



Multifamily Finance Production Division

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Application Procedures for Housing Tax Credits with Tax Exempt Bond Financing

This information is based on the Draft 2005 QAP. The 2005 QAP is currently under revision, some changes to the 2005 QAP may affect submission requirements and the information in this document!!

1) Deadlines for Filing an HTC Application

- a) Applicants which receive advance notice of a Program Year 2005 reservation from the Texas Bond Review Board's (TBRB) November 4, 2004 lottery for the private activity volume cap must file a **complete** Application as described below in paragraph 3, per the requirements of the Qualified Allocation Plan and Rules (QAP), no later than **5:00 p.m. cst on Thursday, December 30, 2004.**
- b) Applicants which receive advance notice of a Program Year 2005 reservation after being placed on the waiting list as a result of the TBRB lottery for private activity volume cap must submit:
 - i) The Application fee along with Volume 1 and Volume 2 of the Application **prior to the Applicant's bond reservation date as assigned by the TBRB.** Volume 1 and 2 must be accompanied by all Previous Participation Documents. An additional copy of the Previous Participation Documents, including the organizational chart, must be submitted under separate cover to be forwarded to the Portfolio Management Division for review.
 - ii) All outstanding documentation as described below in paragraph 3, required under the QAP, must be submitted to the Department **at least 60 days prior to the TDHCA Board Meeting at which the decision to issue a Determination Notice would be made.** This deadline is tied to the TDHCA Board Meeting dates and the bond closing deadline. Therefore it will vary for each waiting list application. **Determining when the outstanding documentation should be submitted is the responsibility of the applicant.** If the Application is not submitted by the 60 day deadline, the Department can not ensure that the Determination Notice will be included on the originally anticipated/requested Board meeting date.

2) Governing QAP

The QAP is the document that governs the administration of the HTC program, as well as outlining the application requirements. The threshold requirements of an application, as well as all eligibility criteria and site and Development restrictions, which are required for a bond financed tax credit application, are one part of the QAP. The QAP that governs the HTC applications for all Program Year 2005 reservations is the 2005 QAP that will be approved by the Department's Board on November 12.

3) Application Documentation Requirements

- a) Tabs and binders required to complete the application must be independently purchased by the Applicant and are not provided by the Department. It may be necessary to confirm the number of volumes which must be submitted, since requirements may vary depending on the Issuer of the bonds.
- b) An application fee in the form of a personal or cashier's check must be submitted with the application.
- c) A TDHCA application form/HTC Supplement describing the proposed development in detail. All required application and threshold documents in accordance with the applicable QAP. The Environmental Site Assessment and Market Study must be included. Submissions for those applications utilizing TDHCA as an Issuer will have different submission requirements than those using local Issuers.

- d) Consistency with the local municipality's consolidated plan or similar planning document must also be demonstrated in those instances where the city or county has a consolidated plan.
- e) An executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants.

Note: Bond applications are not subject to the Selection Criteria.

Application Fee

- a) The application fee is \$30 per unit.

4) Credit Amount

- a) The Department shall issue tax credits only in the amount needed for the financial feasibility and viability of a Development throughout the Compliance Period.
- b) Tax Exempt Bond applications are not subject to the per development and per Applicant credit limitations established in the QAP.

5) Development Size Restrictions

- a) Minimum Development Size
 - i) The minimum Development size will be limited to 16 units.
- b) Maximum Development Size
 - i) Rural Developments involving new construction must not exceed 96 Units.
 - ii) All other Tax Exempt Bond Developments involving new construction will be limited to 252 units. These maximum unit limitations also apply to those Developments which involve a combination of rehabilitation and new construction.
 - iii) Developments that consist solely of acquisition/rehabilitation or rehabilitation only may exceed the maximum unit restrictions.

6) Reference Documents

- a) The HTC Program has a number of documents, including the application, which will be available on its web site at: <http://www.tdhca.state.tx.us/lihtc.htm> in late November 2005. Some helpful reference documents include:
 - i) The *Qualified Allocation Plan and Rules* which are the rules that govern the program. While Tax Exempt Bonds are discussed throughout the body of the document, it does so particularly in §49.12 of the 2005 QAP. The final 2005 QAP will be available on or after November 15, 2004.
 - ii) The *Application Submission Procedures Manual* which describes the administrative filing requirements in detail.
 - iii) The *Low Income Housing Tax Credit Information Guide* which describes in detail how the credits are calculated.
 - iv) The *2005 Underwriting, Market Analysis, Appraisal, Environmental Site Assessment and Property Condition Assessment Rules and Guidelines*.