



**TEXAS DEPARTMENT OF
HOUSING & COMMUNITY AFFAIRS**
Building Homes. Strengthening Communities.

2013 Bond Pre-application Submission Procedures Manual

221 East 11th Street
Austin, Texas 78701

12-2012 Version

Table of Contents

I. INTRODUCTION3

II. 2013 BOND PRE-APPLICATION WAITING LIST SUBMISSION TIMELINE3

III. PRE-APPLICATION PROCESS.....3

IV. FORMAT FOR SUBMITTING THE MULTIFAMILY BOND PRE-APPLICATION4

V. INSTRUCTIONS FOR CONVERTING THE EXCEL FILE TO PDF6

VI. CREATING BOOKMARKS8

VII. REQUIRED FORMS AND EXHIBITS FOR THE PRE-APPLICATION8

VIII. FULL APPLICATION PROCESS & GENERAL ELIGIBILITY INFORMATION 22

I. Introduction

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

Prior to submitting a Pre-application, the Department will require the submission of the Pre-Inducement Questionnaire. The purpose of the questionnaire is for the Department to get a preliminary understanding of the proposed Development and to communicate with the Applicant the Department's objectives and policies regarding the development of affordable housing throughout the state using tax-exempt bond financing. The Pre-Inducement Questionnaire can be found on the Department's website at the following link: <http://www.tdhca.state.tx.us/multifamily/housing-tax-credits-4pct/index.htm>.

II. 2013 Bond Pre-application Waiting List Submission Timeline

The Department is accepting applications for the 2013 Private Activity Bond Program to be placed on the "waiting list". Pre-applications will be accepted on a monthly basis with deadlines for submission outlined in a timeline found at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>. All Pre-applications must be submitted before 5:00 p.m. CST on the submission date. Pre-applications received each month will be scored and ranked against other Pre-applications for that month and will then be presented to the Department's Governing Board for inducement the following month.

III. Pre-application Process

- The Applicant submits the Pre-application and corresponding Pre-application fee to the Department's Multifamily Finance Division. The **deadline to submit Pre-applications and initial fees to the Department is 5:00 p.m., by the submission date as outlined in the timeline noted above.**
- Department staff will review the Pre-application and request any additional information as applicable through an Administrative Deficiency (***Applicant will have three (3) business days to correct any deficiencies***). A pre-qualification analysis will be performed by staff and the Pre-application will be scored (according to 2013 scoring criteria) and ranked by highest score. Multiple site Pre-applications will be scored and ranked on their own merits. The Department will determine the final score for these Pre-applications based on an average of all the individual scores for submission to the Texas Bond Review Board.
- A summary of the proposed transaction and the pre-qualification analysis will be presented to the Department's Governing Board for approval of an Inducement Resolution.
- Upon Board approval, staff will submit an application to the Texas Bond Review Board (the "TBRB") to await a Certificate of Reservation, in order of descending score. The TBRB will issue reservations on a first come first serve basis (to issuers) after all applications participating in the lottery (if applicable) have been reserved or withdrawn. The reservations will be issued in the order the Department submits.

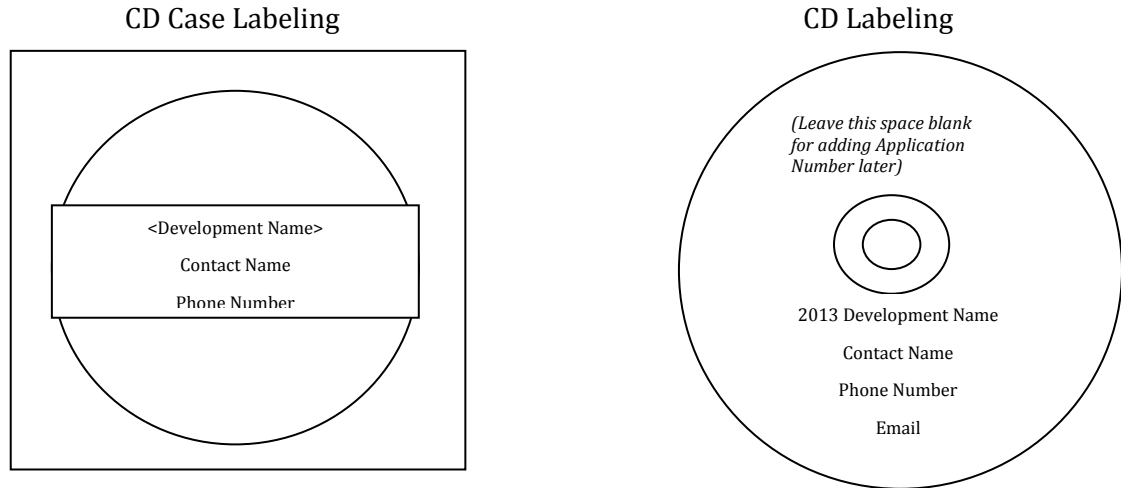
IV. Format for Submitting the Multifamily Bond Pre-application

The Pre-application for the Private Activity Bond program consists of two separate files, one in EXCEL format and one in PDF format on a recordable compact disk (CD-R). The disk should NOT be rewritable to protect the integrity of the data stored on the disk.

For each Pre-application the Applicant must ensure execution of all necessary forms and supporting documentation, and place them in the appropriate order according to this manual. All Pre-application materials must be submitted in electronic format only, unless specifically noted otherwise. The Applicant must deliver by 5:00 p.m. on the submission date as outlined in the timeline on the Department's website (<http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>) the following:

1. One VIRUS-FREE CD-R in a protective hard plastic case containing the following:
 - o A complete Microsoft Excel based 2013 Multifamily Bond Pre-application file; and
 - o A complete, executed PDF copy of the 2013 Multifamily Bond Pre-application file with all attachments and supporting documentation;
2. One complete hard copy of the 2013 Payment Receipt with check attached for the correct Pre-application fee, made payable to "Texas Department of Housing and Community Affairs". Other fees that should be submitted with the Pre-application include \$2,500 payable to Bracewell & Giuliani and \$5,000 payable to the Texas Bond Review Board; and
3. One completed and fully executed 2013 Electronic Application Filing Agreement (scanned signature ok).
4. Support, opposition or neutral letters – If the Applicant has received support, opposition or neutral letters from elected officials, neighborhood organizations and/or members of the public, they can be submitted at the time the Pre-application is submitted. **If submitted within the Pre-application they should be bookmarked and labeled identifying them as such.**

Label the CD protective case with a standard label containing the typed-in development name and the Applicant's name with email address to contact. Leave 2" above the label for a TDHCA Project Number label that will be added later by TDHCA. **PLEASE DO NOT ATTACH ADHESIVE LABEL TO THE CD ITSELF.** Rather, write the requested information legibly on the printed side of the CD itself with a felt-tip pen. Refer to labeling illustrations below. **Double-check the CD to verify that it contains the properly named virus-free application files.**




1. To download the electronic Pre-application file, right-click on the following link <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>, select “Save Target As” and choose the storage location on your computer. The Excel file should be named in the following format -- <Development Name-Pre-application>.xls (e.g. Austin_Crossing_Pre-application.xls)
2. Fill in only the areas shaded in yellow. All other cells not shaded in yellow are for Department use only and have been pre-formatted to automatically calculate information provided by the Applicant and are locked. Applicants may view any formulas within the cells. Applicants may not add additional columns or rows to the spreadsheets, unless otherwise stated.
3. All questions are intended to elicit a response, so please do not leave out any requested information. If references are made by the Applicant to external spreadsheets those references must be removed prior to submission to the Department as this may hamper the proper functioning of internal evaluation tools and make pertinent information unavailable to TDHCA.
4. When entering phone, fax and cellular numbers or zip codes, enter numbers only with no blank spaces, parenthesis or hyphens, these cells are pre-formatted. Phone, fax and cellular numbers will require area codes.
5. This electronic Pre-application has been designed so that some information and calculations are automatically populated once enough information has been entered. If you see a “#VALUE” or “DIV/0” in a cell these values should disappear upon data entry in other tabs. If they still exist, double check that all required information has been entered into the Pre-application.
6. Be sure to save the file as you fill it out!
7. Multiple site Pre-applications will be required to submit a separate Pre-application/CD-R for each Site.

V. Instructions for Converting the Excel file to PDF

Once the Excel Pre-application file is completed and you are ready to convert the file to PDF, follow these instructions:

Tip – Be sure to check all of the page breaks in the Excel files before you convert to PDF.

Excel 2007 Users:

1. Click the **Microsoft Office Button**  , point to the arrow next to **Save As**, and then click **PDF or XPS**.
2. In the **File Name** list, type or select a name for the workbook.
3. In the **Save as type** list, click **PDF**.
4. If you want to open the file immediately after saving it, select the **Open file after publishing** check box. This check box is available only if you have a PDF reader installed on your computer.
5. Next to **Optimize for**, do one of the following, depending on whether file size or print quality is more important to you:
 - If the workbook requires high print quality, click **Standard (publishing online and printing)**.
 - If the print quality is less important than file size, click **Minimum size (publishing online)**.
6. Click **Options**. Under **Publish What** select **Entire Workbook** and click **OK**.
7. Click **Publish**.

Excel 1997-2003 Users:

1. With the Excel file open go to the Adobe PDF drop-down box from the task bar (if using Excel 2007 click on “Acrobat” tab in the task bar).
2. Select “Convert to Adobe PDF” from the drop-down list (Excel 2007- select “Create PDF”).
3. The Adobe PDFMaker box will appear. On the left hand side of the box all of the sheets within the Excel file will be listed and you will be prompted to select the sheets you would like to convert to PDF. Once the sheets you want to convert are selected click on the “Add Sheets” button to move those sheets over to the right-handed side of the Adobe PDFMaker box, this will list the sheets selected to be converted to PDF.
4. Once all sheets you have selected appear on the right-hand side under “Sheets in PDF” click on the “Convert to PDF” button.

5. You will be prompted to create a name and save the PDF file. The PDF file should be named in the following format -- <Development Name_Pre-application>.pdf (e.g. Austin_Crossing_Pre-application.pdf).
6. A pop-up box will appear that asks "Do you want to proceed without creating tags?" Click Yes.

Remember that there are forms that require a signature. Once you have executed all required documents scan them and re-insert the scanned forms back into the order required. The Pre-application submitted should be the electronic copy created from the Excel file, not a scanned copy of the Excel or PDF file. Scanned copies of the Pre-application are difficult to read and slow down the process for staff and Applicants and make it more difficult for Applicants to double-check the completeness of the Pre-application prior to submission.

VI. Creating Bookmarks

Once the file has been converted to PDF and all executed forms have been re-inserted into its appropriate location within the file, you will need to create Bookmarks. Bookmarks may or may not have already been created as part of the conversion process. You will need to designate or re-set the locations. To correctly set the Bookmark locations you must have the PDF file open in Adobe Acrobat. Click on the Bookmark icon located on the left-hand side of the Adobe Acrobat screen, or go to the task bar and select these options in the following order: **View** → **Navigation Panels** → **Bookmarks**.

If a Bookmark has already been created for each tab within the Excel file, simply re-set the bookmarks to the correct locations. To re-set the location for the Bookmarks, go to the first page of each separately labeled form/exhibit. You will then right-click on the corresponding Bookmark for the form/exhibit you are currently viewing. Select **Set Destination** and a pop-up box will appear asking you the following: "Are you sure you want to set the destination of the selected bookmark to the current location?" Select **Yes**.

If Bookmarks were not already created within the Excel file, then you will need to create these Bookmarks. Go to **Document** → **Add Bookmark**. Right-click on the first Bookmark and re-name it for the appropriate form or exhibit. You will then need to set the location of the Bookmark by going to the first page of each form or exhibit, right click on the corresponding Bookmark and select **Set Destination**. A pop-up box will appear asking you the following: "Are you sure you want to set the destination of the selected bookmark to the current location?" Select **Yes**.

If after conversion of the Excel file to PDF you have extra blank pages of any exhibit, you can delete those pages in order to limit the size of the file. To delete any extra, unnecessary pages identify the page number(s) you want deleted. On the Adobe Acrobat Task Bar click on Document and select Delete Pages from the drop down list. A box will appear prompting you to select which page(s) you would like to delete. Enter the page numbers to be deleted and hit OK.

The PDF formatted file must be checked for the following prior to submission:

- ✓ All tabs and/or volumes 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

If you have any questions on using or experience difficulties with the Microsoft Excel based application, contact Teresa Morales via email at teresa.morales@tdhca.state.tx.us.

VII. Required Forms and Exhibits for the Pre-application

The 2013 Multifamily Bond Pre-application can be found at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>. Additionally, Applicants are encouraged to read the Multifamily Housing Revenue Bond Rules in preparing their Pre-applications which can be found at the following link <http://www.tdhca.state.tx.us/multifamily/nofas-rules.htm>.

Throughout this manual, the names of any forms required 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.” The complete PDF Pre-application file must be submitted in the order presented in the Excel file and detailed below. Note that some tabs in the workbook act as a placeholder for purposes of reminding Applicants of the supporting documents that must be provided within the Pre-application (*Applicants are encouraged to print out a blank version of each tab beforehand to be aware of all contents.*)

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

Include all of the following documents:

❖ **2013 Payment Receipt**

- All Applicants must submit a completed and executed (**hard copy**) original of this form with the Pre-application submission, along with a check for the correct fee amount in order for the Pre-application to be accepted by the Department.
- A TDHCA Application Number will not have been assigned to your Pre-application prior to submitting the file, therefore, leave this area blank and a number will be assigned to your Pre-application at a later date.
- For Applicants claiming a fee reduction based on a Qualified Nonprofit Organization status, evidence must be attached of the organization’s status with the Payment Receipt. (For HOME, if you are claiming a fee waiver or reduced fee, please see required documentation in HOME NOFA)
- Insert a scanned copy of the completed Payment Receipt and check into the final PDF version of the Pre-application.
- If you would like a copy of the staff-signed Payment Receipt sent to you, please indicate so by checking the box on the second page of the Payment Receipt.

❖ **2013 Electronic Application Filing Agreement**

- This form must be completed and submitted with the Pre-application in order to be able to submit subsequent information and documents related to the Pre-application by means of electronic transmission using the Department’s File Transfer Protocol (FTP)

server. **NOTE: you need only to submit a scanned copy of this agreement within the final PDF of the Pre-application file. A hard copy is not necessary.**

- A TDHCA Application Number will be assigned after the Pre-application is received, along with instructions on how to use the Department's FTP transmission service.
- Fill out all information requested. **IMPORTANT:** identify **ALL** persons who should receive the FTP setup/login information. This information will not be released by the Department to anyone other than the Applicant and those persons identified on this form.

Part 1 – Certifications (Tabs 1-5)

The orange colored tabs (1-5) in this section contain various certifications required by the Applicant. Additionally, this section contains basic contact information relating to the Pre-application.

❖ **Tab 1:**

- *Bond Pre-application Certification*

- All of the cells highlighted yellow must be completed. The form must be signed by the Applicant or person with authority to execute documents on the Applicant's behalf and must be dated and notarized. No hard copy is required, only a scanned copy within the PDF file.

❖ **Tab 2:**

- *Certification of Development Owner*

- This form must be executed by the Development Owner and addresses the specific requirements associated with the Development. The Person executing the certification is responsible for ensuring all individuals referenced therein are in compliance with the certification. Applicants are encouraged to read the certification carefully as it contains certain construction and Development specifications that each Development must meet.
- The form must be signed, dated, and notarized. No hard copy is required, only a scanned copy within the final PDF file.

❖ **Tab 3:**

- *Certification of Principal*

- This form must be executed by all Principals and identifies the various criteria relating to eligibility requirements associated with multifamily funding from the Department.
- Principals include all partners in a partnership, all executive officers in a corporation, and all managers of a limited liability company. Applicants should refer to the definition of Principal found in §10.3 of the Uniform Multifamily Rules, but in general, every person who is listed on the organizational chart(s) must sign the form.
- The form must be signed, dated, and notarized. No hard copy is required, only a scanned copy within the final PDF file.

❖ **Tab 4:**

- *Mortgage Revenue Bond Program Responsibility of Costs Incurred*

- Complete all of the yellow highlighted cells. The form must be signed, dated and notarized. A hard copy is not required, only a scanned copy within the PDF file.

❖ **Tab 5:**

- *Applicant Information Page*
- This form should include contact information for the person responsible for responding to Administrative Deficiencies. Note that this may not necessarily be the Development Owner or Applicant. The person listed here will be required to submit requested documentation within a relatively short time period and should be generally available throughout the review process. The person listed here is also expected to be available primarily via email.

Part 2 – Development Site (Tabs 6-10)

The blue colored Development Site tabs (6-10) collect information specific to the physical location of the Development Site.

❖ **Tab 6:**

- *Site Information Form Part I*
- This form is divided into 7 parts. Complete the yellow highlighted cells in each part as applicable. Portions of this form may make reference to supporting documents required to be submitted behind Tab 7.
- **Part 1 – Development Address:** Enter the information in this section as indicated by the label for each of the boxes present. If there is no mailing address for the site, please do not use phrases such as, “1 mile east of the corner” or “approximately 300 feet from” but only indicate direction from an intersection. For example, “the northeast quadrant of Hickory Street and Red River” **Note: Participating jurisdictions are identified in the Application reference material found at the following link: http://www.tdhca.state.tx.us/home-division/docs/HUD_PJs_Full_List.pdf.**
- **Part 2 – Census Tract Information:** Enter the **11-digit** 2010 census tract number with no dashes, commas, decimals, or spaces. Indicate whether the census tract is a Qualified Census Tract.
- **Part 3 – Site Characteristics:** Select the highlighted cell as acknowledgement of the Development Site being located in proximity to certain amenities; a mandatory requirement for **all** Pre-applications pursuant to §12.5(7) of the Multifamily Revenue Bond Rules and §10.101(a)(2) of the Uniform Multifamily Rules.
- **Part 4 – Undesirable Area Features:** If applicable, mark only one of the three boxes which represent the Pre-application. If selecting the second box regarding the Waivers, Pre-Clearance, Determinations and Disclosure (“WPDD”) Packet, such Packet is the process by which Applicants seek pre-clearance for Undesirable Area Features, request staff or Board determinations regarding definitions or Undesirable Site Features, disclose possible issues of ineligibility and request waivers. The WPDD Packet can be found at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.
- **Part 5 – Site Location:** Indicate whether or not the Site is appropriately zoned. Include the Site’s current zoning exactly as it is stated in the local zoning code and the official description of the zoning claimed. Evidence dated not more than 6 months prior to the date of submission must be submitted behind Tab 7:

- For Flood Zone Designation, enter the FEMA description exactly as it appears on the FEMA flood map. Determine if the Site is inside or outside the 100-year floodplain according to the FEMA description corresponding to the FEMA code for the Development Site that appears on the map.
- **Part 6 –Underserved Area:** Select from the three options available if requesting the 2 points for this item.
- **Part 7 – Declared Disaster Area:** Select the box if requesting the 7 points for this item.

❖ **Tab 7:**

- *Site Information Form Part I* Supporting Documentation
- **Census Tract Map** must indicate the full 11-digit number and indicate the location of the Development Site.
- **Site Characteristics Map** showing the Development Site, a scale, radius ring (1 mile for Urban, or 2 miles for Rural), and the applicable site amenities.
- **Evidence of Department Pre-Clearance of Undesirable Area Feature(s)** includes a letter from the Department’s Executive Director or Director of Multifamily Finance acknowledging Department approval of Undesirable Area Features. This information is not necessary for Pre-applications that have no issues with Undesirable Area Features. **NOTE: Applicants should be aware that the Certification of Development Owner includes a stipulation that the Site is not located in an area with undesirable area features as described in §10.101(a)(3) or (4) of the Uniform Multifamily Rules.**
- **Evidence of Zoning** must exactly match the representation made in the Site Information Form Part I. Acceptable evidence includes:
 - A letter from the chief executive officer of the Unit of General Local Government (UGLG) or another local official with appropriate jurisdiction stating that either there is no zoning or that the Site is appropriately zoned.
 - Evidence that the Applicant has applied for a zoning change, as well as a signed release provided to the UGLG to hold them harmless in the event zoning is denied.
 - For Rehabilitation Developments, documentation of current zoning and, if necessary, a letter from the chief executive office of the UGLG addressing any overlays or issues of non-conforming uses.
 - Refer to §10.204(10) of the 2013 Uniform Multifamily Rules for more detailed requirements to be included in the evidence provided to the Department.
- **Evidence of Flood Zone Designation** must include a FEMA flood map with the Development Site location identified. **NOTE: The Certification of Development Owner includes stipulations regarding the conformity of the site with the Department’s rules regarding the floodplain.**
- **Evidence of Underserved Area** should include one of the following:
 - For a Colonia or Economically Distressed Area, provide a letter confirming the Development is within the boundaries of a Colonia or Economically Distressed Area from the Texas Water Development Board as well as a map indicating the location of the Development Site within the identified underserved area.
 - To indicate developments in a place or census tract (whichever is applicable) that does not contain any other HTC developments, provide a copy of the applicable section of the HTC Property Inventory.
- **Evidence of Declared Disaster Area** should include the actual wording of the proclamation issued by the Governor along with the relevant dates (issuance and/or expiration) of the proclamation. A list of proclamations can be found at the following website: <http://governor.state.tx.us/news/archive/proclamation/>.

❖ **Tab 8:**

- *Site Information Form Part II.*
- This form is divided into 3 parts. Complete the yellow highlighted cells in each part as applicable. Portions of this form may make reference to supporting documents required to be submitted behind Tab 9.
- **Part 1 – Site Acreage:** Complete the site acreage as identified in both the Site Control documentation and boundary survey. Any differences in the sizes of the land stated in either of the responses should be explained in the space provided.
- **Part 2 – Site Control:** Complete the yellow highlighted cells identifying the seller, date of sale and any relationship between the seller and the Applicant and/or any member of the Development Team. Provide an explanation regarding any affiliations.
 - Identify all of the sellers of the proposed Property for the 36 months prior to the first day of the Application Acceptance Period and their relationship, if any, to members of the Development Team.
- **Part 3 – 30% increase Eligible Basis (“Boost”):** Complete this section if the proposed Development Site is eligible for the 30% increase as further described in §11.4(c)(1) of the QAP. Developments may be eligible if they are located in a QCT that has less than 30% HTC Units per total households in the tract as established by the U.S. Census Bureau. As a general rule, a QCT designation would have to coincide with the program year the Certificate of Reservation is issued.

❖ **Tab 9:**

- *Site Information Form Part II Supporting Documentation*
- **Evidence of Site Control** should be provided behind this tab.
 - At Pre-application site control must be valid through the date of the Board meeting at which the inducement resolution is to be considered.
 - At full Application, the Applicant must be able to provide evidence that the Development Owner has the ability to compel legal title at any time while the Application is under consideration. It should be noted that the potential expiration of site control does not warrant the full Application being presented to the TDHCA board prior to the scheduled meeting.
 - Site control must be in the name of the Development Owner or reflect an ability to transfer the rights to the Development Owner.
 - Evidence of site control must be in one of the forms described under §10.204(9) of the 2013 Uniform Multifamily Rules.
 - If a contract is provided as evidence of site control, the closing date must be highlighted or flagged.
 - If the closing date is contingent upon other dates within the purchase contract, provide an outline of these dates that arrive at the current closing date identified.
 - Contract must have an address, legal description, or property description that matches the city, county and/or zip code indicated in the *Site Information Form Part I.*
 - Contract must be signed by both seller and buyer.
 - Proof of consideration, as specified in contract, must be submitted. (e.g., a completed escrow receipt from the title company signed by the escrow agent).
 - For scattered sites, if you are submitting multiple contracts, deeds, etc. each one must meet all of the requirements of §10.204(9)(A) of the 2013 Uniform Multifamily Rules. Each must clearly have the address identified and be

consistent with the Scattered Site Information Form (*e.g.* If the Development consists of 3 parcels of land, 3 contracts/deeds, etc. must be provided or one form of site control must clearly identify and cover all 3 parcels).

- For identity of interest transactions, submit documentation requirements described in Subchapter D §10.301(e)(1)(B) of the Uniform Multifamily Rules.
- **Boundary Survey** or plat must clearly identify the location and boundaries of the subject Property.
 - 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.
 - The survey must clearly delineate the flood plain boundary lines and show all easements.
 - Site acreage should be provided and be consistent with the *Site Information Form Part II* and any submitted site control documents.

❖ **Tab 10:**

- *Scattered Site Information Form*
- For each separate Site in the Development as proposed, list the information in each column of the *Scattered Site Information* form. The information required to complete the form should be available with the possible exception of the address, which might remain unknown. If more than one seller is involved in conveying the Sites, fill-in information blocks below the table of proposed Sites as necessary to describe each of the Sites to be conveyed. The Department’s review requires comparing the Sites as proposed to the Sites conveyed. Therefore, the total acreage of all Sites proposed should match the acreage conveyed or the difference should be explained in an addendum note to this exhibit. If applicable, be prepared to submit documentation to facilitate staff’s comparison of the Sites conveyed with the Sites proposed. Such documentation will include the proposed Sites each drawn into the boundaries of the land that is proposed for purchase.

Part 3 – Notifications (Tabs 11-13)

The purple colored Development Site tabs (11-13) collect information specific to the elected officials that represent the proposed Development Site as well as any applicable neighborhood organizations.

❖ **Tab 11:**

- *Elected Officials* Form
- Notifications to elected officials and any neighborhood organizations must be made no later than the date the Pre-application is submitted to the Department.
- List each elected official and their respective District/Precinct.
- Confirm that support, opposition or neutral letter(s) have been included, by indicating in the “Yes/No” drop down box.
- The Applicant must notify the:
 - State Senator and State Representative of the district(s) that contain the Development,
 - Superintendent and presiding officer of the board of trustees of the school district containing the Development, and

- Presiding officer and all elected members of the Governing Body of the municipality containing the Development, and
- Presiding officer and all elected members of the Governing Body of the county containing the Development.
- **Public School contact information.** The name of the elementary school and high school closest to the Development Site, address and phone number for each school must also be included on this form for the purposes of scheduling the TEFRA bond public hearing.
- The notifications must not be older than three (3) months prior to the submission of the Application.
- For Developments located in an Extra Territorial Jurisdiction (ETJ), both city and county officials are required to be notified.
- 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.
- Templates for notifications and a sample support letter have been provided in the 2013 Multifamily Uniform Application Templates document which can be found at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.

❖ **Tab 12:**

- *Neighborhood Organizations*
- Requests for a list of Neighborhood Organizations must be made no later than 14 days prior to the Pre-application submission.
- Complete the form as applicable.
- 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.

❖ **Tab 13:**

- *Certifications of Notifications at Pre-application*
- Complete the yellow highlighted cells in each part as applicable.
- The form must be signed, dated and notarized. The individual signing the certification must be the Applicant or the person that has the authority to sign on behalf of the Applicant.
- Certifications of notifications must be dated no earlier than the earliest date that notifications are allowed to be sent.
- Notifications should be made using a form of delivery that can be tracked in order to retain proof of delivery.
- Templates for Request for Neighborhood Organizations and Public Notification Format can be found in the 2013 Multifamily Uniform Application Templates at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.
- **NOTE:** Developments located in the ETJ of a city require notification to both city and county officials.

Part 4 – Development Activities (Tabs 14-15)

The red colored Development specific tabs (14-15) contain information regarding the construction type and Target Population, amount of funding requested and amenities provided. Also included in this section are scoring items relating to Unit sizes, extended affordability and preservation initiatives.

❖ **Tab 14:**

- *Development Narrative*
- This form is divided into 7 parts. Complete the yellow highlighted cells in each part as applicable.
- **Part 1 - Construction Type:** Applicants should note that under most circumstances only one box will be checked from the list of activities in Part 1. If a “yes” answer is given in a cell to the left, then an answer should be given to any questions in that same row.
- **Part 2 – Target Population:** Identify the Target Population from the drop-down menu provided.
 - All cells highlighted in yellow require data entry by the Applicant. Note that cells highlighted in gray will auto-calculate based on data entered here and in the Rent Schedule. Therefore, a “DIV/0!” will appear upon entry of the “% of Total Units in the Development” in this worksheet. The worksheet is protected and will not allow you to manipulate the cells that are gray. Once data is entered into the Rent Schedule the cells will calculate the correct percentage.
 - The Department will use this form to test that the proposed Development does not violate the Integrated Housing Rule (§1.15 of the Texas Administrative Code), which prohibits the set aside of more than 18% of Units for Persons with Disabilities for Developments with 50 Units or more; or prohibits the set-aside of more than 36% of the Units for Persons with Disabilities for Developments with less than 50 Units.
- **Part 3 – Staff Determinations:** If a staff determination was made pursuant to §10.3(b) of the Uniform Multifamily Rules, mark the box with an “x” and submit a copy of the determination behind this tab. If no determination was required, simply leave the box blank.
- **Part 4 – Narrative:** Applicants are required to provide a brief development narrative and should also use this space as an opportunity to explain any unique circumstances surrounding the proposed Development.
- **Part 5 – Funding Request:** Applicants should carefully fill in all applicable cells highlighted in yellow.
 - There is no internal check on funding amounts built in to the Pre-application, so Applicants should also be aware of any funding limit requests before completing this form.
 - Clicking on the funding sources (TDHCA HOME, Housing Tax Credits, etc.) will link Applicants to the summary of sources and uses page behind Tab 24.
- **Part 6 – Previously Awarded State and Federal Funding:** All cells highlighted in yellow require data entry by the Applicant. If a particular question is not applicable to the Application, type in “N/A”.
- **Part 7 – Qualified Low Income Housing Development Election:** Select one of the options, as applicable to the Development. Applicants should understand that once an election is made, it is irrevocable. Applicants are encouraged to check this election against the *Rent Schedule* and *Residential Rental Attachment* (RRA) to ensure consistency.

❖ **Tab 15:**

- *Development Activities*
- This form is divided into 7 parts. Complete the yellow highlighted cells in each part as applicable.
- **Part 1 – Common Amenities:** This item will self populate from the Rent Schedule based on the total number of units in the Development. All Applicants must mark the box affirming the common amenities will be provided.
 - The list of common amenities can be found in §10.101(b)(5) of the Uniform Multifamily Rules.
 - An actual identification of the amenities to be provided will be required at the time the LURA is submitted to the Department.
 - Pre-applications for non-contiguous scattered site housing, excluding non-contiguous single family sites, will have the threshold test applied based on the number of Units per individual Site. Amenities to be provided at each individual Site will be identified in the LURA.
- **Part 2 – Unit Requirements:** One selection each from Part A and Part B must be made.
 - Part A – the Applicant must select the box acknowledging the Development will meet the required minimum unit sizes, OR if Rehabilitation, select the box as applicable.
 - Under Part B, Unit Amenities, the Applicant must select the box indicating that a minimum of 7 points worth of amenities will be provided.
 - The list of unit amenities and corresponding point structure can be found in §10.101(b)(6)(B) of the Uniform Multifamily Rules.
 - An actual identification of the unit amenities to be provided will be required at the time the LURA is submitted to the Department. Selected amenities must be maintained throughout the Compliance Period.
 - Pre-applications for non-contiguous scattered site housing, will be required to have a specific amenity located within each Unit to receive points.
- **Part 3 – Tenant Supportive Services:** This section must be completed if requesting the 8 points. NOTE: While the provision of a minimum of 8 points is a mandatory requirement for Tax-Exempt Bond Developments at the time of full Application pursuant to §10.101(b)(7) of the Uniform Multifamily Rules, selection of points at the time of Pre-application is the Applicant’s choice and, for the most part, is usually dependent upon competition for volume cap.
 - The list of services can be found in §10.101(b)(7).
 - An actual identification of the services to be provided will be required at the time the LURA is submitted to the Department.
- **Part 4 – Development Accessibility Requirements:** Select the highlighted cell as acknowledgement of the requirements in §10.101(b)(8) of the Uniform Multifamily Rules.
- **Part 5 –Size of Units:** Select the highlighted cell that is applicable if requesting the 5 points. Unit sizes will be verified on the Rent Schedule behind Tab 16.
- **Part 6 – Extended Affordability:** Select the yellow highlighted cell if requesting the 2 points.
- **Part 7 – Preservation Initiative:** Select the yellow highlighted cell if requesting the 10 points. Evidence of the existing affordability must be submitted behind this tab.

Part 5 – Finance (Tabs 16-25)

The yellow colored Finance specific tabs (16-25) contain information regarding the Development costs and the proposed financing structure.

❖ **Tab 16:**

- *Rent Schedule*
- Gross Rent cannot exceed the HUD maximum rent limits unless documentation of project-based rental assistance is provided.
- If any non-rental income is included, describe the source(s) of the income. “Misc” income is not an acceptable description.
- If the Development includes loft/efficiency Units, label these Units as “0” bedrooms as provided in the drop-down list.
- If applying for TDHCA HOME funds the column titled “HOME Unit Designation (Rent/Inc)” also includes the Income level required for each HOME Unit designation.
- Private Activity Bond Priority:
 - Space has been provided at the top of the form to identify the Private Activity Bond Priority. Choose the applicable priority from the drop-down list.
 - Points will be awarded based on the Priority selected and must be consistent with the Bond Review Board Residential Rental Attachment behind Tab 31.
 - Priority must be designated, as submitted to the Bond Review Board. The priority designations include the following:
 - Priority 1(a): Set-aside 50% of the Units at 50% AMGI and 50% of the Units at 60% AMGI.
 - Priority 1(b): Set-aside 15% of the Units at 30% AMGI and 85% of the Units at 60% AMGI.
 - Priority 1(c): Set-aside 100% of the Units at 60% AMGI for Developments located in a census tract with a median income that is higher than the median income of the county, MSA or PMSA in which the census tract is located.
 - Priority 2: Set-aside 80% of the Units at 60% AMGI; up to 20% of the Units can be at market rate.
 - Priority 3: Includes any qualified residential rental Development. Market rate Units can be included under this priority.

❖ **Tab 17:**

- Current Market Information
- Provide behind this tab the current market information that indicates the rents in the market support the proposed affordable rents.

❖ **Tab 18:**

- *Utility Allowances*
- Drop down lists have been added to this form to identify “Who Pays” for the utility service and what type of “Energy Source” will be used.
- If Development is all bills paid, utilities and energy source is still required.
- Remember to include your support documentation (i.e., Current PHA utility allowances sheet or local utility provider estimate specific to the Development) that clearly identifies the utility costs included in the estimate and the effective date of the documentation.

❖ **Tab 19:**

- *Annual Operating Expenses*
- Fill in all yellow highlighted cells.
- You must describe any “Other” cost included in any of the expense categories. “Misc” is not an acceptable description. The cells will turn RED and state “please describe” to remind you to enter a description.
- Annual Debt Service should be consistent with information provided in the Summary of Sources and Uses of Funds form as well as the *15-Year Pro Forma*.
- Expense per Unit, Expense to Income ratio, and Debt Service Ratio will be calculated automatically. Applicant should familiarize themselves with the underwriting rules (Subchapter D of the Uniform Multifamily Rules) regarding thresholds for these items.

❖ **Tab 20:**

- *15-Year Pro Forma*
- Any deferred developer’s fee must be shown to be fully repaid by year 15.
- You must describe any “Other” debt service included in the pro forma.

❖ **Tab 21:**

- *Offsite Cost Breakdown*
- This form must be completed if there are any offsite costs associated with the Development, whether or not they are included in the Development Cost Schedule. For example, if offsite costs are embedded in the acquisition costs, this form must be completed. If there are any unusual circumstances surrounding the costs and/or payment of off-site costs, please include an explanation behind this tab.
- The form must be completed, signed and sealed by a professional engineer. NOTE: Due to this information being preliminary at the Pre-application stage, the form may be submitted without the signature of a professional engineer. However, pursuant to §10.204(7)(E)(ii) of the Uniform Multifamily Rules the form, if applicable, must be signed by a professional engineer at the time of full Application.
- If any Off-site Costs are included in Eligible Basis, then the following will be required to be submitted at the time of full Application:
 - A letter from a certified public accountant must be submitted allocating which portions of those costs should be included in Eligible Basis; and
 - The Third Party engineer must describe the necessity of the off-site improvements.
 - If off-site costs are based on PLR 200916007 the certified public accountant must provide a statement of findings describing the facts relevant to the Development and that the fact pattern matches the PLR 200916007.

❖ **Tab 22:**

- *Site Work Costs*
- This form is applicable to all Developments, regardless of the amount of Site Work cost attributed to the Development.
- If the Site Work cost is above \$15,000 per Unit and costs are included in Eligible Basis, a letter must be provided from a certified public accountant allocating which portions of those site costs should be included in Eligible Basis. NOTE: Due to this information being preliminary at the Pre-application stage, the form may be submitted without the signature of a professional engineer and supporting letter from a certified public

accountant for Site Work costs that exceed \$15,000 per Unit. However, pursuant to §10.204(7) of the Uniform Multifamily Rules the form must be signed by a professional engineer at the time of full Application and if applicable, must include documentation from a certified public accountant.

- The total Site Work costs entered in this exhibit should match the amount reflected in the Development Cost Schedule.

❖ **Tab 23:**

- *Development Cost Schedule*
- All applicable yellow highlighted cells under the Total Development Summary (columns C, D, and E) should be completed. A section for notes regarding the costs is provided as well; this should be used to add any information that could be helpful for the underwriting review, to explain line items that may be particularly low or high costs.
- The “Credits Supported by Eligible Basis” cell is automatically calculated from data reflected in the “Calculated Credits” cell. This figure must be equal to or greater than the annual Housing Tax Credit Funding Request.
- If you include a 130% High Cost Area Adjustment in the *Development Cost Schedule* be sure you meet §11.4(c)(1) of the QAP and indicate such in Part 3 of the *Site Information Form Part II*.
- You must describe any “Other” costs reflected in the *Development Cost Schedule*. The cells will prompt you when an amount is inserted to “please specify” under a footnote.
- Include the contact name and phone number in the space provided of the person providing the cost estimate for the Hard Costs.

❖ **Tab 24:**

- *Summary of Sources and Uses of Funds*
- Identify the name of each Financing Participant in the left-hand column. (Note that Department Funds have been auto populated based on data entered on the Development Narrative Tab, and are hyperlinked to move back and forth between tabs.)
- Choose the Funding Descriptions from the drop-down list for Debt and Third Party Equity:
 - conventional loan,
 - conventional/FHA,
 - conventional/letter of credit,
 - mortgage revenue bonds,
 - Housing Trust Fund,
 - CDBG,
 - USDA/TXRD loan,
 - federal loan,
 - state loan,
 - local government loan, or
 - private loan.
- Note that the Funding Description column under “deferred developer fee: and “other” do not have drop-down menus. Applicants should write in a funding description.
- For each source identified you are required to include the interest rate, amortization, term and syndication rate, where applicable. THE INFORMATION INCLUDED HERE MUST BE CONSISTENT WITH THE FINANCING NARRATIVE, TERM SHEETS (if available), AND DEVELOPMENT COST SCHEDULE.

- The priority of lien must be indicated in the “Lien Position” column for interim and permanent financing.
- Total sources of funds must equal the total uses of funds reflected in the *Development Cost Schedule*.

❖ **Tab 25:**

- *Financing Narrative*
- Enter a description of the financing plan for the Development in the space provided.
- Sources and amounts of funds referenced in this narrative must match the *Summary Sources and Uses of Funds* form, term sheets for interim and permanent financing (if available) and term sheets for syndication of tax credits (if available at the time of Pre-application).
- The narrative should identify any non-traditional financing arrangements; use of funds with respect to the Development; funding sources including construction, permanent, bridge loans, rents, operating subsidies, and replacement reserves; and commitment status of funding sources for the Development.
- Submit any supporting documents or terms sheets if available at the time of Pre-application.

Part 6 - Organization Documents (Tabs 26-30)

The green colored tabs (26-30) include all information regarding the Development Team members. The Organizational Charts, Entity Registration documents and Nonprofit Participation exhibits are all included in this section.

❖ **Tab 26:**

- *Owner and Developer Organization Charts Form*
- This sheet shows a basic format for organizational charts. Be sure that charts follow the example given and that they contain the following information:
 - Correct name and ownership percentage of each entity and person. Avoid nicknames;
 - Clear indication of role, i.e. Member, Member/Manager, Class B, LP, etc.
 - Trusts must include the trustee and list all beneficiaries that have the legal ability to access, control, or direct activities of the trust and are not just financial beneficiaries;
 - Nonprofit entities, public housing authorities and publicly traded corporations must show name of organization, individual board members and executive director;
 - In cases of to-be-formed instrumentalities of PHAs where the board members and executive director remain to be determined, the PHA itself is shown;
 - Ownership must be illustrated to the level of natural persons, whether owners or board members.
- Developer organization chart shows the structure of the Developer and includes the following:
 - Any Person receiving more than 10% of the Developer Fee;
 - Nonprofit entities, public housing authorities and publicly traded corporations show name of organization, individual board members and executive director;
 - Ownership to the level of natural persons, whether owners or board members.

- Create separate charts for the Owner and Developer, ensuring that both are complete representations of the structures of each, and attach them behind this exhibit.

❖ **Tab 27:**

- *List of Organizations and Principals Form*
- This form combines the old “List of Organizations” and “List of Principals” forms. The information collected by those forms will be gathered here.
 - Complete the yellow highlighted cells as needed.
 - Begin with the Applicant legal name.
 - Organizations AND persons will be listed on this form.
 - Each entity will have its own section, in which its individual structure will be given.
 - The notation of experience is now a Yes/No drop-down menu. Make a selection for each entry.
 - Be sure names match the organizational charts. Avoid nicknames.
 - Additional spaces for Sub-Entities or Principals are available by un-hiding rows. (there are 30 entries available for sub-entities or Principals).
 - Submit as many pages of the form as necessary to report all organizations and natural Persons, Developers. (Including Guarantors and recipients of more than 10% of the developer fee).
- When converting to PDF format, be sure to adjust page breaks as necessary.

❖ **Tab 28:**

- Supporting Documentation for Organization Documents
- Provide the Certificate of Reservation from Texas Secretary of State; or
- Evidence of Entity Registration from the Texas Secretary of State; and
- Evidence of Good Standing from the Texas Comptroller of Public Accounts
- Evidence of Authority to do business in Texas.

❖ **Tab 29:**

- *Nonprofit Participation Form*
- All nonprofit Applicants or Principals must complete this form regardless of the level of ownership.
- Complete all appropriate yellow highlighted cells. Yes/No questions have drop-down menus.
- The worksheet currently allows for up to twenty (20) board members to be listed.
- The following sheet allows you to check off the required documentation items indicating that you have provided them.
 - Submit as many pages of the form as necessary to report all organizations and natural Persons, Developers. (Including Guarantors and recipients of more than 10% of the developer fee).

❖ **Tab 30:**

- Nonprofit Supporting Documents
- Provide behind this tab the IRS Determination Letter which states that the nonprofit organization is a §501(c)(3) or (4) entity. This designation must be in place as of the beginning of the Application Acceptance Period. 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.

Part 7 – Additional Information (Tabs 31-32)

The light blue colored tabs require supplemental documents to be submitted as well as the Private Activity Bond scoring form.

❖ **Tab 31:**

- *Additional Documents*
- Provide a letter selecting a Senior Underwriter.
 - Underwriter must be from the Department's approved list posted at <http://www.tdhca.state.tx.us/multifamily/bond/index.htm>.
- *Bond Review Board Residential Rental Attachment Form*
 - This document can be found on the Bond Review Board website at the following link: <http://www.brb.state.tx.us/pab/pab2013app.aspx>.
 - If multiple site Applications, a separate Residential Rental Attachment for each Site must be submitted.

❖ **Tab 32:**

- *2013 Private Activity Bond Pre-application Scoring Form*
- Form should be signed, does not have to be an original signature.

NOTE: 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 Multifamily Housing Revenue Bond Rules, Uniform Multifamily Rules and the Housing Tax Credit Qualified Allocation Plan.

VIII. Full Application Process & General Eligibility Information

Once the Pre-application has been approved by the Department's Board, the application will be submitted to the TBRB in the rank order determined by the Department and as outlined in the Multifamily Housing Revenue Bond Rules to await a Certificate of Reservation. The Priority designation selected by the Applicant will trigger the deadlines for submission of the HTC Application And a Bond Application will coincide with the 4% Housing Tax Credit Application. 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% Housing Tax Credit Applications is limited.

The complete full Application process for Housing Tax Credits and Private Activity Bonds is outlined in the 4% Housing Tax Credit and Tax-Exempt Bond Process Manual which can be found on the Department's website at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>. This document also includes some general information on eligibility criteria.