



Tennessee Housing Development Agency

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NOTICE

TO: All Interested Parties

FROM: Multifamily Development Division

SUBJECT: 2014 Multifamily Tax-Exempt Bond Authority Program Description

DATE: November 26, 2013

The following document is the 2014 Multifamily Tax-Exempt Bond Authority Program Description (the "2014 PD") as approved by the Tennessee Housing Development Agency Board of Directors on November 18, 2013. The Exhibits to the 2014 PD are also included.



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**TENNESSEE HOUSING DEVELOPMENT
AGENCY**

**2014 MULTIFAMILY TAX-EXEMPT
BOND AUTHORITY PROGRAM DESCRIPTION**

This package includes:
Program Summary
Program Description
Exhibits

Tennessee Housing Development Agency Multifamily Tax-Exempt Bond Authority 2014 Summary

- **THDA has authorized the allocation of Multifamily Tax-Exempt Bond Authority to local issuers for multifamily developments:**
 - \$150 million in Multifamily Tax-Exempt Bond Authority** for developments which will close financing by the date specified in the Commitment Letter. \$50,000,000 will be available in East Tennessee, \$50,000,000 will be available for Middle Tennessee, and \$50,000,000 for West Tennessee. Any unused, recaptured or released amounts after April 1, 2014 will be available first to any remaining eligible applications from that same Grand Division. If there are no remaining eligible applications from that same Grand Division, then the Multifamily Tax-Exempt Bond Authority will be available to the next highest ranking application regardless of Grand Divisions until the end of the application submission period as defined in Part IV.
- **Bonds must be issued by a local board or other issuing entity with jurisdiction in the area of the proposed development, or by an entity from outside the area of the proposed development, such entity having the authority to issue bonds in the area of the proposed development and consent from the issuing entity in the area of the proposed development.**
- **Some units must be occupied low-income households:** twenty percent (20%) of the units must be occupied by households with incomes no greater than fifty percent (50%) of area median income, or forty percent (40%) of the units must be occupied by households with incomes no greater than sixty percent (60%) of area median income. Seventy-five percent (75%) of the units must be occupied by households with incomes no greater than one hundred and fifteen percent (115%) of the area median income.
- For developments involving new construction, THDA will allocate **a maximum of fifteen million dollars (\$15,000,000)** in Multifamily Tax-Exempt Bond Authority per development.
- For developments involving conversion and/or acquisition, THDA will allocate **a maximum of seventeen million two hundred and fifty thousand dollars (\$17,250,000)** in Multifamily Tax-Exempt Bond Authority per development.
- The application submission period extends until the earlier of (i) the date upon which all Multifamily Tax-Exempt Bond Authority made available hereunder is fully committed or (ii) the first date applications will be accepted under a Multifamily Tax-Exempt Bond Authority Program Description as may be adopted by THDA for 2015.
- Multifamily Tax-Exempt Bond Authority will be allocated only to **eligible applications** on a first come, first served basis. If THDA receives multiple applications on the same day that, in the aggregate, request more Multifamily Tax-Exempt Bond Authority than is available, those applications will be ranked according to Part VI-F.
- **Applicants must meet THDA and federal tax requirements and all other applicable federal, State, and local laws or ordinances.**
- **A non-refundable \$1,500 application fee is required with each application.** If a Commitment Letter is issued, the applicant must submit **a commitment fee of one percent (1%) of the amount of Multifamily Tax-Exempt Bond Authority allocated and separate incentive fee equal to twenty percent (20%) of the commitment fee.** Subject to the requirements of the Program Description, part of these fees may be returned.

This is only a brief description of some elements of the program. For a complete Program Description, contact Judith Smith at (615) 815-2143.

Tennessee Housing Development Agency Multifamily Tax-Exempt Bond Authority for 2014

2014 Program Description

Part I: Background, Eligibility, and Requirements

The Tennessee Housing Development Agency (THDA) is making Multifamily Tax-Exempt Bond Authority available to local issuers for financing for multifamily housing units in Tennessee. Part of this Multifamily Tax-Exempt Bond Authority is available in each of the three Grand Divisions of the State. The Multifamily Tax-Exempt Bond Authority can be used only to provide financing for new construction of affordable rental housing units, for conversion of existing properties through adaptive reuse, or for acquisition and rehabilitation of rental units, subject to the conditions and requirements described below, and subject to Internal Revenue Service requirements.

A. Use of Multifamily Tax-Exempt Bond Authority:

1. Any Multifamily Tax-Exempt Bond Authority allocated pursuant to this Program Description must be used to provide financing for the development such that, as of the rehabilitation or new construction placed in service date, a minimum of fifty percent (50%) of the amount of Tax-Exempt Bond Authority closed and sold remains outstanding and such amount of bonds outstanding otherwise meets the requirements of Section 42(h)(4).
2. Applicants for and Recipients (as defined in Part II-D) of Multifamily Tax-Exempt Bond Authority must issue bonds no later than 1:00 PM Central Time on the date specified in the Commitment Letter.
3. To the extent not otherwise specified herein, all federal tax requirements for private activity bonds must be met.

B. Eligible Developments:

1. The development must be:
 - a. New construction;
 - b. A conversion of an existing property not being used for housing; or
 - c. Acquisition and rehabilitation.
2. To the extent not otherwise required, the development must have hardwired smoke detectors, with battery backup, in the bedroom areas of all units.
3. One hundred percent (100%) of the units in buildings with elevators in the development and all ground floor units in non-elevator buildings in the development are "covered multifamily dwellings" (as defined in the Fair Housing Act). All covered multifamily dwellings must meet all accessible design requirements under the Fair Housing Act and must otherwise be designed and built in accordance with the Fair Housing Act (including one of the eight safe

harbors recognized by HUD as shown on **Exhibit 5**) and all other areas in the development open to the public are “public accommodations” as defined in the Americans with Disabilities Act and must be designed and built in accordance with the Americans With Disabilities Act. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.

C. Ineligible Developments

1. Developments involving entities or individuals previously involved in a development that, at any time within a period of one year prior to the submission of the application for 2014 Multifamily Tax-Exempt Bond Authority, failed to submit any documentation required in Part X-D.
2. Developments involving entities or individuals previously determined, in THDA’s sole discretion, to be or have been involved in any Multifamily Tax-Exempt Bond Authority Application that received an allocation of Multifamily Tax-Exempt Bond Authority but (a) failed to meet established deadline for issuance and sale of the tax-exempt bonds; or (b) failed to place the development in service; or (c) failed to meet other requirements of this Program Description.
4. In the event that any of the following triggering events occur with regard to a development or proposed development that has received an allocation of Multifamily Tax-Exempt Bond Authority from THDA, all individuals involved in the owner and developer of the relevant development will be prohibited from participating in the Multifamily Tax-Exempt Bond Authority program in Tennessee for a period of five (5) years commencing with the year in which THDA becomes aware of the occurrence of the triggering event:
 - a. General Partner/Managing Member/Sole Stockholder entity being removed from the ownership entity of a previous development due to poor performance and/or malfeasance. THDA staff will communicate with other parties involved in the development (e.g. lender and syndicator) to determine the circumstances surrounding the removal; or
 - b. Uncured event of default under the Section 1602 or Tax Credit Assistance Program; or
 - c. Fair Housing Act violations involving a finding of discrimination by an adverse final decision from a federal court or a judgment enforcing the terms of a consent decree;
 - d. Foreclosure involving loss of units to the affordable housing stock or failure to notify THDA of foreclosure (including a deed in lieu of foreclosure transaction); or
 - e. Misrepresentation of eligibility items; or
 - f. Failure to fulfill commitments made for points.
5. Prohibition of an individual’s participation in the Multifamily Tax-Exempt Bond Authority program in Tennessee pursuant to Part I-C-4 shall be determined by THDA staff. Any individual so prohibited may appeal the determination to the

THDA Executive Director and the THDA Board Chair. The determination of prohibition shall be at the sole discretion of the THDA Executive Director and the THDA Board Chair and shall not be appealable to the THDA Board or the Tax Credit Committee of the THDA Board.

- a. There will be no prohibition if the triggering event occurred prior to the date of the approval of this Program Description by the THDA Board of Directors.
 - b. There will be no prohibition if THDA becomes aware of the triggering event more than five (5) years after its occurrence.
 - c. No prohibition will be imposed on a development or proposed development involving the prohibited individuals that received an allocation of Tax Credits between the occurrence of the triggering event and the time THDA becomes aware of the triggering event.
6. Any prohibition of participation in the Low-Income Housing Tax Credit Program pursuant to Part VII-A-4-d of the Low-Income Housing Tax Credit 2014 Qualified Allocation Plan shall constitute a prohibition of participation in the Multifamily Tax-Exempt Bond Authority Program pursuant to this Part I-C-5.
 7. Voluntary withdrawal of a Multifamily Tax Exempt Bond Authority Application in accordance with all applicable program requirements will not cause ineligibility.

D. Identity of Interests

If a development involves acquisition of land or buildings, there can be no more than a fifty percent (50%) identity of interest between buyer and seller.

E. Tenants to be Served

1. Seventy five percent (75%) of the units in the development must be occupied by households with incomes no greater than one hundred fifteen percent (115%) of the area median income and
2.
 - a. Twenty percent (20%) of the units in the development must be occupied by households with incomes no greater than fifty percent (50%) of the area median income; or
 - b. Forty percent (40%) of the units in the development must be occupied by households with incomes no greater than sixty percent (60%) of the area median income.

F. Maximum Amount of Bonds per Development

1. A development involving new construction may not receive more than fifteen million dollars (\$15,000,000) of Multifamily Tax-Exempt Bond Authority.
2. A development involving conversion and/or acquisition and rehabilitation may not receive more than seventeen million two hundred and fifty thousand dollars (\$17,250,000) of Multifamily Tax-Exempt Bond Authority.
 - a. Substantial Rehabilitation: maximum \$17,250,000
 1. Developments involving substantial rehabilitation must be rehabilitated so that, upon completion of all rehabilitation as described in the Physical Needs Assessment, the major building systems will not require further

substantial rehabilitation for a period of at least fifteen (15) years from the required placed in service date. Major building components are roof structures, wall structures, floor structures, foundations, plumbing systems, central heating and air conditioning systems, electrical systems, doors and windows, parking lots, elevators, and fire/safety systems. Rehabilitation hard costs must be no less than the greater of thirty percent (30%) of building acquisition costs or eleven thousand dollars (\$11,000) per unit. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.

b. Moderate Rehabilitation: maximum \$9,500,000

1. Developments involving moderate rehabilitation must be rehabilitated so that, upon completion of all rehabilitation, rehabilitation hard costs must be no less than the greater of twenty-five percent (25%) of building acquisition cost or seven thousand dollars (\$7,000) per unit. The rehabilitation scope of work must include, at a minimum, all appliances in all units being Energy-Star compliant, and all work specified in the Physical Needs Assessment with regard to drywall, carpet, tile, interior and exterior paint, the electrical system, heating and air conditioning systems, roof, windows, interior and exterior doors, stairwells, handrails, and mailboxes. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.

c. Limited Rehabilitation: maximum 7,500,000

1. Developments involving limited rehabilitation must be rehabilitated so that, upon completion of all rehabilitation, rehabilitation hard costs must be no less than the greater of twenty percent (20%) of building acquisition cost or six thousand dollars (\$6,000) per unit. The rehabilitation scope of work must include, at a minimum, all work specified in the Physical Needs Assessment with regard to interior and exterior common areas, interior and exterior painting and/or power washing, gutters, parking areas, sidewalks, fencing, landscaping, and mailboxes. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.

- d. All rehabilitation expenditures must satisfy the requirements of Section 42(e)(3)(A)(ii) of the Code.

G. Maximum Amount of Multifamily Tax-Exempt Bond Authority per Developer or Related Parties

The maximum amount of Multifamily Tax-Exempt Bond Authority that may be committed to a single applicant, developer, owner, or related parties shall not exceed

fifty million dollars (**\$50,000,000**). If 2013 Multifamily Tax-Exempt Bond Authority was exchanged for 2014 Multifamily Tax-Exempt Bond Authority pursuant to Part IX-C of the 2013 Multifamily Tax-Exempt Bond Authority Program Description, any amount of 2014 Multifamily Tax-Exempt Bond Authority shall count against the maximum amount of Multifamily Tax-Exempt Bond Authority that may be committed to a single applicant, developer, owner, or related parties pursuant to this Part I-G. THDA reserves the right, in its sole discretion, to determine whether related parties are involved for the purpose of applying this limitation.

H. Limit on Developer's Fee

1. The sum of developer and consultant fees reflected in the development costs worksheet may not exceed twenty-five percent (25%) of total development costs (see Part I-H-4 below). If the sum of developer and consultant fees reflected in the development costs worksheet exceeds the amount described in Part I-H-2 or Part I-H-3 below (as applicable), then all developer and consultant fees in excess of the amount described in Part I-H-2 or Part I-H-3 below (as applicable) must be reflected as deferred fees and included in the sources of permanent financing.
2. If the developer and the contractor are **unrelated**, the *non-deferred* developer and consultant fees cannot exceed fifteen percent (15%) on the portion of the basis attributable to acquisition (before the addition of the fees), and cannot exceed fifteen percent (15%) of the portion of the basis attributable to new construction or to rehabilitation (before the addition of the fees).
3. If the developer and contractor are **related** parties, then the *non-deferred* combined fees for contractor's profit, overhead, and general requirements plus the developer's and consultant's fees, cannot exceed fifteen percent (15%) of the portion of the basis attributable to acquisition (before the addition of the fees), and cannot exceed twenty-five percent (25%) of the portion of the basis attributable to new construction or to rehabilitation (before the addition of the fees).
4. For purposes of this Part I-H, cash reserves are excluded from total development costs.

I. Limits on Costs of Issuance

As provided in Section 147 (g), the costs of issuance financed by the proceeds of private activity bonds issued to finance multifamily housing may not exceed two percent (2%) of the proceeds of the issue.

J. Market Study Required

1. A market study, performed by an independent third party selected from **Exhibit 4** and prepared in accordance with the requirements of **Exhibit 1** (the "Market Study"), must be submitted with the application for all proposed developments. The Market Study, in a form and with content acceptable to THDA in its sole discretion, must support the need and demand for the proposed development.
2. The Market Study must be less than six months old at the time of submission in order to be acceptable.

3. Based on the information and analysis presented in the Market Study, and based on other information available to THDA, THDA may determine, in its sole discretion, that market demand is not sufficient to support the proposed development.

K. Appraisal Required

The application must include an appraisal (**Exhibit 7**) of the proposed development performed in accordance with industry standards, by an appraiser licensed in Tennessee. The appraisal cannot be based solely or largely on a “cost” approach to value, but must also consider market and income approaches to value. The appraisal must include an assessment of the value of any noncompetitive Low-Income Housing Tax Credit. If the application is proposing acquisition of an existing structure, an “as is” appraisal must also be included regardless of whether noncompetitive Low-Income Housing Tax Credit for acquisition is sought.

L. Physical Needs Assessment Required

For applications proposing rehabilitation, the application must include a Physical Needs Assessment (**Exhibit 8**) conducted by an independent third party. The Physical Needs Assessment must be in a form and with content acceptable to THDA in its sole discretion, and must include a complete and detailed work plan showing all necessary and contemplated improvements **to be completed prior to the rehabilitation placed in service date**, the projected cost, and confirmation that the work plan addresses all applicable requirements of Part I-F-2 of this Program Description. Physical Needs Assessments must be less than six months old at the time of submission in order to be acceptable. The Physical Needs Assessment must be based on a physical inspection of the building(s) occurring no more than 6 months prior to the effective date of the Physical Needs Assessment.

M. Minimum Score Required

The application must receive at least 78 points under Part VII.

N. Land Use Restrictive Covenant Required

THDA will provide a Land Use Restrictive Covenant with a term of fifteen (15) years for developments using Multifamily Tax-Exempt Bond Authority **without** noncompetitive Low-Income Housing Tax Credit. THDA will provide a Land Use Restrictive Covenant for developments using Multifamily Tax-Exempt Bond Authority and noncompetitive Low-Income Housing Tax Credit based on the terms of and elections under the 2014 Qualified Allocation Plan. The Land Use Restrictive Covenant must be executed, recorded in the county where the development is located, and **the original** returned to THDA no later than the date specified in the Commitment Letter.

O. Building Codes Compliance Required

The development must meet all applicable local building codes or in the absence of such codes, the development must meet the following, as applicable: new construction of multi-family apartments of 3 or more units must meet the 2009 International Building Code; new construction or reconstruction of single-family units

or duplexes must meet the 2009 International Residential Code for One- and Two-Family Dwellings; and rehabilitation of rental units must meet the 2009 International Existing Building Code and the 2009 International Property Maintenance Code. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.

P. Program Requirements and IRS Requirements

All program description requirements, application requirements, and IRS requirements must be met. If there is any inconsistency or conflict among the requirements, the most stringent of the requirements will apply, as determined by THDA.

Part II: Multifamily Tax-Exempt Authority Available

- A. **One hundred and fifty million dollars (\$150,000,000) of Multifamily Tax-Exempt Bond Authority is available during the application submission period described in Part IV.**
- B. A total of fifty million dollars (\$50,000,000) of Multifamily Tax-Exempt Bond Authority will be available initially in each of the three Grand Divisions (East, Middle, and West), then subsequently as provided in Part VI.
- C. An amount of 2015 Multifamily Tax-Exempt Bond Authority equal to the amount of 2014 Multifamily Tax-Exempt Bond Authority, if any, that remains uncommitted as of December 31, 2014 will be available, subject to this program description and subject to an allocation of 2015 tax-exempt bond authority to THDA.
- D. Recipients are eligible for commitments for Multifamily Tax-Exempt Bond Authority, provided that they meet all of the other requirements of this Program Description.

Part III: Receipt of Applications

- A. The applicant must submit an original application and 2 copies on CD-ROM with content, formatting, and pagination identical to the attached application. Only complete applications will be accepted and they will be accepted only at the Tennessee Housing Development Agency, Andrew Jackson Building, 502 Deaderick St., 3rd Floor, Nashville, Tennessee, 37243. Applications submitted prior to the beginning of the application period indicated in Part IV will be reviewed following the beginning of the application period as indicated in Part V. No application or parts of applications will be accepted at any other location and no application or parts of applications will be accepted via facsimile transmission. All documents submitted to THDA must bear original signatures.
- B. Each electronic copy must be on a separate CD-ROM in .pdf format and be labeled organized as follows:
 - 1. Folder 1: Application and Attachments;
 - 2. Folder 2: Opinion of Bond Counsel;
 - 3. Folder 3: Inducement Resolution;

4. Folder 4: Public Notice;
5. Folder 5: Purchase Agreement;
6. Folder 6: Market Study (**Exhibit 1**);
7. Folder 7: Appraisal (**Exhibit 7**); and
8. Folder 8: Physical Needs Assessment (**Exhibit 8**).

Part IV: Application Submission Period

No application will be accepted after 1:00 PM Central Time on the earlier of (i) the date upon which the amount of Multifamily Tax-Exempt Bond Authority made available hereunder is fully committed pursuant to Commitment Letters issued under Part IX of this Program Description or (ii) the day prior to the first date applications will be accepted under a Multifamily Tax-Exempt Bond Authority Program Description as may be adopted by THDA for 2015 (the “2015 Effective Date”). Applications resubmitted under Part VIII-B will be treated as new applications. No applications submitted under this program description will have priority or be considered under any Multifamily Tax-Exempt Bond Authority Program Description THDA may develop for 2015. New applications must be submitted for allocations of 2015 Multifamily Tax-Exempt Bond Authority following the 2015 Effective Date and such new applications will be subject to all requirements of any Multifamily Tax-Exempt Bond Authority Program Description THDA may develop for 2015, except for applications submitted within the application submission period described herein and for which Commitment Letters are issued under Part IX-C and Part IX-D. Any application received on the 2015 Effective Date will be handled and evaluated under the 2015 Multifamily Tax-Exempt Bond Authority Program Description.

Part V: Review of Applications for Completeness

A. Applications must be complete.

An application must be complete, as determined by THDA in its sole discretion, based on the requirements in this Program Description and the attached application. Incomplete applications will be returned to the applicant. THDA may request additional documentation and/or information for purposes of clarification. An applicant may request a determination from THDA’s Executive Director regarding the reasonableness of such a request.

B. Information must be current.

1. Appraisal and market information older than six months, as determined by the date prepared and information contained therein will not be considered current or complete. Supplemental documentation, including any commitments, should not have expired if they contain an expiration date, or the application will not be considered complete. Documents indicating approval dates that have passed will not meet application requirements. Applications with such documents will be considered incomplete.
2. A resolution authorizing the issuance of bonds passed by the relevant issuing entity must be current and valid at the time of application. The applicant should coordinate any updates that may be required for the resolution to remain in effect. Information submitted that is not current will not be accepted by THDA and will

cause the application to be deemed incomplete. Any information or documentation, which is not current or complete, will impair an applicant's chances of receiving Multifamily Tax-Exempt Bond Authority.

C. Responsibility for Complete and Current Information

It is the sole responsibility of the applicant to submit a complete application with complete and current information.

D. Multiple Applications for a Single Development

1. Multiple applications submitted as separate phases of one development will be considered as one development and reviewed as one application. THDA reserves the right to request additional information or documentation, if necessary, to determine if applications submitted will be considered and reviewed as one or more developments.
2. Only one application may be submitted and be considered for a development. THDA reserves the right to request additional information or documentation to determine if applications submitted will be considered and reviewed as one or more developments.
3. A single application may be submitted for up to four developments provided that **each** of the following conditions applies to **each** development:
 - a. located in a rural county as defined in **Exhibit 3**;
 - b. no more than 48 total units; and
 - c. if developments are not all located within the same county, all counties in which the developments are located must be contiguous and within the same Grand Division.

An application submitted under this Part V-D-3 will be treated as an application for a single development for purposes of applying the limits in Part I-F of this Program Description.

4. In cases involving a single issuing entity conducting a single bond issuance to provide financing for multiple developments, the following requirements, at minimum, will apply *in addition to* all other applicable requirements as described herein:
 - a. A separate and full application must be submitted for each development; and
 - b. An application fee as described in Part X-A must be submitted with the application for each development; and
 - c. If one or more of the developments is outside the jurisdiction of the issuing entity, the application must include documentation satisfactory to THDA certifying that that the issuing entity is permitted to, and the jurisdiction in which the development is located consents to, the issuance of the bonds.

Part VI: Scoring Process and Allocation Per Grand Division

- A. All applications will be scored according to the criteria described below. An application must receive at least 78 points to be eligible to receive Multifamily Tax-Exempt Bond Authority.
- B. Multifamily Tax-Exempt Bond Authority will be allocated on a first come, first served basis to eligible applicants by Grand Division until the total amount of Multifamily Tax-Exempt Bond Authority available in each Grand Division is allocated. If THDA receives multiple eligible applications on the same day that, in the aggregate, request more Multifamily Tax-Exempt Bond Authority than is available, those applications will be ranked according to Part VI-F. The process of allocating Multifamily Tax-Exempt Bond Authority within Grand Divisions will end with the last complete eligible application that can be allocated in any Grand Division.
- C. If there is any Multifamily Tax-Exempt Bond Authority remaining in any Grand Division, or if any additional Multifamily Tax-Exempt Bond Authority is recaptured or released, any such amounts shall remain available first to qualified applicants in that same Grand Division until April 1, 2014. THDA will issue a commitment of Multifamily Tax-Exempt Bond Authority to each eligible application in each Grand Division until the final amount of available Multifamily Tax-Exempt Bond Authority is exhausted.
- D. Following April 1, 2014, any remaining Multifamily Tax-Exempt Bond Authority will be available statewide on a first come, first served basis to eligible applicants until the end of the application period specified in Part IV above and subject to all other requirements of this Program Description. The limits specified in Part I-G will not apply.
- E. Applications for developments that have received an allocation of Multifamily Tax-Exempt Bond Authority in 2004 or later will not be considered for an allocation of 2014 Multifamily Tax-Exempt Bond Authority prior to October 1, 2014. *The provisions of Part IX-C-3 will not apply.*
- F. Multiple Applications Received on the Same Day**
 - 1. If, on or before April 1, 2014, THDA receives multiple eligible applications for the same Grand Division on the same day that, in the aggregate, request more Multifamily Tax-Exempt Bond Authority than is available in that Grand Division, the eligible applications will be ranked in descending order by score and priority will be given to the eligible application(s) with the highest score. If two or more eligible applications have the same score, the eligible applications with the same score will be ranked in ascending order by Multifamily Tax-Exempt Bond Authority requested per low-income unit and priority will be given to the eligible application(s) with the lowest Multifamily Tax-Exempt Bond Authority requested per low-income unit.
 - 2. If, after April 1, 2014, THDA receives multiple eligible applications on the same day that, in the aggregate, request more Multifamily Tax-Exempt Bond Authority than is available, the eligible applications will be ranked in descending order by score and priority will be given to the eligible application(s) with the highest score. If two or more eligible applications have the same score, the eligible applications

with the same score will be ranked in ascending order by Multifamily Tax-Exempt Bond Authority requested per low-income unit and priority will be given to the eligible application(s) with the lowest Multifamily Tax-Exempt Bond Authority requested per low-income unit.

Part VII: Scoring Criteria

Points will be awarded, as indicated below, to applications demonstrating that they meet the following conditions:

A. Meeting Housing Needs: Maximum 50 points

1. Developments located in counties with the greatest rental housing need (**Exhibit 6**): *Maximum 46 points*
2. Developments located wholly and completely in a Qualified Census Tract or a Difficult to Develop Area as designated by HUD (**Exhibit 2**): *4 points*

B. Development Characteristics: Maximum 35 points

1. Developments not involving rehabilitation designed and built to promote energy conservation by meeting the standards of the 2009 International Building Code. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D: *10 points*
2. Developments not involving rehabilitation designed and built using brick, stone, cement fiber siding, or vinyl to meet a 15-year maintenance-free exterior standard. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D: *10 points*
3. Developments not involving rehabilitation designed and built with a minimum of 65% of the exterior wall surfaces below the plate line covered with brick, stone, or cement fiber siding. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D: *15 points*
4. Rehabilitation Only
 - a. Developments involving major rehabilitation, as described in Part I-F-2-(a) of this Program Description: *35 points*
 - b. Developments involving moderate rehabilitation, as described in Part I-F-2-(b) of this Program Description: *30 points*
 - c. Developments involving limited rehabilitation, as described in Part I-F-2-(c) of this Program Description: *25 points*
5. For developments involving a combination of new construction and rehabilitation, points will be prorated based on the percentage of units in each category.

C. Serving Special Populations: Maximum 50 points

The Application must propose a development that serves households with special housing needs. Special needs housing is housing that has been constructed or rehabilitated with special features (e.g. location, design, layout, on-site services) to help people live at the highest level of independence in the community. For example, the unit may be adapted to accommodate special physical or medical needs; or provide on-site services such as staff support for the elderly, individuals with mental health issues, developmental, or other social needs. **In order to qualify for points, the proposed development must include on-site services for the targeted tenant population. The Application must include a comprehensive service plan that identifies each service to be provided; the anticipated source of funding for each service; the physical space that will be used to provide each service; and the anticipated supportive service provider for each service and their experience in providing service to the targeted population. Verification of tentative agreements with providers of on-site services throughout the first two (2) years following the required placed in service date must be included with the Application. Final agreements with providers of on-site services throughout the first two (2) years following the required placed in service date must be submitted prior to any partial refund of the Commitment Fee pursuant to Part X-D. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.**

1. Residency Preference for Households with Children: Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D: 20 points

A minimum of 20% of the units in the development, rounded up to the nearest whole unit, must have 2 or more bedrooms.

The development must include a playground with permanent playground equipment and at least 1 of the following on-site amenities:

- a. Appropriately sized, dedicated space with appropriate furniture and fixtures for and agreements with providers of after-school tutoring or homework help programs; or
- b. Appropriately sized computer room containing at least 1 computer with free internet access for each 50 total units; or
- c. Ball court separate from all parking areas.

OR

2. Residency Preference for Households with Special Housing Needs: Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D: 20 points
The development must include an appropriately sized, dedicated space with appropriate furniture and fixtures for, and agreements with, providers of services

relevant to special housing needs residents and at least 1 of the following on-site amenities:

- a. Appropriately sized computer room containing at least 1 computer with free internet access for each 50 total units; or
- b. Exercise facility for appropriate group activity for special housing needs residents (space must be at least 900 square feet, if indoor); or
- c. Gazebo with outdoor shaded sitting area with ornamental flowers and shrubs.

AND

- 3. Election to set aside up to twenty percent (20%) of the units (which number shall be rounded up to the next whole unit) for households with incomes no higher than fifty percent (50%) of the area median income with rents maintained at or below the 50% of area median income maximums. Units occupied by households with Section 8 Housing Choice Vouchers count toward this requirement: *maximum 30 points*

<u>Percent of units</u>	<u>Points</u>
At least 5%	<i>5 points</i>
At least 10%	<i>10 points</i>
At least 15%	<i>20 points</i>
At least 20%	<i>30 points</i>

NOTE: Election of points under this Part VII-C-3 shall constitute a corresponding election of points under Part VII-B-4 of the 2014 Low-Income Housing Tax Credit Qualified Allocation Plan with regard to an application for noncompetitive Low-Income Housing Tax Credit.

D. Increasing Housing Stock: 5 points

Developments which are new construction or are conversions of buildings not being used for housing which make them usable as housing.

E. Affirmatively Furthering Fair Housing: 2 points

The development must have and be operated in accordance with marketing plans, lease-up plans, and operating policies and procedures which are fully compliant with the THDA Affirmative Marketing Policy and Procedures.

F. Energy Efficiency 25 points

Energy Efficiency

Developments utilizing the energy efficiency items below will be awarded points as indicated. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.

- (i) Electrical - Lighting: 5 points
 - (a) All light fixtures in units and common areas to be initially fitted with Energy Star rated light bulbs, compact fluorescent or LED; and

- (b) If ceiling fans are provided, the fan must be an Energy Star rated ceiling fan with light fixture (the light fixture is not required to be Energy Star rated) and must connect to wall switches.
- (ii) Water Conservation – Plumbing: 5 points
 - (a) Use of at least of one (1) high efficiency or dual flush toilet per unit; and
 - (b) All faucets, shower heads, and toilets must be EPA “Watersense” rated.
- (iii) HVAC Upgrades: 5 points
 - (a) HVAC systems, including the air handler and line sets, must be rated at 14 SEER and properly sized for the units; and
 - (b) Energy Star rated unit temperature control thermostats in each unit.
- (iv) Energy Efficient Appliances: 5 points
 - (a) Energy Star rated Frost free Refrigerator/Freezer in all units; and
 - (b) Energy Star rated Dishwashers in all units; and
 - (c) All other appliances provided in the unit, including in unit washers, must be Energy Star rated (this requirement does not apply to dryers, ovens, ranges, or microwaves).
- (v) Building Construction: 5 points
 - (a) Use of double glazed, insulated energy efficient windows for all windows in all units; and
 - (b) Attic insulation must meet R-30 minimum value; and
 - (c) Metal-clad wood, fiberglass, or hollow metal construction exterior doors with a minimum R-11 rating in all units.

Part VIII: Eligibility Determination and Completeness Notification

A. Notice to Applicants Meeting Eligibility Requirements

1. THDA will notify each applicant when the eligibility determination and scoring of the application is complete.
2. If THDA determines that an application meets all of the eligibility requirements of this Program Description, the notice will include information about the number of eligible applicants received before this applicant and the status of the allocations per Part VI. A Commitment Letter (see Part IX) may be issued in lieu of this information.

B. Notice to Applicants Not Meeting Eligibility Requirements or Incomplete

1. If THDA determines that an application does not meet one or more of the eligibility requirements of this Program Description or is incomplete, THDA will return the application with notice to the applicant describing items that were erroneous, missing, incomplete, or inconsistent. THDA will also notify applicants if THDA

determines that (a) any two or more developments proposed in two or more applications constitute a single development for purposes of applying the development limits specified in Part I-F or (b) developers or related parties reflected in two or more applications constitute a single entity for purposes of applying the developer or related party limitation specified in Part I-G.

2. Applicants may cure the deficiencies and resubmit the application, in accordance with Part IV. The resubmitted application will be treated as a new application in accordance with Part IV. A resubmission fee may be due as described in Part X-B.

Part IX: THDA Commitment for Volume Cap

A. Issuance of Commitments

1. a. All commitments, as described in this Part IX, will be issued in the form of a letter only to the relevant local issuing authority, and will be valid only to provide financing for a specific applicant, for a specific development, on a specific site (the "Commitment Letter"). Any change in the applicant entity, the ownership entity, or in the size, nature, or other characteristics of the development; may, in THDA's sole discretion, invalidate the Commitment Letter. Under no condition may the site proposed for the development be changed to another site. The applicant and the local issuing authority are obligated to report any such changes to THDA regardless of whether such changes occur prior to or after the issuance of a Commitment Letter.
 - b. For the commitment to be valid, the applicant and the issuer must comply with all of the terms stated in the Commitment Letter, which might include compliance with performance requirements related to any other development for which tax-exempt bonds have been issued.
2. For successful applications for Multifamily Tax-Exempt Bond Authority pursuant to this Program Description, THDA will issue a Commitment Letter stating the terms of the commitment.
3. Commitment Letters will not be issued if the amount of Multifamily Tax-Exempt Bond Authority made available hereunder is fully committed.

B. Expiration of Commitment

1. Once a THDA Commitment Letter is issued, it is valid for a maximum of 90 days from the date specified in the Commitment Letter. The bonds must be used to provide the financing for the development, the local issuer must issue and sell the bonds, and the sale must be closed on or before the date specified in the Commitment Letter, otherwise the commitment expires and the Multifamily Tax-Exempt Bond Authority allocated automatically reverts to THDA.
2. **THDA, in its sole discretion, may extend the date and time for closing the sale of the bonds beyond 1:00 PM Central Time on the date specified in the Commitment Letter. A written request for an extension must be received by THDA a minimum of five (5) business days prior to the expiration of the Commitment Letter in order for the request to be considered. THDA will not approve requests for extensions of more than ten (10) business days. If an extension is granted, the Incentive Fee WILL NOT be refunded.**

3. **Closings in escrow, or any form of contingent closing are not considered "closed" for purposes of expiration of the commitment.**

C. Commitment Letters Issued Between October 1, 2014 and December 31, 2014

1. The 90 day period specified in the Commitment Letter will extend beyond December 31, 2014, however, no carryforward of 2014 Multifamily Tax-Exempt Bond Authority will be permitted for bond closings that occur after December 31, 2014.
2. THDA will extend the 90 day period specified in the Commitment Letter for a number of days equal to the number of days between January 1, 2015 and the date upon which THDA receives an allocation of Multifamily Tax-Exempt Bond Authority for 2015. This extension will not affect the Incentive Fee, however, Part IX-B-2 will apply to any other extensions requested.
3. The Commitment Letter will specify the procedure by which 2014 Multifamily Tax-Exempt Bond Authority may be exchanged for 2015 Multifamily Tax-Exempt Bond Authority, subject to THDA's receipt of 2015 Multifamily Tax-Exempt Bond Authority. Such an exchange will not extend the 90 day period specified in the Commitment Letter, except as specified in Part IX-C-2 above.
4. Any failure to meet the requirements specified in the Commitment Letter to exchange 2014 Multifamily Tax-Exempt Bond Authority for 2015 Multifamily Tax-Exempt Bond Authority will result in the recapture of the 2014 Multifamily Tax-Exempt Bond Authority referenced in the Commitment Letter by THDA and no subsequent eligibility for 2015 Multifamily Tax-Exempt Bond Authority.

D. Commitment Letters Issued Between January 1, 2015 and the 2015 Effective Date

1. No Commitment Letters will be issued for applications submitted between January 1, 2015 and the 2015 Effective Date if no 2014 Multifamily Tax-Exempt Bond Authority was uncommitted as of December 31, 2014.
2. Commitment Letters issued between January 1, 2015 and the 2015 Effective Date will reflect a commitment of 2015 Multifamily Tax-Exempt Bond Authority, subject to the availability of 2015 Multifamily Tax-Exempt Bond Authority by THDA and limited to a maximum collective amount of 2015 Multifamily Tax-Exempt Bond Authority equal to the amount of 2014 Multifamily Tax-Exempt Bond Authority uncommitted as of December 31, 2014.
3. No Commitment Letters will be issued under this 2014 Multifamily Tax-Exempt Bond Authority Program Description on or after the 2014 Effective Date.

Part X: Fees, Partial Refunds of Fees, and Fees Retained by THDA

A. Application Fee

An Application Fee of one thousand five hundred dollars (\$1,500) must be submitted to THDA at the time an application is submitted. THIS FEE IS NOT REFUNDABLE. If the fee is not submitted at the time an application is submitted, the application is

incomplete and will be returned. Applications returned for this reason must submit the full one thousand five hundred dollar (\$1,500) Application Fee if resubmitted.

B. Resubmission Fee

A Resubmission Fee of seven hundred and fifty dollars (\$750) must be submitted to THDA if an application is resubmitted following the resubmission deadline specified in the notice described in Part VIII-B.

C. Commitment Fee and Incentive Fee

1. Applications receiving a Commitment Letter from THDA for a specific amount of Multifamily Tax-Exempt Bond Authority must submit a Commitment Fee and an Incentive Fee prior to the commitment being valid.
2. The Commitment Fee will be an amount equal to one percent (1%) of the Multifamily Tax-Exempt Bond Authority allocated to the local issuer.
3. The Incentive Fee will be equal to twenty percent (20%) of the Commitment Fee.

D. Refund of Commitment Fee and Incentive Fee

1. a. The following documentation, without limitation, must be submitted by the applicable deadlines:
 - (i) documentation from the issuing authority's bond counsel (including, without limitation, a Closing Confirmation Letter) must be submitted **no later than the expiration of the Commitment Letter**;
 - (ii) acceptable proof that all units are constructed and the facility is placed in service must be submitted **no later than two years after the expiration of the Commitment Letter**;
 - (iii) all applicable certifications required in Part VII-B must be submitted **no later than two years after the expiration of the Commitment Letter**; and
 - (iv) acceptable proof that all forms to be filed by the issuing authority have been completed and filed to THDA's satisfaction must be submitted **no later than two years after the expiration of the Commitment Letter**.
- b. Following satisfaction of all applicable requirements of Part X-D-1-a above, one half (½) of the Commitment Fee will be refunded.
2. If all the conditions of Part X-D-1 have been met and the bonds were issued and sold on or before 1:00 PM Central Time on the date specified in the Commitment Letter, THDA will refund the Incentive Fee.
3. If the application is withdrawn, THDA will retain the full amount of the Incentive Fee. If the application is resubmitted in substantially the same form and during the same calendar year, in THDA's sole discretion, the retained Incentive Fee from the withdrawn application may be applied toward the Incentive Fee for the resubmitted application.
4. If 2014 Multifamily Tax-Exempt Bond Authority is exchanged for 2015 Multifamily Tax-Exempt Bond Authority in accordance with the provisions of Part IX-C-3

above, the Commitment Fee will be refunded in the event that THDA does not receive 2015 Multifamily Tax-Exempt Bond Authority.

E. Release of Commitments and Partial Refund of Commitment Fee

1. Commitments may be released by notifying THDA, in writing, prior to the expiration of the Commitment Letter, that the bonds will not be issued.
2. A commitment which is released according to these requirements will receive a refund of seventy-five percent (75%) of the Commitment Fee. THDA will retain twenty-five percent (25%) of the Commitment Fee.

F. Commitment Fee and Incentive Fee Retained by THDA

1. If the bonds are not issued by the expiration date of the Commitment Letter, and the Commitment Letter has not been released according to Part X-D, THDA will retain the full amount of the Commitment Fee and the full amount of the Incentive Fee. **NONE** of the Commitment Fee and **NONE** of the Incentive Fee will be refunded to the applicant.
2. If the bonds are issued and sold, but the development is not placed in service, THDA will retain the full amount of the Commitment Fee and the full amount of the Incentive Fee. **NONE** of the Commitment Fee and **NONE** of the Incentive Fee will be refunded to the applicant.
3. If a request for an extension to the deadline for closing the sale of the bonds beyond 1:00 PM Central Time on the date specified in the Commitment Letter is approved in accordance with Part IX-B-2., **NONE** of the Incentive Fee will be refunded to the applicant.

G. Monitoring Fee

1. For Developments that receive Multifamily Tax-Exempt Bond Authority and noncompetitive Low Income Housing Tax Credit, Monitoring Fees shall be as prescribed in the applicable Tax Credit Qualified Allocation Plan.
2. For Developments that receive Multifamily Tax-Exempt Bond Authority, but do not receive Low Income Housing Tax Credit, Monitoring Fees shall be as follows:
 - a. When the development is placed in service, a compliance Monitoring Fee is due to THDA, payable in the form of a certified check (this fee also applies to USDA/RD [formerly FmHA] developments). The Monitoring Fees are \$400 per unit in the Development.
 - b. Owners seeking to correct non-compliance will be charged additional fees to cover additional costs which may be incurred by staff to correct the non-compliance issue.
 - (i) Reinspection of a file: \$200
 - (ii) Reinspection of a property:
 - (iii) Standard mileage rate in effect by the State of Tennessee at the time of the reinspection from Nashville to the property and back to Nashville;
 - (iv) applicable state allowed per-diem for one staff person;

- (v) Lodging expenses as allowed under State of Tennessee travel regulations; and
 - (vi) Any other expenses incurred by THDA relating to the property reinspection.
- c. Fees will be due to THDA prior to issuance of reinspection findings.
- d. **At any time following the fifth year of monitoring for each development, THDA will evaluate the need for an additional Monitoring Fee. THDA may, at its sole discretion, charge a single additional Monitoring Fee not greater than the initial Monitoring Fee stated above. THDA will charge this additional Monitoring Fee only if the costs of monitoring for Tax Credit compliance, in the aggregate, appear likely to exceed the aggregate amount of initial Monitoring Fees collected. A decision by THDA to charge any such additional fee shall not constitute an amendment to this Program Description.**
- e. Owners who fail to submit the required Owner's Annual Certification of Compliance forms and supporting documentation by the date required by THDA will be charged a late fee of \$100 per month, for each month, or portion of a month, until the Certification and supporting documentation is received and considered satisfactory by THDA. This fee will be due upon submission of the forms and/or supporting documentation required. Receipt of Certification without the applicable late fee will be considered incomplete.

Part XI: Final Application

After all units in the development are placed in service, a Final Application (form furnished by THDA) must be submitted prior to any refund of the Commitment Fee pursuant to Part X-D.

Part XII: Application for Low-Income Housing Tax Credits

If the development also seeks non-competitive Low-Income Housing Tax Credit ("non-competitive Tax Credit"), a separate application must be submitted to Tennessee Housing Development Agency to request the non-competitive Tax Credit. Receipt of authority to issue tax-exempt bonds does not guarantee receipt of non-competitive Tax Credit. THDA retains the authority to determine eligibility to receive non-competitive Tax Credit and the amount of non-competitive Tax Credit to be allocated to the development, up to the maximum amount eligible with tax-exempt financing. Any development seeking non-competitive Tax Credit must apply for non-competitive Tax Credit under the applicable Tax Credit Qualified Allocation Plan in the same calendar year in which the tax-exempt bonds are issued. THDA will conduct an eligibility and scoring review under the applicable Tax Credit Qualified Allocation Plan with regard to a non-competitive Tax Credit application submitted in conjunction with an application for Multifamily Tax-Exempt Bond Authority within forty-five (45) days of THDA's receipt of such non-competitive Tax Credit application. Any applicant for non-competitive Tax Credit will be subject to all fees and requirements stated in the applicable Tax Credit Qualified Allocation Plan, including monitoring fees.

If a development is the subject of a pending **competitive** 2014 or 2015 Tax Credit application and is the subject of an application under the 2014 Multifamily Tax-Exempt Bond Authority Program Description, the issuance of a Commitment Letter in accordance with Part IX-A of this Program Description shall constitute the withdrawal of the **competitive** Tax Credit application.

The maximum obtainable rents supported by the market study will be expected to support reasonable operating expenses and maximum mortgage debt service prior to Tax Credits filling any financial “gaps”. This may require that the development obtain additional financing from other sources over and above the maximum amount of Multifamily Tax-Exempt Bond Authority or non-competitive Tax Credit committed to the development by THDA.

Part XIII: Controlling Document

In the event of a conflict between this 2014 Tax-Exempt Multifamily Bond Authority Program Description and the Low-Income Housing Tax Credit 2014 Qualified Allocation Plan, the Low-Income Housing Tax Credit 2014 Qualified Allocation Plan shall be the controlling document with regard to applications for non-competitive Tax Credit.

Part XIV: Information and Applications

THDA staff will attempt to assist with information in completing an application, however if clarification or interpretation is required, an interested party should submit their specific request in writing to THDA.

For more information call:
Judith Smith at (615) 815-2143
Information is available on THDA’s web site at: www.thda.org



2014 Market Study Guidelines

Exhibit 1

(I) Introduction

Certification

Qualifications

Assumptions & Limiting Conditions

Attachments:

Market Study Executive Summary
Summary of Significant Facts, (include graphs)
Employment & Economy, (include graphs)
Rental Comparable / Competitive Environment, include up to six (6) comparable, a minimum of Amenities

MAPS:

PMA
Neighborhood
Aerial

Color photographs of the proposed site and surrounding neighborhood.

Narratives should be limited to two (2) pages

(II) (a) The market study must also contain current information less six (6) months old at time of submission.

(b) The market study must also include data and information regarding all existing or proposed tax credit developments that received an allocation of tax credits in this calendar year or in any prior calendar year that are located in the neighborhood and in the market area.

NOTE: Comparables as used in property appraisals are not acceptable. The market study must include, without limitation, all of the following:

(c) Name and telephone number of person performing the study, their qualifications to perform this market study.

(d) On site field study by person performing the market study.

(e) Data identifying and describing the market areas, neighborhood and site, including geographic and demographic information.

(f) Current and projected need based on market conditions supported by data from various market sources including waiting list information from all Section 8 and local public housing authorities serving that area.

(g) Projected absorption time (rent up) of the proposed units by the market.

(h) Data identifying and supporting the need for rental housing for "**Special Housing Needs**".

***The elderly (62 yrs and older), persons with disabilities, and permanent support housing for the homeless**, if such structure was proposed in the Initial Application.

Signature

Print Name, Title & Date

MARKET STUDY EXECUTIVE SUMMARY / Exhibit 1

(i) Market Study Summary

Project Name:				Project ID:	
Location:					
Street Address	City/State	Zip Code	County	Total Units	
PMA Description		SMA Description		LIHTC Units	
Farthest Boundary Distance to Project				# Buildings	Rental
Within QCT (y/n)		Within DDA (y/n)			
Type of Development			Targeted Household Type		
Development Recommended?					

(ii) Rental Housing Stock

Type	# Properties	Total Units	Vacant Units	Current Occupancy
All Rental Housing				
Market-Rate Housing				
Assisted/Subsidized Housing (excl. LIHTC)*				
LIHTC Housing*				
All Comparable Developments ¹				
Non-Stabilized Comparable Developments				

*Includes properties located outside the subject's defined PMA due to lack of available data within the subject's PMA.

¹Comparable developments are those that compete at nearly the same rent levels and tenant profile, such as age, family, and income.

(iii) Rent Comparison

Proposed Subject Rents in Comparison to Market									
Proposed Subject Development				Adjusted Mkt Rent			Highest Unadjusted Comp Rent		
# Units	# BR	# BA	S.F.	Proposed Rent	Per Unit	Per S.F.	Mkt Adv.	Per Unit	Per Sq. Ft.
Gross Proposed Monthly Rent					Avg. Mkt Adv.				

(iv) Demographic Data (found on page *)**

Household Segment	2000	2013	2015
Renter Households			
Income-Qualified Renter Households			
Market Rent Households (if applicable)			

(v) Targeted Income-Qualified Renter Household Demand (found on pages *)**

Type of Demand	50%	60%	Market-Rate	Other ___	Other ___	Overall
Renter Household Growth						
Existing Households						
Home Conversion						
Other - Rent Overburdened and Substandard Units						
Less Comparable/Competitive Supply						
Net Demand						

(vi) Capture Rates (found on page *)**

Target Population	50%	60%	Market-Rate	Other ___	Other ___	Overall
Capture Rate						

(vii) Absorption Rate (found on page *)**

Absorption Rate	Per Month	Absorption Period	Months

SUMMARY OF SIGNIFICANT FACTS / Exhibit 1

(i) Project Identification

Project Name:						
Location:						
Street Address	City/State	Zip Code	County	Total Units	Managers Unit	
TAX ID NUMBER				LIHTC Units	Leasing Unit	
Owner of Record				# Buildings		

(ii) Site Summary

Site Acreage				
Shape				
Topography				
Zoning District				
Flood Map / Panel No.				
Adjacent Land Uses				
Surrounding Area				
Year Built				
Construction Type				
Project Amenities				
Unit Amenities				
Utilities				

(ii) Demographics Summary

		2000	2013	2014
Population Growth				
	PMA			
	County			
	State			
Household Growth				
	PMA			
	County			
	State			
Household by Type				
	PMA			
	County			
	State			
Household by Annual Income				
	PMA			
	County			
	State			
Household Tenure Patterns % of Renter-Occupied				
	PMA			
	County			
	State			

Conclusion

Include:	
Narrative	
MAPS - PMA / Neighbor / Aerial	

EMPLOYMENT & ECONOMY / Exhibit 1

(i) Employment Sector by Industry				
Employer		PMA 2000 - 2014	County 2000 - 2014	State 2000 - 2014

(ii) Unemployment Rates				
YEAR		County	State	USA
2003				
2004				
2005				
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				

(iii) Average Annual Wages by Occupation 2010				
Occupation		County	State	

Conclusion				
Include:				
Narrative				
Graphs				

RENTAL COMPARABLE COMPETITIVE ENVIRONMENT / Exhibit 1

(i) General Data

Project Name:			Market Rate:		
Location:					
Street Address	City/State	Zip Code	County	Total Units	
Management Company:		Contact:		LIHTC Units	
Lease Terms:				# Buildings	
Date Polled:		Occupancy:			
Year Built:	Exterior:	Design:	Condition:		
Absorption:	Utilities:	Parking:			
Age Restricted:			Other:		

(ii) Rental Data & Unit Breakdown

Unit Type		SF	Monthly Rent	Rent Per SF

(iii) Project / Unit Amenities

(iv) Comments

(v) Concessions

Income Qualified Renter Households - OVERALL

CENSUS 2000	1 Persons	2 Person	3 Persons	4 Persons	5 Persons

Conclusion

Include:	
Narrative	
Graphs	

2014 Amenities / Exhibit 1

Neighborhood Characteristic	Address
<u>Full service grocery</u>	
<u>Pharmacy or Drug Store</u>	
<u>Full service restaurant and /or retail center</u>	
<u>Stand-alone shopping stores</u>	
<u>Public transportation access</u>	
<u>Full service bank or credit union</u> (ATMs do not qualify)	
<u>Health Care Facilities including: Doctor's offices,</u>	
<u>Public community centers</u>	
<u>Public Library</u>	
<u>U. S. Post Office</u>	
<u>Convenience store with gas station</u>	
<u>Churches or places of worship</u>	
<u>Police Station or Sheriff Offices</u>	
<u>Fire Stations</u>	
<u>Public Park</u>	
<u>Public School</u>	

**2014 Multifamily Tax-Exempt Bond Authority
Exhibit 2**

**QUALIFIED CENSUS TRACTS AND DIFFICULT DEVELOPMENT
AREAS**

This document is available online at the following address:

<http://www.huduser.org/datasets/qct.html>

**2014 Multifamily Tax-Exempt Bond Authority
Exhibit 3
URBAN AND RURAL COUNTIES**

Rural/Urban Definition using Census 2010 – Cut-off at 50% of Total Population Rural

URBAN		RURAL					
County	Percent Rural	County	Percent Rural	County	Percent Rural	County	Percent Rural
Shelby	3%	Roane	51%	Lewis	70%	McNairy	85%
Davidson	3%	Robertson	53%	Claiborne	72%	Moore	100%
Hamilton	10%	Campbell	55%	Lincoln	72%	Morgan	100%
Knox	11%	Tipton	55%	Giles	74%	Bledsoe	100%
Rutherford	17%	Bedford	56%	Sequatchie	74%	Clay	100%
Williamson	19%	Sevier	57%	Lawrence	76%	Decatur	100%
Montgomery	20%	Hawkins	58%	Monroe	76%	Fentress	100%
Hamblen	22%	Lauderdale	59%	Henderson	76%	Grainger	100%
Sullivan	26%	Jefferson	59%	Marion	77%	Grundy	100%
Madison	26%	McMinn	60%	White	78%	Hancock	100%
Washington	26%	Cumberland	61%	DeKalb	78%	Hickman	100%
Sumner	28%	Warren	61%	Benton	78%	Houston	100%
Blount	33%	Obion	62%	Fayette	79%	Jackson	100%
Bradley	33%	Greene	65%	Macon	80%	Lake	100%
Anderson	35%	Chester	65%	Hardeman	80%	Meigs	100%
Putnam	35%	Marshall	66%	Scott	81%	Perry	100%
Wilson	38%	Henry	67%	Cannon	81%	Pickett	100%
Loudon	41%	Weakley	67%	Humphreys	82%	Polk	100%
Carter	41%	Crockett	67%	Smith	83%	Stewart	100%
Maury	42%	Cocke	68%	Cheatham	83%	Trousdale	100%
Dyer	43%	Dickson	68%	Carroll	83%	Union	100%
Unicoi	45%	Hardin	68%	Overton	84%	Van Buren	100%
Coffee	47%	Rhea	68%	Johnson	85%	Wayne	100%
Haywood	47%	Franklin	70%				
Gibson	48%						

The Census rural/urban definition can be found at: <http://www.census.gov/geo/www/ua/2010urbanruralclass.html>
Source: http://factfinder2.census.gov/bkmk/table/1.0/en/DEC/10_SF1/P2/0400000US47.05000

2014 Multifamily Tax-Exempt Bond Authority

Exhibit 4 - Approved Market Study Vendor Listing

Approved Vendor	Contact Name	Contact Address	Contact City	Contact State	Contact Zip	Contact Phone	Contact Fax	Contact Email or Company Website	Grand Division Preference	Special Needs and/or Elderly Experience
Allegier Company	M.A. Allgeier	214 South 8th Street, Suite 200	Louisville	Kentucky	40202	(502) 585-3651	(502) 589-7480	www.allgeiercompany.com	E, M, W	Yes
Bowen National Research	Patrick Bowen	155 E. Columbus Street, Suite 220	Pickerington	Ohio	43147	(615) 833-9300	N/A	patrickb@bowennational.com	E, M, W	Yes
Donald White & Associates, LLC	Donald White, MAI	10308 Starkey Lane	Knoxville	Tennessee	37932	(865) 599-1545	(865) 966-8052	whiteappraisals@att.net	E and M	Yes
Fielder Group Market Research, L.L.C.	Elizabeth Rouse Fielder	P.O. Box 22698	Lexington	Kentucky	40522-2698	(859) 276-0000	(859) 276-2302	erfielder@fieldergroup.com	E, M, W	Yes
GAR Associates, Inc.	M. Scott Allen	2399 Sweet Home Road	Amherst	New York	14228	(716) 691-7100	(716) 691-7770	sallen@garappraisal.com	E, M, W	Yes
Gill Group, Inc.	Cash Gill	512 N. One Mile Road P.O. Box 784	Dexter	Missouri	63841	(573) 624-6614	(573) 624-2942	cash.gill@gillgroup.com	E, M, W	Yes
Gibson Consulting, LLC	Thomas F. Gibson	6658 Youree Drive, Suite 180 PMB403	Shreveport	Louisiana	71105-4651	(318) 524-0177	(318) 524-0214	ford@fgibsonconsulting.com	E, M, W	Yes
Integra Realty Resources	J. Walter Allen	700 Colonial Road, Suite 102	Memphis	Tennessee	38117	(901) 866-4934	(901) 767-4918	wallen@irr.com	E, M, W	Yes
John Wall and Associates	John Wall	P.O. Box 1169	Anderson	South Carolina	29622	(864) 261-3147	(864) 226-5728	jwa_ofc@bellsouth.net	E, M, W	Yes
LBK Appraisal Services	Laurie B. Kinzer	1105 Wildtree Lane	Knoxville	Tennessee	37923	(865) 691-2889	(865) 806-9065	LBKAppraisals@comcast.net	E, M, W	Yes
LDS Consulting Group, LLC	Lynne D. Sweet	233 Needham Street	Newton	Massachusetts	02464	(617) 454-1144	(617) 454-1145	ldsweet@ldsconsultinggroup.com	E, M, W	Yes
Lea & Company	Byron N. Lea	3721 Wrightwood Drive	Studio City	California	91604	(818) 914-1892	(818) 762-3906	N/A	E, M, W	Yes
Lexington Realty Service	Dale R. Mussatti	7935 Harwood Avenue	Wauwatosa	Wisconsin	53213	(414) 475-1775	(414) 475-1770	N/A	E, M, W	Yes
MacDonald Associates, Inc.	Tom MacDonald	P.O. Box 294	Bath	Maine	04530	(207) 443-3600	(207) 443-3665	www.MacDonaldAssociates.com	E, M, W	Yes
Market Analyst Professionals, LLC	Chris Vance	5400 Washburn Ave. S	Minneapolis	Minesota	55410	(248) 515-0496	(248) 281-0389	cavance@mindspring.com	E, M, W	Yes
Mitchell Market Analysts, Inc.	Jennifer Atkinson	822 Fort Wayne Avenue	Indianapolis	Indiana	46204	(317) 687-2747	(317) 687-2748	N/A	E, M, W	Yes
National Land Advisory Group	Richard Barnett	2404 E Main Street	Columbus	Ohio	43209	(614) 545-3900	(614) 545-4900	rbarnett@landadvisory.biz	E, M, W	Yes
Novogradac Company, LLP	Michalena M. Sukenik	2325 Lakeview Parkway Suite 450	Alpharetta	Georgia	30009	(678) 867-2333	(678) 867-2366	michalena.sukenik@novoco.com	E, M, W	Yes
Real Property Research Group	Bob Lefenfeld	10400 Little Patuxent Parkway Suite 450	Columbia	Maryland	21044	(410) 772-1004	(410) 772-1110	bob@rprg.net	E, M, W	Yes
Shaw Research & Consulting	Steven Shaw	P.O. Box 38	Bad Axe	Michigan	48413	(989) 415-3554	(989) 803-5904	steveshaw@shaw-research.com	E, M, W	Yes
Vogt Santer Insights	Robert Vogt	869 W Goodale Boulevard	Columbus	Ohio	43212	(614) 224-4300	(614) 225-9505	chips@vsinsights.com	E, M, W	Yes
Woods Research, Inc.	James M. Woods	5209 Trenholm Road	Columbia	South Carolina	29206	(803) 782-7700	(803) 782-2007	woodsresearch@aol.com	E, M, W	Yes

2014 Multifamily Tax-Exempt Bond Authority
Exhibit 5
FAIR HOUSING ACT REQUIREMENTS

- See www.fairhousingfirst.org for complete information.
- The following are HUD recognized safe harbors identified at www.fairhousingfirst.org which, if met, indicate compliance with the Fair Housing Act's design and construction requirements:
 1. HUD Fair Housing Accessibility Guidelines published on March 6, 1991 and the Supplemental Notice to Fair Housing Accessibility Guidelines: Questions and Answers about the Guidelines, published on June 28, 1994.
 2. HUD Fair Housing Act Design Manual
 3. ANSI A117.1 (1986), used with the Fair Housing Act, HUD's regulations, and the Guidelines.
 4. CABO/ANSI A117.1 (1992), used with the Fair Housing Act, HUD's regulations, and the Guidelines.
 5. ICC/ANSI A117.1 (1998), used with the Fair Housing Act, HUD's regulations, and the Guidelines.
 6. Code Requirements for Housing Accessibility 2000 (CRHA).
 7. International Building Code 2000 as amended by the 2001 Supplement to the International Codes.
 8. International Building Code 2003, with one condition: effective February 28, 2005 HUD determined that the IBC 2003 is a safe harbor, conditioned upon ICC publishing and distributing a statement to jurisdictions and past and future purchasers of the 2003 IBC stating, "ICC interprets Section 1104.1, and specifically, the exception to Section 1104.1, to be read together with Section 1107.4, and that the Code requires an accessible pedestrian route from site arrival points to accessible building entrances, unless site impracticality applies. Exception 1 to Section 1107.4 is not applicable to site arrival points for any Type B dwelling units because site impracticality is addressed under Section 1107.7."
 9. ICC/ANSI A117.1 - 2003 (Accessible and Usable Buildings and Facilities).
 10. 2006 International Building Code (loose leaf).

One of these eight must be referenced in the required certificates.

- Refer to www.fairhousingfirst.org for detailed information regarding the following seven basic design and construction requirements that must be met to ensure Fair Housing Act compliance:
 1. An accessible building entrance on an accessible route.
 2. Accessible common and public use areas.
 3. Usable doors (usable by a person in a wheelchair).
 4. Accessible route into and through the dwelling unit.
 5. Light switches, electrical outlets, thermostats and other environmental controls in accessible locations.
 6. Reinforced walls in bathrooms for later installation of grab bars.
 7. Usable kitchens and bathrooms.
- These requirements are stated in the fair housing Act, as amended, 42 U.S.C. 3604 (f)(3)(C). To describe these requirements in more detail, HUD published Fair Housing Accessibility Guidelines (the "Guidelines") on March 6, 1991, and supplemented the Guidelines with a **Supplemental Notice: Questions and Answers About the Guidelines** published on June 28, 1994. The Guidelines are one of eight safe harbors for compliance that HUD has identified.

2014 Multifamily Tax-Exempt Bond Authority

Exhibit 6

Counties with the Greatest Housing Need

Distribution of 46 Points Based on Affordable Housing Census Measures and Prior LIHTC Allocations			
	% of Total points for Each Measure		Maximum points for Each Measure
Prior Allocation		70%	32.2
Availability		9.2%	4.23
Affordability		11.6%	5.34
Quality		9.2%	4.23

County	Need Score
Anderson	40
Bedford	39
Benton	34
Bledsoe	44
Blount	42
Bradley	45
Campbell	42
Cannon	43
Carroll	42
Carter	41
Cheatham	44
Chester	42
Claiborne	45
Clay	40
Cocke	42
Coffee	41
Crockett	42
Cumberland	36
Davidson	43

County	Need Score
Decatur	43
DeKalb	40
Dickson	39
Dyer	43
Fayette	41
Fentress	43
Franklin	41
Gibson	43
Giles	43
Grainger	38
Greene	43
Grundy	37
Hamblen	44
Hamilton	44
Hancock	42
Hardeman	45
Hardin	38
Hawkins	44
Haywood	37

County	Need Score
Henderson	41
Henry	39
Hickman	42
Houston	43
Humphreys	37
Jackson	42
Jefferson	44
Johnson	42
Knox	42
Lake	43
Lauderdale	38
Lawrence	38
Lewis	38
Lincoln	38
Loudon	37
Macon	46
Madison	41
Marion	40
Marshall	41

County	Need Score
Maury	41
McMinn	44
McNairy	42
Meigs	41
Monroe	43
Montgomery	43
Moore	43
Morgan	43
Obion	45
Overton	41
Perry	46
Pickett	40
Polk	42
Putnam	45
Rhea	42
Roane	41
Robertson	38
Rutherford	44
Scott	42

County	Need Score
Sequatchie	39
Sevier	40
Shelby	44
Smith	11
Stewart	44
Sullivan	40
Sumner	42
Tipton	42
Trousdale	41
Unicoi	43
Union	43
Van Buren	38
Warren	41
Washington	42
Wayne	40
Weakley	43
White	37
Williamson	43
Wilson	42



Exhibit 7 / 2014 Appraisal Guidelines

(I) Introduction

Certification

Qualifications

Assumptions & Limiting Conditions

TN License

Attachments:

Executive Summary

Include the following;

"AS IS" market value

"AS IS" restricted value

Reconciliation of estimated values - market and restricted values

Summary of Significant Facts, (include graphs)

Cost Approach

Sales Comparison Approach

Income Capitalization Approach

Rental Comparable / Competitive Environment, include up to six (6) comparables

Scope of Work, (Hard Costs)

Employment & Economy, (include graphs)

Amenities

MAPS:

PMA

Neighborhood

Aerial

Color photographs of the proposed site and /or existing structure and surrounding neighborhood.

Color photographs of Rent Comparables and Sales Comparables

Narratives should be limited to two (2) pages

- (II)** (a) The appraisal must also contain current information less six (6) months old at time of submission.
- (b) The appraisal must also include data and information regarding all existing or proposed tax credit developments that received an allocation of tax credits in this calendar year or in any prior calendar year that are located in the neighborhood and in the market area.
- (c) Name and telephone number of person performing the study, their qualifications to perform this market study.
- (d) On site field study by person performing the appraisal must be within six (6) of the date of the initial application.
- (e) Data identifying and describing the market areas, neighborhood and site, including geographic and demographic information.
- (f) Current and projected need based on market conditions supported by data from various market sources including waiting list information from all Section 8 and local public housing authorities serving that area.
- (g) Projected absorption time (rent up) of the proposed units by the market.
- (h) Data identifying and supporting the need for rental housing for "Special Housing Needs".

The elderly (62 yrs and older), persons with disabilities, and permanent support housing for the homeless, if such structure was proposed in the Initial Application.

Signature

Print Name, Title & Date

EXECUTIVE SUMMARY / Exhibit 7

(i) Executive Summary

Project Name:				Project ID:	
Location:					
Street Address	City/State	Zip Code	County	Total Units	
PMA Description		SMA Description		LIHTC Units	
Farthest Boundary Distance to Project				# Buildings	Rental
Within QCT (y/n)	Within DDA (y/n)				
Type of Development			Targeted Household Type		
Development Recommended?					

(ii) Rental Housing Stock

Type	# Properties	Total Units	Vacant Units	Current Occupancy
All Rental Housing				
Market-Rate Housing				
Assisted/Subsidized Housing (excl. LIHTC)*				
LIHTC Housing*				
All Comparable Developments ¹				
Non-Stabilized Comparable Developments				

*Includes properties located outside the subject's defined PMA due to lack of available data within the subject's PMA.

¹Comparable developments are those that compete at nearly the same rent levels and tenant profile, such as age, family, and income.

(iii) Rent Comparison

Proposed Subject Rents in Comparison to Market									
Proposed Subject Development					Adjusted Mkt Rent			Highest Unadjusted Comp Rent	
# Units	# BR	# BA	S.F.	Proposed Rent	Per Unit	Per S.F.	Mkt Adv.	Per Unit	Per Sq. Ft.
Gross Proposed Monthly Rent						Avg. Mkt Adv.			

(iv) Demographic Data (found on page *)**

Household Segment	2000	2013	2015
Renter Households			
Income-Qualified Renter Households			
Market Rent Households (if applicable)			

(v) Targeted Income-Qualified Renter Household Demand (found on pages *)**

Type of Demand	50%	60%	Market-Rate	Other ___	Other ___	Overall
Renter Household Growth						
Existing Households						
Home Conversion						
Other - Rent Overburdened and Substandard Units						
Less Comparable/Competitive Supply						
Net Demand						

(vi) Capture Rates (found on page *)**

Target Population	50%	60%	Market-Rate	Other ___	Other ___	Overall
Capture Rate						

(vii) Absorption Rate (found on page *)**

Absorption Rate	Per Month	Absorption Period	Months

SUMMARY OF SIGNIFICANT FACTS / Exhibit 7

(i) Project Identification

Project Name:										
Location:										
Street Address		City/State		Zip Code		County		Total Units		Managers Unit
TAX ID NUMBER								LIHTC Units		Leasing Unit
Owner of Record								# Buildings		

(ii) Site Summary

Site Acreage									
Shape									
Topography									
Zoning District									
Flood Map / Panel No.									
Adjacent Land Uses									
Surrounding Area									
Year Built									
Construction Type									
Project Amenities									
Unit Amenities									
Utilities									

(ii) Demographics Summary

		2000	2013	2014
Population Growth				
PMA				
County				
State				
Household Growth				
PMA				
County				
State				
Household by Type				
PMA				
County				
State				
Household by Annual Income				
PMA				
County				
State				
Household Tenure Patterns % of Renter-Occupied				
PMA				
County				
State				

Conclusion

Include;			
Narrative			
MAPS - PMA / Neighbor / Aerial			

COST APPROACH / Exhibit 7

(i) General Data					
Project Name:			Market Rate:		
Location:					
Street Address	City/State	Zip Code	County	Total Units	# of Bldgs.
				LIHTC Units	
(ii) Cost Data					
Cost Source	Section/Page	Bldg. Type	Bldg. Class	Base Sq. Ft. Cost	
(iii) Square Foot Refinements					
Item	Unit Cost	Unit Type	Sq. Ft. Cost		
<i>Sq. Ft. Refinements:</i>					
(iv) Multipliers & Refinements					
Item	Description	Multiplier			
<i>Combined Multipliers:</i>					
<i>Adj. for Refinements:</i>					
(v) Bldg. Improvements					
Item	Adj. Base Costs	Unit Type	Quantity	Total	
<i>Total Bldg. Improvement Cost:</i>					
(vi) Site Improvements					
Item	Unit Cost	Unit Type	Quantity	Total	
<i>Total Site Improvement Costs:</i>					
<i>Subtotal / Bldg. & Site Costs:</i>					
(vii) Indirect Cost & Profit					
Item	% Cost	% Type			Total
<i>Total Soft Costs:</i>					
<i>Total Replacement Costs New:</i>					
(viii) Depreciation					
Component	Effective Age	Life	%	Amount	
<i>Total Depreciation:</i>					
<i>Depreciation Value of Improvement:</i>					
Comments					
<i>Cost Approach Value Indication:</i>					
<i>Round:</i>					
<i>Value per Sq. Ft.</i>					

SALES COMPARISON APPROACH / Exhibit 7

(i) General Data

Project Name:			Market Rate:		
Location:					
Street Address	City/State	Zip Code	County	Total Units	
Management Company:		Contact:		LIHTC Units	
Lease Terms:				# Buildings	
Date Polled:		Occupancy:			
Year Built:	Exterior:	Design:	Condition:		
Absorption:	Utilities:	Parking:			
Age Restricted:			Other:		

(ii) Sales Adjustment Grid "As Is" Value

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Sales Price					
Bldg Size - # of units					
Unit Price - per unit					

(iii) Elements of Comparison

Rights Conveyed					
Comparison					
\$ Adjustment					

INCOME CAPITALIZATION APPROACH / Exhibit 7

(i) General Data

Project Name:			Date:		
Location:					
Street Address	City/State	Zip Code	County	Total Units	
				LIHTC Units	
				# Buildings	

(ii) Operating Statement Based on Market Rents & Assuming Completed Developed / Renovated

Potential Gross Income				
Units @ rent per month annually:		\$0		
Units @ rent per month annually:		<u>\$0</u>		
Total Potential Gross Rental Income:			\$0	
Other Income:			\$0	
Effective Gross Rental Income:			<u>\$0</u>	
Less Vacancy & Credit Loss:				
Effective Gross Income:			<u>\$0</u>	
Less Operating Expenses:	<u>Per Unit</u>	<u>Amount</u>		
Advertising	\$0	\$0		
Office & Administrative	\$0	\$0		
Utilities	\$0	\$0		
Salaries & Compensation	\$0	\$0		
Repairs & Maintenance	\$0	\$0		
Management %	\$0	\$0		
Insurance	\$0	\$0		
Real Estate Taxes	<u>\$0</u>	<u>\$0</u>		
Total Operating Expenses:	\$0	\$0		
Less Operating Expenses:			\$0	
Less Reserve Replacements:			\$0	
Net Operating Income:			<u>\$0</u>	
Capitalized @ % ____	%		-	
Indicated Value:			<u>#VALUE!</u>	
Rounded Market Value:			<u>\$0</u>	

(iii) Operating Statement Based on "AS" Affordable Housing & Assuming Completed Developed / Renovated

Potential Gross Income				
Units @ rent per month annually:		\$0		
Units @ rent per month annually:		<u>\$0</u>		
Total Potential Gross Rental Income:			\$0	
Other Income:			\$0	
Effective Gross Rental Income:			<u>\$0</u>	
Less Vacancy & Credit Loss:				
Effective Gross Income:			<u>\$0</u>	
Less Operating Expenses:	<u>Per Unit</u>	<u>Amount</u>		
Advertising	\$0	\$0		
Office & Administrative	\$0	\$0		
Utilities	\$0	\$0		
Salaries & Compensation	\$0	\$0		
Repairs & Maintenance	\$0	\$0		
Management %	\$0	\$0		
Insurance	\$0	\$0		
Real Estate Taxes	<u>\$0</u>	<u>\$0</u>		
Total Operating Expenses:	\$0	\$0		
Less Operating Expenses:			\$0	
Less Reserve Replacements:			\$0	
Net Operating Income:			<u>\$0</u>	
Capitalized @ % ____	%		-	
Indicated Value:			<u>#VALUE!</u>	
Rounded Market Value:			<u>\$0</u>	

INCOME CAPITALIZATION APPROACH / Exhibit 7

Cont'd.

(iv) Prospective Market Rents @ Completion of Construction / Rehabilitation

Unit Type	# of Units	Sq. Ft.	Monthly Rent	Rent per Sq. Ft.	Gross Annual Income

(v) Prospective LIHTC Rents @ Completion of Construction / Rehabilitation

Unit Type	# of Units	Sq. Ft.	Monthly Rent	Rent per Sq. Ft.	Gross Annual Income

(vi) Prospective Rents As Subsidizes @ Completion of Construction / Rehabilitation

Unit Type	# of Units	Sq. Ft.	Monthly Rent	Rent per Sq. Ft.	Gross Annual Income

(vii) Conclusion

Include;	
Colored Photos	
Narrative	
Graph	
Colored Photos	

(viii) General Comments

RENTAL COMPARISON DATA / Exhibit 7

(i) General Data

Project Name:			Market Rate:		
Location:					
Street Address	City/State	Zip Code	County	Total Units	
Management Company:		Contact:		LIHTC Units	
Lease Terms:				# Buildings	
Date Polled:		Occupancy:			
Year Built:	Exterior:	Design:	Condition:		
Absorption:	Utilities:	Parking:			
Age Restricted:			Other:		

(ii) Rental Data & Unit Breakdown

Unit Type	SF	Monthly Rent	Rent Per SF

(iii) Project / Unit Amenities

(iv) Comments

(v) Concessions

Income Qualified Renter Households - OVERALL

CENSUS 2000	1 Persons	2 Person	3 Persons	4 Persons	5 Persons

Conclusion

Include;	
Narrative	
Graph	

SCOPE OF WORK / Exhibit 7

(i) Project Identification

Project Name:					
Location:					
Street Address	City/State	Zip Code	County	Total Units	Managers Unit
TAX ID NUMBER				LIHTC Units	Leasing Unit
Contractor:				# Buildings	

(ii) Site Summary

(ii) Hard Costs

Conclusion

Include;	
Narrative	
Colored Pictures	

EMPLOYMENT & ECONOMY / Exhibit 7

(i) Employment Sector by Industry				
Employer		PMA 2000 - 2014	County 2000 - 2014	State 2000 - 2014

(ii) Unemployment Rates				
YEAR		County	State	USA
2003				
2004				
2005				
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				

(iii) Average Annual Wages by Occupation 2010				
Occupation		County	State	

Conclusion		
Include;		
Narrative		
Graphs		

2014 Amenities / Exhibit 7

2014 Amenities / Exhibit 7	
Neighborhood Characteristic	
	Address
<u>Full service grocery</u>	
<u>Pharmacy or Drug Store</u>	
<u>Full service restaurant and /or retail center</u>	
<u>Stand-alone shopping stores</u>	
<u>Public transportation access</u>	
<u>Full service bank or credit union</u> (ATMs do not qualify)	
<u>Health Care Facilities including: Doctor's offices,</u>	
<u>Public community centers</u>	
<u>Public Library</u>	
<u>U. S. Post Office</u>	
<u>Convenience store with gas station</u>	
<u>Churches or places of worship</u>	
<u>Police Station or Sheriff Offices</u>	
<u>Fire Stations</u>	
<u>Public Park</u>	
<u>Public School</u>	



Exhibit 7
2014 Land Appraisal Guidelines

(I) Introduction

Report to include the following;

**Industry Standard Land Appraisal Report
Supplemental Addendums
Statement of Assumptions & Limiting Conditions
Location Map
Plat
Aerial Map
Subject Photos
Comparable Photos
TN License
Qualifications**

(II) (a) The appraisal must also contain current information less six (6) months old at time of submission.

(b) Name and telephone number of person performing the study, their qualifications to perform this report.

(d) On site field study by person performing the appraisal completed within six (6) months of the initial application.

Signature

Printed Name, Title & Date



2014 Physical Needs Assessment Guidelines / Exhibit 8

(I) Introduction

a. Executive Summary

- * general narrative of property
- * description of existing condition;
major capital needs / rehab hard cost
immediate capital needs
total capital needs costs
total capital needs costs per unit

b. A physical inspection conducted by an independent third party

- * reports and all acknowledgements must be within six (6) months of the proposed application

c. List of units inspected

- * reports and all acknowledgements must be within six (6) months of the proposed application

d. Repair and replacement schedule

- * summary of "hard costs" over two (2) year period

e. Environmental Assessment(s) if required

f. Accessibility Assessment

g. Appendices

- * colored photos of;
general view of the property
deficiencies
heating and cooling systems
units inspected

h. Other supporting documentation

Signature

Print Name, Title & Date

(i) STRUCTURAL ELEMENTS / Exhibit 8

1. Substructures:	Able to observe foundations	Yes <input type="checkbox"/>	No <input type="checkbox"/>				
2. Exterior Walls:	What is the condition of the exterior walls	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>			
3. Windows:	Will all the windows be replaced	Yes <input type="checkbox"/>	No <input type="checkbox"/>				
4. Exterior Doors:	Will all the doors be replaced	Yes <input type="checkbox"/>	No <input type="checkbox"/>				
5. Soffits and Trims:	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>				
6. Roofing:	What is the condition of the roof(s)	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>	How many buildings will receive new roofs		
7. Elevator(s):	What is the condition of the elevator(s)	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>	No elevators <input type="checkbox"/>		
8. Common Areas:	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>				
9. Laundry Facilities:	What is the condition of the facility	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>			
10. Office Area:	What is the condition of the office	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>	Is the office and restroom facility handicapped accessible	Yes <input type="checkbox"/>	No <input type="checkbox"/>
11. Playground and/or Picnic Area:	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>				

Please provide further information and reference the number and section (e.g. 1(i), 2(i), etc.)

(ii) INTERIOR ELEMENTS

1. Interior Finishes (Walls, Ceilings & Soft Surfaces):	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>																						
2. Interior Doors (including closets):	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>																						
3. Kitchen Fixtures and Appliances:	Energy Star rated frost free refrigerator/freezer replaced in all units	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Energy Star rated dishwashers to be installed or replaced in all units	Yes <input type="checkbox"/>	No <input type="checkbox"/>	All stoves to be replaced	Yes <input type="checkbox"/>	No <input type="checkbox"/>	All range ventilation hoods to be replaced	Yes <input type="checkbox"/>	No <input type="checkbox"/>	All cabinets to be replaced	Yes <input type="checkbox"/>	No <input type="checkbox"/>	All countertops to be replaced	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Flooring to be replaced in all units	Yes <input type="checkbox"/>	No <input type="checkbox"/>	All other appliances provided (do not include microwaves, ovens, ranges or dryers) in units are Energy Star	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
3. Bathroom Fixtures:	Bath tubs in	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>	Sinks and vanities to be replaced	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Flooring to be replaced in all units	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Exhaust fans in	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>											
4. Water Conservation-Plumbing Fixture:	Will each unit have at least 1 high efficiency or dual flush toilet	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Will low-flow showerheads be installed in all units	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Will the property have at one high efficiency or dual flush toilet per unit	Yes <input type="checkbox"/>	No <input type="checkbox"/>																
5. Plumbing Systems:	Please provide a brief description of water supply, piping, sewer connections																								
6. Electrical Systems:	Electrical System adequate	Yes <input type="checkbox"/>	No <input type="checkbox"/>	GFCI outlets in kitchen and bath	Yes <input type="checkbox"/>	No but to be installed																			
Will each unit have a hard wired battery back-up smoke detectors																								Yes <input type="checkbox"/>	No <input type="checkbox"/>
Energy Efficiency																									
HVAC System(s):	System(s), line sets and air handler(s) rated 14 SEER or higher sized for the unit(s) and/or buildings	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Energy Star rated unit temperature control thermostats in all units	Yes <input type="checkbox"/>	No <input type="checkbox"/>																			

(ii) INTERIOR ELEMENTS CONT'D.

Windows & Doors: Use of double glazed, insulated energy efficient windows for all windows in all units Yes No
Will metal-clad wood, fiberglass or hollow metal construction exterior doors with a minimum R-11 be used in all units Yes

Electrical-Lighting: Will all light fixtures in units and common areas fitted with Energy Star rated light bulbs, compact florescent or LED Yes

Please provide further information and reference the number and section (e.g. 1(ii), 2(ii), etc.)

(iii) EXTERIOR SITE IMPROVEMENT

1. Site Lighting: Is exterior lighting sufficient Yes No

2. Driveways, Parking Lots and Sidewalks: Sealing Yes No Restriping Yes No Overlay Yes No
Are there sufficient handicapped accessible parking spaces Yes No
Sidewalks Good Fair Poor

3. Site Drainage: Is drainage adequate Yes No Soil erosion Yes No

4. Landscaping: Is the over-all quality and health of the vegetation & landscaping in Good Fair Poor

5. Signage: Proper signage identifying the development Yes No Signage to be replaced Yes No

6. Fencing: Condition of Fencing Good Fair Poor Fencing to be installed No fencing

7. Site & Retaining Walls: Good Fair Poor No work necessary

8. Refuse Collection Area(s): Concrete pad(s) in Good Fair Poor Fencing around pad(s) Good Fair Poor

9. Other Structures:

Please provide further information and reference the number and section (e.g. 1(iii), 2(iii), etc.)

(IV) SUMMARY OF SIGNIFICANT FACTS

Introduction

Scope of Work

Immediate Deficiencies

Near Term Repairs Years 1 and 2 Please provide replacement reserve analysis with costs

Long Term Repairs Years 3 thru 15 Please provide replacement reserve analysis with costs

Remainder Repair

Color photos Please provide color photos of the exterior and interior of the property

Fire & Code Enforcement Verifications