the Development Owner's name and title on the lines provided.
- This form must have an original signature of the Applicant/Owner.

Volume 7 Tab 7 . Local Opportunity Plan Certification:

- The form must be notarized.
- Maintain a record, including all required documentation, on-site.
- Print the Development Owner's name and title on the lines provided. This form must have an original signature of the Applicant/Owner.

Volume 7 Tab 8 IRS Determination Letter

- If required, submit an IRS determination letter which states that the nonprofit organization is a 501(c)(3) or (4) entity.

Volume 7 Tab 9 Local Government Support:

- Submit a letter or resolution from an authorized local official stating the support of the local political jurisdiction for the proposed development. Documentation should include the name of the proposed development and a statement of support for additional affordable rental housing.
- The sample Resolution located in the Templates section of the Multifamily Finance Production application material is acceptable if it references the HOME program.

Volume 7 Tab 10 Corporate Resolution:

- Submit a Corporate Resolution or letter on letterhead citing the individual authorized to execute the HOME agreement.
- The Resolution or letter should include a valid title block for the Applicant and its related entities that can be used to in legal documents.
- This form must have an original signature of the Applicant/Owner.

Volume 7 Tab 11 Part D. Form 424:

- The form can be obtained at <http://www.whitehouse.gov/omb/grants/sf424.pdf>.
- Item number ten- the Catalog of Federal Domestic Assistance Number for the HOME program is 14-239.
- Item number 16-the HOME program is not covered by E.O. 12372.
- This form must have an original signature of the Applicant/Owner.

Volume 7 Tab 12 Lead-Safe Housing Rule Checklist:

- Correctly select the appropriate item, as applicable.
- Applications proposing new construction should check the box for Applicability Form 24 CFR Part 35.115 and indicate the proposed site is Exempt, proposing new construction, on the bottom of the form.
- Print the Development Owner's name and title on the lines provided.
- Submit the completed form in the application.

Volume 7 Tab 13 Affirmative Marketing Plan::

- Applicants must submit a copy of their Affirmative Marketing Plan that incorporates the items listed on the form.
- An additional copy of the Affirmative Marketing Plan should be included in the unbound copy of the Site and Neighborhood package.

Volume 7 Tab 14 Site and Neighborhood Standards:

- Please note, an unbound copy of the documentation submitted under this tab will need to be submitted with the Application.
- A letter from an architect or engineer stating that the proposed site is of adequate size, exposure and contour to accommodate the number of units proposed.
- Letters on company letterhead from local utility providers confirming the site has access to the following services: water and wastewater, sewer, electricity, garbage disposal and gas if applicable.
- A written statement confirming the Applicant will comply with the applicable provisions of the following: Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, E.O. 11063 and HUD regulations.
- A written statement explaining how the proposed site will promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- Census Data about the city where the proposed site will be located addressing the following: race/ethnicity of the population, poverty, basic counts/population, housing and financial characteristics. Census data can be found at www.census.gov
- A written statement explaining how the proposed Development Site is accessible to social, recreational, educational, commercial, and health facilities and services, and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.
- A written statement confirming that travel time and cost via public transportation or private automobile, from the neighborhood to places of employment providing a range of jobs for lower-income workers, is not excessive. This is not applicable for applicants proposing new construction of senior housing.

Volume 7 Tab 15: Applicant Self Score: Form for HOME included in Volume 7, Tab 15

- The Applicant must score their application on the form.
- Applications must score a minimum of 70 points to be eligible for an allocation of HOME.
- Total self score must be correct when added together.
- The Applicant may not make any changes to the Total Application Score unless specifically requested to do so by the Department in an administrative deficiency.

Volume 7 Tab 16 New Job Creation per Unit Proposed

Applicants should include evidence of the proposed job impact that should include:

- A written certification from the most senior officer or Board of Directors of the business or institution that indicates the minimum number of positions to be created, the timeline for facility development, proof of capital investment and other pertinent details.
- A statement (included in the certification above) of how many jobs will be available for persons below 60% AMFI for the area in which the housing will be completed. The statement should include targeted income and the number of jobs that will be available to persons below that amount.

Volume 7 Tab 17 New Job Creation- Total Jobs

- A statement or statements from related employers, a chamber of commerce, local government or economic development corporation or other authority relating how many jobs in total will be created by this new facility (or expansion). This figure can include the overall increase in ancillary positions such as suppliers and sub-contractors, however, the jobs created must not be related, directly or indirectly, to the operation or construction of the proposed housing development.

Volume 7 Tab 18 Job Creation-Community Support

Applicants should include evidence of local government support for both the economic development activity and the housing development that should include:

- A memorandum of understanding between the business entity and a local economic development corporation that indicates the commitment of the economic development.
- A resolution from the local government endorsing both the housing and the business entity.

Volume 7 Tab 19 Leveraging of Public and Private Financing

- Include funding from other federal, state or private sources in addition to the primary funding construction and permanent loans that is proposed to be utilized.
- To perform the calculation use the amount of HOME funds requested in Vol. 1, Tab 1 Part C. Funding Request divided by Total Development Costs reflected in Vol. 1, Tab 3 Part A. Development Cost Schedule.
- Perform the calculation on the form.
- Correctly select the appropriate point request box.

Volume 7 Tab 20: Extremely Low-Income Targeting:

- To perform the calculation use the number of units listed at 30% AMGI divided by the total number of units in the development.
- Ensure that the rent schedule has the appropriate number of 'High HOME' and 'Low HOME' units in addition to units noted at 30% AMFI.
- The number of units should be consistent with Vol. 1, Tab 2 Part B. Rent Schedule. Note: if a new Rent Schedule is submitted in response to a deficiency response at any time in the Department's review of the Application, the points will be reevaluated.
- Perform the calculation on the form.
- Correctly select the appropriate point request box.

Volume 7 Tab 21: Matching Funds:

- The Department's Match Guide can be found at:
<http://www.tdhca.state.tx.us/pmcdocs/05-MatchGuide-051005.pdf>
- Submit firm commitment letters behind this tab.
- Perform the calculations on the form.
- To perform the calculation enter the of Match Total amount divided by the Total Development Cost to determine the percentage of Match.
- Correctly select the appropriate point request box.

Volume 7 Tab 22: Location of Development:

- Applicant should review all of the Department's Property Inventory lists to ensure that no other affordable rental development is located in the proposed City/Place.
- Applicants can refer to the 2007 Housing Tax Credit Site Demographic Characteristics Report in the Reference Manual.
- Applicants should use all sources available to them to ensure that no other affordable units are located in the proposed City/Place.
- Correctly select the appropriate point request box.
- Write location on application form.

Sources include but are not limited to the TDHCA links found below:

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

- <http://hrc-ic.tdhca.state.tx.us/hrc/VacancyClearinghouseSearch.m> *

*NOTE: This link includes non-TDHCA properties.

Volume 7 Tab 23: Cost-Effectiveness of Proposed Development:

- Use the “Total Residential Development Costs” on Part A Schedule in Vol. 1 Tab 3.
- Divide the Total Residential Development Costs by the Net Rentable Area listed on Vol. 1, Tab 2 Part B. Rent Schedule to determine the cost per square foot.
- Perform the calculation on the form.
- Correctly select the appropriate point request box.

Volume 7 Tab 24: Program Design:

- Applicants must submit a Program Design that describes the objectives of the development identifies the targeted housing, neighborhood and client characteristics.
- The Program Design should include details on how the development will assist the target population. Design should include a description of how other entities such as private lenders, community groups and other local stakeholders have been or will be included in the development process.
- The Program Design should include a description of the subsidy level and types that will be provided to the development, including HOME funds.
- The Program Design should include a Tenant Selection Plan that describes the process for selecting tenants including details on how applications will be made available to the public, how tenants will be selected, screening criteria, notification procedures to be used, the cost of making application and/or rent deposits, and the process for rejecting tenants.
- The Program Design must include procedures for determining the eligibility of tenants, initial certification of tenant income, annual recertification of tenant income, tenant selection procedures and waiting list administration, and the process by which renters and owners can terminate tenancy.
- The plan should provide examples of community involvement, support services and resources.
- Correctly select the appropriate point request box.

Volume 7 Tab 25: Capabilities of the Applicant:

- 2004, 2005 and 2006 Experience Certificates are eligible for use in all 2007 applications.
- Applicants may submit evidence of experience in property management, real estate finance counseling.
- Correctly select the appropriate point request box.

VIII. PUBLIC VIEWING OF PRE-APPLICATIONS AND APPLICATIONS

The Department will allow the public to view any Pre-Applications or Applications that have been submitted to the Department in an electronic format. These electronic versions will be available within approximately two weeks of the close of the Pre-Application Acceptance Period and within approximately two weeks of the close of the Application Acceptance Period. An Applicant may request a copy of an electronic copy between the hours of 8:00 am and 5:00 pm Monday through Friday. There may be an associated cost with requesting this information.

