



2017 Multifamily Programs Procedures Manual

221 East 11th Street
Austin, Texas 78701

2017 Multifamily Application Procedures Manual

Table of Contents

Introduction to the 2017 Multifamily Application.....	3
Programs	3
General Organization of the Application	3
Using this Manual	4
Instructions for Completing the Electronic Application	5
Instructions for Converting the Excel file to PDF	6
Creating Bookmarks	7
Pre-application (for Competitive HTC only).....	9
Pre-application Delivery Instructions	9
Competitive Application Cycle.....	9
Pre-application Assembly Instructions and Required Documentation.....	9
Application.....	13
Application Delivery Instructions	13
Applications are accepted only through the Serv-U portal. Physical delivery of applications will not be accepted. For guidance on using Serv-U, refer to the Electronic Document Upload User Guide (MF Serv-U FTP) posted on the Department’s “Apply for Funds” page.....	13
Competitive Application Cycle.....	13
Application Assembly Instructions	14
Required Forms and Exhibits for the Application	14
Part 1 – Administrative Tabs	15
Part 2 – Development Site	16
Part 3 – Development Activities	24
Part 4 – Development Financing.....	29
Part 5 – Development Organization.....	34
Part 6 – Third Party Reports	38
Part 7 – Community Input Scoring Items	41
Part 8 – Review Tabs	42
Direct Loan Information	Error! Bookmark not defined.
Application Delivery Instructions	Error! Bookmark not defined.
Direct Loan Program Information.....	Error! Bookmark not defined.
CHDO Overview	Error! Bookmark not defined.
Supplemental Information	46
Requests for Waiver and Staff Determinations.....	46
Public Viewing of Pre-applications and Applications	46

Introduction to the 2017 Multifamily Application

Programs

All multifamily funding programs are subject to the Multifamily Finance umbrella rules. The programs administered by the Multifamily Finance Division currently include:

- 9% Housing Tax Credits
- 4% Housing Tax Credits
- Tax Exempt Bonds
- Direct Loan Program
 - HOME
 - Tax Credit Assistance Program Repayment Funds (“TCAP RF”)
 - National Housing Trust Fund (“NHTF”)

Consistent with the Department’s organization and the Uniform Multifamily Rules and Qualified Allocation Plan, staff has updated the Uniform Application and this Manual in order to simplify the application process for applicants.

General Organization of the Application

The 2017 Application has fully incorporated each of the Multifamily Programs in one application which is divided into eight (8) parts, listed below, each of which will be briefly described in this section and fully explained later in this Manual.

- Administrative
- Development Site
- Development Activities
- Finance
- Organization
- Third Party
- Community Input
- Review Tabs

The **Administrative** section of the Application collects the most basic information about the proposed Development and the Applicant contact information. The purpose of the administrative section

2017 Multifamily Application Procedures Manual

is to identify the program(s) for which the Application is being submitted and includes the Applicant and Developer Certifications.

The **Development Site** section of the Application includes information related to the physical location of the proposed Development site, such as the development address, census tract number, and flood zone designation, as well as information about the schools and elected officials in the community.

The **Development Activities** section of the Application includes information about the proposed activity, including construction and services provided to the tenants. This section also includes the architectural drawings and information regarding existing structures on the development site.

The **Finance** section of the Application includes sources of financing, the development cost schedule, annual operating expenses, and the rent schedule.

The **Organization** section of the Application gathers information about the Development Owner, Developer, Guarantor, Affiliates, Development Team and Nonprofit entities involved with the Application, along with their owners, managers, and members. It includes the organizational charts and evidence of experience as well as credit limit documentation. The information in this section is used to conduct Previous Participation Reviews under 10 TAC §1.301.

The **Third Party Reports** section briefly identifies who performed the Environmental Site Assessment, Market Study, and Property Condition Assessment, as well as any other required reports.

The **Community Input** section may include Local Government Support in the form of a resolution(s), State Representative letters, and letters and supporting documentation from Community Organizations.

The **Review Tabs** section has been added for staff to place application review documents in the posted application. This section will not be used by the Applicant but should be included in the submitted application .pdf.

Using this Manual

The purpose of this manual is to provide a brief description of each tab in the application, guidance as to the Department's submission requirements and what is acceptable supporting documentation. While the Department expects that this guide will not contemplate all unforeseen situations, we hope that the information provides an adequate foundation upon which you may build your understanding of this program. This manual provides limited examples of documentation that could be submitted to comply with a particular rule or requirement. In some instances the rule may allow for alternative documentation not specifically contemplated herein, and in such instances staff will review such documentation for compliance with the applicable rule.

The Department always stands ready to assist in understanding the tax credit program and other sources of multifamily financing offered by the Department and the means by which an application is to be presented. The Department will offer limited direct assistance to any individual that requires this service in the preparation of the multifamily application. However, the Department will not take the responsibility of completing an application package. Applicants should refer to §10.1(b) Due Diligence and Applicant Responsibility regarding guidance received from staff. The Department looks forward to your continuing interest in the Multifamily Finance programs and in the creation of safe and high quality affordable housing for Texans.

Instructions for Completing the Electronic Application

What you will learn in this section:

- ✓ How to download the Electronic Application Materials
- ✓ How to convert the Excel Application to PDF
- ✓ How to set Bookmarks

All Applicants are required to use the 2017 Uniform Application, and/or any supplemental files provided by TDHCA located at the following link: (<http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>).

1. To download any of the electronic Application files, right-click on the link at the website provided above, select “Save Target As” and choose the storage location on your computer. The Excel file should be named in the following format -- <Application #_Development Name>.xls (e.g. 17001_Austin_Crossing.xls). If an Application number has not been previously assigned then the file should be named as follows -- <Development Name>.xls (e.g. Austin_Crossing.xls).
2. Please do not transfer tabs from one Excel file to another, even if it is for the same Application. If you plan to submit more than one Application, please make additional copies of the 2017 Uniform Application file **after** completing portions of the Application that are common to all of your Applications and **before** completing any portions that are not common to all of your Applications.
3. Any cell that is highlighted yellow is available to be manipulated by the applicant. All other cells (unless specifically stated) are for Department use only, have been pre-formatted to automatically calculate information provided, and are locked. Applicants may view any formulas within the cells. Applicants may not add additional columns or rows to the spreadsheets, unless otherwise stated.
4. All questions are intended to elicit a response, so please do not leave out any requested information. If references are made by the Applicant to external spreadsheets those references must be removed prior to submission to TDHCA as this may hamper the proper functioning of internal evaluation tools and make pertinent information unavailable to TDHCA.
5. This electronic Application has been designed so that many of the calculations regarding development cost, eligible basis, and eligible point items will automatically compute once enough information has been entered. If you see a “#VALUE” or “DIV/0” in a cell these values should disappear upon data entry in other tabs.

Tip – Complete the Development Narrative and the Rent Schedule in the Development Activities and Finance Parts of the Application first to take full advantage of the automated calculations.

6. Be sure to save the file as you fill it out!


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

Instructions for Converting the Excel file to PDF

Once the Excel Application file is complete and you are ready to convert the file to PDF, follow these instructions.

Tip- Be sure to check all of the Page Breaks in the Excel files before you convert to PDF.

Excel 2007 Users:

Click the **Microsoft Office Button**  , point to the arrow next to **Save As**, and then click **PDF or XPS**.

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

Excel 1997-2003 Users:

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

2017 Multifamily Application Procedures Manual

Sheets” button to move those sheets over to the right-handed side of the Adobe PDFMaker box, this will list the sheets selected to be converted to PDF.

4. Once all sheets you have selected appear on the right-hand side under “Sheets in PDF” click on the “Convert to PDF” button.
5. You will be prompted to create a name and save the PDF file. The PDF file should be named in the following format -- <Application #_Development Name>.pdf (e.g. 17001_Austin_Crossing.pdf). If an Application number has not been previously assigned then the file should be named as follows --<Development Name>.pdf (e.g. Austin_Crossing.pdf)
6. A pop-up box will appear that asks “Do you want to proceed without creating tags?” Click Yes.

Remember that there are forms that require a signature. Once you have executed all required documents scan them and re-insert the scanned forms back into the order required. The Application submitted should be the electronic copy created from the Excel file. Scanned copies of the Excel or PDF file will not be accepted, as they are difficult to read, and create questions regarding accuracy.

Creating Bookmarks

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

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

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

Tabs within the Excel Application workbook have been color coded to distinguish between “Parts” of the Application consistent with this manual. Additionally, beside each bulleted item a label to use for purposes of bookmarking the final PDF Application file is included in parentheses.

If you have extra blank pages of any exhibit after conversion of the Excel file to PDF, you can delete those pages in order to limit the size of the file. To delete any extra, unnecessary pages identify the page number(s) you want deleted. On the Adobe Acrobat Task Bar click on Document and select Delete

2017 Multifamily Application Procedures Manual

Pages from the drop down list. A box will appear prompting you to select which page(s) you would like to delete. Enter the page numbers to be deleted and hit OK. If you delete anything YOU are responsible for ensuring you did it correctly and did not inadvertently delete something you should have kept.

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

- ✓ All tabs and/or volumes must be correctly bookmarked
- ✓ Files should average less than 100 kilobytes per page
- ✓ Files must be readable with free PDF file viewers including Adobe Reader and be compatible with Adobe Reader 5.0 and above
- ✓ Files should be saved so that “Fast Web View” (or page at a time downloading) is enabled
- ✓ Text within the PDF file should be searchable using the “Find” command in the PDF viewer

If you have any questions on using or experience difficulties with the Microsoft Excel based application, contact Multifamily Finance Division staff via email. Contact information may be found at <http://www.tdhca.state.tx.us/multifamily/contacts.htm> . In some instances a file may have small variations in bookmarks, file sizes, or readability that are not explicitly cited as requirements in the rule. Staff will use a reasonableness standard in determining when such deviations rise to the level of necessitating termination or other remedy.

Pre-application (for Competitive HTC only)

What you will learn in this section:

- ✓ Pre-application delivery instructions
- ✓ Pre-application assembly instructions
- ✓ Required Pre-application documentation

Pre-application Delivery Instructions

The Pre-application will be submitted via an online form, a link to which will be posted on the Department's website on Thursday, January 5, 2017. It is anticipated that by Friday, December 9, 2016, a courtesy PDF of the Pre-application form will be available on the website at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>. The courtesy PDF is for planning purposes only. **Applicants cannot use the PDF to submit a Pre-application.**

Competitive Application Cycle

The Pre-application must be received by TDHCA no later than 5:00 p.m. (Austin local time) on Monday, January 9, 2017.

Pre-application Assembly Instructions and Required Documentation

For each Pre-application, the Applicant will follow a link on the Department's webpage to initiate submission. Once opened, the link will require the Applicant to enter the Primary Contact person's email address and the name of the development. This information will be used to create a unique URL for the Applicant to use to return to the Pre-application prior to submission.

The online Pre-application is divided into five pages, as identified below. There are certain fields marked with an asterisk, which are required to be completed. The form will not allow the Applicant to move to the next page without completing such fields.

❖ **Page 1: Contact Information**

- **NEW! The confirmation email received when you complete the Application Initiation Form will include the Application number! No more waiting until the very end of the process. You will manually enter the Application number when you start the Pre-application.**
- This page identifies the persons responsible for responding to questions and deficiencies issued by staff, the persons authorized to submit Pre-application and Application

2017 Multifamily Application Procedures Manual

documentation by means of electronic transmission (i.e., ServU account). The information entered is included on the Pre-application Log.

- Use the **Next** button to advance to Page 2.

❖ Page 2: Development Information

- Enter the **Proposed Entity Name** and **Development Name**.
- Choose the appropriate **Development Type** from the drop down list, the **Secondary Development Type** and if applicable, **Previous TDHCA #**.
 - If **Acquisition/Rehab** or **Rehab Only** is selected, a field will appear for **Initial construction year**.
 - If **Reconstruction** is selected, fields will appear for **Units Demolished** and **Units Reconstructed**.
- Choose the applicable **Target Population** from the drop down list.
- Enter the Development's **Address, City, ZIP Code, ETJ, County, Region** and **Rural/Urban** designation.
- Enter the 11-digit **Census Tract** number; the field will not allow less than 11 digits. If the Development is located within multiple census tracts, additional fields will appear. If there are more than 5 census tracts, attach list of additional tracts in the "Other Pertinent Information" section on the last page of the Pre-application.

IMPORTANT!! Double check that the census tract number is correct, as a change in census tract between Pre-application and full application may result in a loss of Pre-application Participation points!

- Enter the **Total LI Units**, as well as the **Total Market Rate (MR) Units** (enter 0 if none). The form will calculate the Total Units.
- Enter the **Annual Housing Tax Credit Request**. Note that this should not exceed the "Final Funding Amount" posted in the "2017 HTC Award Limits and Estimated Regional Allocation" as of December 30, 2016.
- The form will calculate the **Pre-App Fee Due**. *This fee is calculated without consideration for discounts related to Applications with a private non-profit sponsor, so the actual fee required may be less than what appears on this form.* When submitting fees, ensure that each check is accompanied by a completed Multifamily Document and Payment Receipt. If the non-profit discount applies, include documentation of non-profit status and deduct from the fee. If payment has already been submitted to the Department select "Yes" from the drop-down menu, and a box will appear where the **Check Name and Check #** can be entered.
- Check the boxes for the appropriate **Set-Aside Elections**.
- Use the **Next** button to advance to Page 3.

❖ Page 3: Notifications

- Enter the U.S. Representative, State Senator, and State Representative that have been notified and the appropriate Districts.
- Enter the School District that has been notified.
- Enter the Local Elected Officials that have been notified. Similar to the Census Tract fields, additional fields will appear as officials are entered. There are twenty-five spaces to enter local officials, after which a box will appear asking "**More than 25 Local Officials?**" If yes, attach additional list in the "Other Pertinent Information" section on the last page of the Pre-application.

2017 Multifamily Application Procedures Manual

- Answer the question, “Are there Neighborhood Organizations whose boundaries contain the Development Site?” If the answer is no, read the certification. When you submit the Pre-application you are certifying to an understanding of the program requirements and the accuracy of the submission. Continue to the next page by clicking the **Next** button. If yes, then a box will appear in order to list the name of the organization and its address. There are twelve spaces to enter Neighborhood Organizations, after which, a box will appear asking “**More than 12 Neighborhood Organizations?**” If yes, attach additional list in the “Other Pertinent Information” section on the last page of the Pre-application.
- Use the **Next** button to advance to Page 4.

❖ **Page 4: Self Score**

- Select points for each scoring item from the yellow drop-down boxes. Subtotals and the total self-score will auto-populate. *Note that the score cannot change by more than 6 points between Pre-application and full application in order to qualify for Pre-application participation points.*
- The Local Government Support, Quantifiable Community Participation, Support from State Representative, Input from Community Organizations, and Concerted Revitalization Plan sections are not available for applicants to Self Score. These scoring items will also not be included in the calculation to determine eligibility for Pre-application participation points in the full Application. **NEW! Indicate points you intend to claim for these items.**
- **NEW! Tie Breaker #3 Selections:** Applicants must indicate those point items from §11.9(c)(4)(B) of the QAP for the which application would be eligible but the Applicant was unable to claim because of the 7 point cap. **These items will not be counted in the self-score. Do not select the items used for points under Opportunity Index!**

Note that tie breaker #3 **will not apply** to CRP applications.

Note: There is a point adjustment field prior to the Final Self Score. This can be used to adjust a self score based on a Staff Determination. For example, a scattered site development may have an Opportunity Index score calculated to be six points, which is not an option on the drop-down menu for that scoring item. In this case, an Applicant may need to adjust the final self score. Enter negative numbers to reduce the score. *This field is not intended for manipulation of the self score in order to increase chances of being eligible for Pre-application Participation points*, and Applicants entering information in this field should also upload their Staff Determination or request for such determination under the “Other Pertinent Information” section on the last page of the Pre-application.

- Use the **Next** button to advance to Page 5.

❖ **Page 5: Attachments and Certifications:**

- **NEW! For Site Control, Census Tract, and Other Pertinent Information, multiple documents may be attached under each section as needed.**
 - Attach **Site Control Documentation**. By attaching the document(s), the Applicant is certifying that the site control conforms to all applicable rules. Files cannot be larger than 7 MB total.
 - Attach a **Census Tract Map**. The census tract Map(s) will be verified against the census tract(s) entered on the Development Information Page. **Again – be sure to double check your census tract number(s)!** Files cannot be larger than 5 MB total.

2017 Multifamily Application Procedures Manual

- **NEW! Undesirable Neighborhood Characteristics.** Upload information regarding the presence of Undesirable Neighborhood Characteristics per §11.9(b)(1)(H). Note that disclosure is required to be submitted with the Pre-application. The remainder of the information required to be submitted with the Undesirable Neighborhood Characteristics Report Packet may be submitted with the Pre-application or with the full Application.
 - **Other Pertinent Information:** For prospective developments that don't fit neatly within the application, there is an attachment field that can be used to provide further information. For example, this field could be used if an Application has more than 5 census tracts, more than 25 local officials that were notified of the Pre-application, or a Staff Determination regarding a scattered site development. The vast majority of applications will not need to attach anything in this field. Files cannot be larger than 5 MB total.
- Read the certifications regarding the Electronic Filing Agreement, Site Control Documentation, and Census Tract Maps. Text is included below each upload section.
 - The Electronic Filing Agreement is part of this section and does not need to be submitted separately. *No hard copies of signed certifications are required*, but by clicking “**Submit Pre-application**” Applicants are certifying to an understanding of the program requirements and the accuracy of the submission.
 - Before entering the Captcha (the picture that ensures a user is not a spambot), it is strongly recommended that the Applicant use the **Back** button to review the entire Pre-application before submission. Once the **Back** button is used, the Pre-application uploads should show up as hyperlinks. **Make sure the documents open and that they are complete.**
 - Once the Applicant is satisfied with the Pre-application, read the final certification, complete the Captcha and hit the **Submit Pre-application** button.

Once the Pre-application is submitted, the browser will display a confirmation page with the Pre-application number. The Applicant will also receive an email confirmation which will include a complete copy of the Pre-application submission, including hyperlinks to the files attached by the Applicant. In the event that an error is identified after submission (including a file that cannot be opened from the hyperlink), the Applicant should use the **Edit Submission** link in the confirmation email to go back to the Pre-application and make the necessary corrections. **The ability to edit submissions will be disabled at 5:00pm (Austin local time) on Friday, January 9, 2017.**

Application

What you will learn in this section:

- ✓ Application delivery instructions
- ✓ Application assembly instructions
- ✓ How to fill out the electronic Application file
- ✓ Required Application exhibits

NOTE: 4% Tax Credit Applications for Bond Financed Developments can be submitted throughout the year. Submission of these Applications is based on the Bond Review Board Priority designation and the 75-day deadlines posted on the Department's website at the following link: <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>. Multifamily Direct Loan Applications may be submitted throughout the submission period described in the applicable NOFA <http://www.tdhca.state.tx.us/multifamily/nofas-rules.htm>

Application Delivery Instructions

Applications are accepted only through the Serv-U portal. **Physical delivery of applications will not be accepted.** For guidance on using Serv-U, refer to the [Electronic Document Upload User Guide \(MF Serv-U FTP\)](#) posted on the Department's "Apply for Funds" page.

Application payments are accepted during regular business hours:

Deliver To: Multifamily Finance Division
(overnights) Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Regular Mail: P.O. Box 13941
Austin, Texas 78711

Please note that the Applicant is solely responsible for proper delivery of the Application and payment. Late deliveries will not be accepted.

Competitive Application Cycle

The Application and fee payment must be received by TDHCA no later than 5:00 p.m. (Austin local time) on Wednesday, March 1, 2017. On March 1, 2017, the Department will accept walk-in delivery of the application fee payment only; the Application must be uploaded to Department's ServU system by 5:00 p.m. (Austin local time). **All required supplemental reports must be submitted simultaneously with the application** (unless otherwise noted). The online Application submission system will be disabled at 5:00 p.m.

Mailed or couriered payments must be received by TDHCA on or before 5:00 p.m. (Austin local time) Wednesday, March 1, 2017. TDHCA shall not be responsible for any delivery failure on the part of the Applicant. If the Applicant chooses to use a postal or courier service to deliver the payment to

2017 Multifamily Application Procedures Manual

TDHCA and such service fails to deliver the payment by the deadline, then the Application will be considered untimely and will not be accepted. **Likewise, the Department shall not be responsible for transmission failures whether caused by malware, internet connectivity problems or equipment failures on the part of the Applicant.**

Applicants are advised to take any steps necessary to ensure timely delivery of all application materials. Applicants should not expect to have the opportunity to complete the application materials at TDHCA offices on the final day of the submission period.

Application Assembly Instructions

For each Application the Applicant must ensure execution of all necessary forms and supporting documentation, and place them in the appropriate order according to this manual. The submitted Application should be the electronic copy created from the Excel file, ***not*** a scanned copy of the Excel or PDF file. Scanned copies of the Application are difficult to read, raise questions regarding accuracy and will not be accepted.

All Application materials must be submitted via the Department's secure web transfer server. The Applicant must physically deliver the following:

1. Completed hard copy of the 2017 Payment Receipt. Attach evidence of nonprofit status (as applicable) and a check for the correct Application Fee made out to "Texas Department of Housing and Community Affairs"; and
2. Completed and fully executed 2017 Electronic Application Filing Agreement (**Only required if no pre-app submitted**).
3. Payment – the fee for competitive Housing Tax Credit Applications is \$30 per unit as represented in the Application. If a Pre-application was submitted, the fee is \$20 per unit as represented in the full application (regardless of any change in the number of units from Pre-application to application). A 10% discount applies to some fees pursuant to §10.901(3) of the Uniform Multifamily Rules. *Please do not submit checks for more than the applicable fee.*

Required Forms and Exhibits for the Application

The 2017 Multifamily Housing Application form consists of seven (7) parts. Complete all applicable parts. Those cells which require entry are highlighted yellow. Some of the required information for this form has been entered in a previous tab and will auto fill here as applicable. Please review and ensure all information is accurate. Remember to include any supporting documentation.

Applicants are cautioned that some parts of the Application are specific to fund sources and programs. Applicants to the Multifamily Direct Loan Program must complete all applicable parts, regardless of the fund source they wish to access.

REMEMBER – Pursuant to §11.9(a) of the QAP, Applicants that elect points where supporting documentation is required but fail to provide any supporting documentation will not be allowed to cure the issue through an Administrative Deficiency.

2017 Multifamily Application Procedures Manual

Part 1 – Administrative Tabs

❖ **Tab 1 – Application Certification**

- Enter data in yellow highlighted cells.

The Application Certification must be signed by the Applicant or person with authority to execute documents on the Applicant's behalf and must be dated and notarized. *No hard copy is required, only a scanned copy within the PDF file.*

❖ **Tab 1b – Meeting Selection (4% only)**

The *Meeting Selection* form is required for Tax-Exempt Bond Developments only.

❖ **Tab 2 – Development Owner Certification**

- This certification can be found on the Department's website at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm> and must be executed by the Development Owner. This certification addresses the specific requirements associated with the Development, and the Person executing the certification is responsible for ensuring all individuals referenced therein are in compliance with the certification.
- Applicants are encouraged to read the certification carefully as it contains certain construction and Development specifications that each Development must meet.
- Check the appropriate boxes on pages 3, 4, and 5 for any disclosures pursuant to the Uniform Multifamily Rules regarding undesirable neighborhood characteristics [§10.101(a)(3)], termination of a relationship in an affordable housing transaction [§10.202(1)(M)], and unused credit fee [§10.901(18)]. If applicable, submit any relevant documentation behind the tab.
- The form must be signed, dated, and notarized. *No hard copy is required, only a scanned copy within the final PDF file.*

Complete the yellow boxes on tab 2 of the application regarding disclosure of §10.101(a)(3), §10.202(1)(M), and/or §10.901(18) of the Uniform Multifamily Rules, if applicable and include the Undesirable Neighborhood Characteristics Report and the required disclosures.

❖ **Tab 3 – Applicant Eligibility Certification**

- This certification can be found on the Department's website at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm> and must be executed by all Principals. This certification identifies the various criteria relating to eligibility requirements associated with multifamily funding from the Department.
- The form must be executed by all individuals included on the organizational chart who are identified under §10.204(2)(A) – (D) of the Uniform Multifamily Rules and who have the ability to exercise control over the development.
- The form must be signed, dated, and notarized. *No hard copy is required, only a scanned copy within the final PDF file.*

❖ **Tab 4 – Multifamily Direct Loan Certification**

- This certification can be found on the Department's website at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm> and must be executed by the Development Owner (if applying for Multifamily Direct Loan funds). It addresses the specific requirements associated with the Development, and the Person executing the certification is responsible for ensuring all individuals referenced therein are in compliance with the certification. Applicants are encouraged to read the certification

2017 Multifamily Application Procedures Manual

carefully as it contains certain statements regarding lead based paint, HUD Section 3 requirements, environmental requirements, relocation requirements, and a general threshold certification.

The Development owner must initial pages 5, 6, and 7. The form must be signed, dated, and notarized. *No hard copy is required, only a scanned copy within the final PDF file.*

❖ **Tab 5 – Applicant Information Page**

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

❖ **Tab 6 – Self-Score (Competitive HTC Only)**

- This form completely auto-populates from information entered throughout the Application. As noted in the introduction, the Application has been divided into sections that more closely follow the development process rather than the selection criteria in the QAP. Near the beginning of each section of the Application is a form that reflects information related to a particular aspect of development (*e.g.* site, finance, ownership), and that form may include statements or selections that result in the Application being eligible for points.
- This self-score form contains hyperlinks that allow the Applicant to skip to the part of the Application that is relevant to that particular scoring item. For example, clicking on “[Financial Feasibility](#)” takes you to the Finance Scoring tab, where the Applicant can manipulate cells. As revisions are made to scoring items within the Application, the self-score will auto-populate and also produces a real-time self-score in the top right corner of the relevant tab. The Applicant can then click on “[Self Score Total](#)” at a number of different places in the Application and return to the self-score form. These internal links are designed to allow an Applicant is quickly toggle back and forth between the self score form and the location in the application where support documentation for that scoring item is required.
If the Self Score does not reflect points that the Applicant expects to receive, changes must be made on the appropriate linked tab.

Part 2 – Development Site

The blue colored Development Site tabs (8-15) collect all information specific to the physical location of the Development site.

- ❖ **Tab 7 – Site Information Form Part I** This form is divided into 4 parts, all of which should be completed by all Applicants. Complete the yellow highlighted cells in each part as applicable. Some portions of this form will make reference to supporting documents which are listed and collected in Tab 8.
 - **Part 1 – Development Address:** Enter the information in this section as indicated by the label for each of the boxes present. If there is no mailing address for the site, please do not use phrases such as, “1 mile east of the corner” or “approximately 300 feet from” but only indicate direction from an intersection. For example, “the northeast quadrant of Hickory Street and Red River.” Also, avoid the use of all capital letters. Use the drop-down menu to indicate whether the site is within city boundaries, in the ETJ, etc. *Note: Participating Jurisdictions are identified in the Application reference material.*

2017 Multifamily Application Procedures Manual

- **Part 2 – Census Tract Information:** Enter the **11-digit** 2010 census tract number with no dashes, commas, decimals, or spaces. Indicate whether or not the tract is a Qualified Census Tract (QCT). Each of the subsequent highlighted cells further describing the demographics of the census tract will auto-populate. Applicants should exercise caution in identifying the correct census tract. Address searches generally yield approximate census tract matches and in some cases such searches are incorrect. It is the Applicant’s responsibility to identify the correct census tract. (In order to double-check this information, please refer to Opportunity Index Data posted in the 2017 HTC Site Demographics Characteristics Report on the Department’s website).
 - **Part 3 – Resolutions:** Mark the appropriate box indicating whether or not a resolution is required in order to satisfy a requirement under §11.3 of the QAP related to Housing De-concentration factors. **For Competitive HTC applications pursuant to §11.3 of the QAP, these are due with the Application and should be included behind this tab.**
 - For Tax-Exempt Bond Applications, these resolutions must be submitted no later than 14 days before the Board meeting where consideration of the housing tax credits are to be considered, pursuant to §10.6 of the Uniform Multifamily Rules.
 - If no resolution is required, this section can be left blank.
 - The Resolution of No Objection to satisfy requirements of §10.204(4) should be included behind this tab.
 - **Part 4 – Zoning and Flood Zone Designation:** For the Zoning Designation, enter the code or descriptive name of the Site’s current zoning exactly as it is stated in the local zoning code. For Flood Zone Designation, enter the FEMA description exactly as it appears on the FEMA floodplain map that is included in the ESA. Determine if the Site is inside or outside the 100-year floodplain according to the FEMA description corresponding to the FEMA code for the Development Site that appears on the map. Requirements regarding the floodplain are specified in detail in §10.101(a)(1) of the Uniform Multifamily Rules.
- ❖ **Tab 8 – Supporting Documentation for the Site Information Form** Each of the applicable exhibits listed on this form must be included behind it. Some of the boxes on the Supporting Documentation page will auto-populate. Supporting documents must be included for any that auto-populate or the response that originated the automatically marked box must be corrected.
- **Street Map:** should indicate the location and approximate shape of the site outlined on the map.
 - **Census Tract Map:** must bear the full 11-digit number and indicate the location of the Development Site.
 - **Resolutions:** sample resolutions are provided in the 2017 Multifamily Uniform Application Template file on the Department’s website.
 - **Evidence of Zoning or Re-zoning in process:** must exactly match the representation made in the Site Information Form. Acceptable evidence includes one of the following:
 - A letter from the local government official with appropriate jurisdiction stating that either there is no zoning or that the Site is appropriately zoned.
 - A letter from a local government official with jurisdiction over zoning matters that the Applicant or Affiliate is in the process of seeking a zoning change (may include an acknowledgement that a zoning application was received by the political subdivision) and that the jurisdiction received a release agreeing to hold the political subdivision and all other parties harmless.
 - For rehabilitation developments, documentation of current zoning and, if necessary, a letter from the local government official with appropriate

2017 Multifamily Application Procedures Manual

jurisdiction addressing any overlays or issues of non-conforming uses. See §10.204(11)(D) of the Uniform Multifamily Rules.

- **NOTE: In instances where annexation of a Development site occurs while the Application is under review, the Applicant must submit evidence of appropriate zoning with the Commitment or Determination Notice.**
- **Flood Zone Designation:** must be the FEMA flood map submitted in the Environmental Site Assessment that contains the development area or documentation that substantiates sufficient mitigation efforts the local government has undertaken. Refer to the 2017 Uniform Multifamily Rules Subchapter B – Site and Development Requirements and Restrictions §10.101(a)(1), and Subchapter D – Environmental Site Assessment Rules and Guidelines, §10.305(b)(3) of the Uniform Multifamily Rules. **NOTE: The Certification of Development Owner includes stipulations regarding the conformity of the site with the Department’s rules regarding the floodplain.**

❖ **Tab 9 – Site Information Form Part II** This form should be completed for Competitive HTC Applications. All items on this form are related to scoring criteria.

- **Part 1 – Educational Quality:** If claiming points for this item complete the yellow highlighted cells as applicable.
 - The table allows you to identify up to five public schools, the grade levels served at those schools, and the rating from TEA. The “accountability rating” column has a drop-down menu to determine whether or not the school has a Met Standard rating. If the public school is paired with another public school, mark the cell accordingly. If the school has anything but a Met Standard rating (*e.g.* Met Alternative Standard or Needs Improvement), mark “No Met Standard rating.” The “Index 1 score” allows input of the actual Index 1 score so this should be a number from 0 to 100. **Indicate whether the score is the ESC score or the statewide score.**
 - These schools may need to be combined to obtain the overall rating for each type of school (elementary, middle, or high school). Refer to §11.9(c)(5) of the QAP in order to determine what schools may need to be combined. The “overall” rating combines the Met Standard/Index 1 score and should also combine the schools when appropriate.
 - Complete the yellow box if the school district has district-wide enrollment and identify the closest school used in the Notes section.
 - There is a drop-down box to select the district rating, which will be used as an overall rating if one or more schools do not have a 2016 TEA rating, and a box to enter the ESC region score.
 - **NEW! There is a drop-down box to select one additional scoring item.**
 - Select the points being requested from the drop-down box, and include supporting documentation behind the tab, including but not limited to printouts from the TEA website indicating school and district ratings. ***Supportive Housing Developments may qualify for no more than two (2) points under this scoring item.***
- Use the Notes section to explain any unusual circumstances concerning the attendance zones or ratings of any of the schools, including identifying the “closest” school rating for districts with district-wide enrollment.
- **Part 2 – Opportunity Index:** Use the drop-down boxes to substantiate points. If the urban/rural box does not fill in correctly, double-check submissions on Tab 7, Parts 1 and 2.) Select the Total Points Claimed from the drop-down box.

2017 Multifamily Application Procedures Manual

- **Part 3 – Proximity to the Urban Core:** Complete the applicable box if the Development Site is located within the required distance the urban core. Select the Total Points Claimed from the drop-down box.
- **Part 4 – Underserved Area:** Select from the five options available if requesting points for this item, and select the Total Points Claimed from the drop-down box. *If an application qualifies for points under Opportunity Index (§11.9(c)(4)) then the application is not eligible for points under a colonia or an Economically Distressed Area (§11.9(c)(6)).*
- **Part 5 – Concerted Revitalization:** If claiming points, be sure that no points are being claimed under the Opportunity Index. Complete the appropriate boxes and make sure supporting documentation is included behind the following tab. Select the Total Points Claimed from the drop-down box.
- **Part 6 – Declared Disaster Area:** If claiming points, simply mark the yellow box and select the Total Points Claimed from the drop-down box. The 2017 list of eligible counties are posted on the TDHCA website:
<http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.

❖ **Tab 10 – Supporting Documentation for the Site Information Form Part II**

- **School Attendance Zone Map and/school rating:**
 - Map should come from the school district and clearly show the attendance zone boundaries of the applicable public school(s) for determining the school rating. The location of the subject Property should be clearly marked as present within the applicable public school’s boundaries. If no map is available, other forms of evidence may be acceptable, including but not limited to a letter from the school district stating the school’s attendance zone in which the site is located.
 - The map (or other evidence) should indicate the ***most current*** school attendance zones, not necessarily the attendance zones at the time the schools were rated. This map should indicate where the children that would live in the proposed Development would attend school as of March 1, 2017 or later.
 - The rating of the school, ESC region, or state should be documented by a copy of the documentation available on the Texas Education Agency (TEA) website (<http://tea.texas.gov/2016accountability.aspx>).

Note that there are prescribed methods for dealing with a number of commonly occurring special circumstances. These rules are described in the discussion of scoring the Opportunity Index and Educational Quality in the 2017 QAP.

- **Opportunity Index information:** The map(s) should indicate the location of the Development Site and include an accurate radius appropriate for the asset. Refer to §11.9(c)(4)(B) for details regarding the radius. If applicable, information about the schools (see above) and/or child care center(s) should be included behind this tab. Evidence of the licenses held by the child care centers can be found by searching for the child care center on the Department of Family and Protective Services (DFPS) website at http://www.dfps.state.tx.us/Child_Care/Search_Texas_Child_Care/ppFacilitySearchDay_Care.asp. Applicants should also be prepared to submit evidence surrounding the detailed operations of any full service grocery stores, senior centers, and health related facilities. **Include information for score and for tie breakers.**
- **NEW! Proximity to the Urban Core:** The map should indicate the location of the Development Site and include an accurate straight-line distance to the city hall facility.
- **Evidence of Underserved area:**

2017 Multifamily Application Procedures Manual

- For sites located within a colonia, provide a letter from the appropriate local government official or other evidence that the colonia lacks water, wastewater, or electricity at a level commensurate with the quality and quantity expected of a municipality and that the Development will make available any such missing water, wastewater, and electricity for current dwellings within the colonia to connect to such infrastructure (refer to §11.9(c)(6)(A) for further details). Evidence of the boundaries of the colonia from the Office of the Attorney General and a map showing the colonia is located within 150 miles of the Rio Grande river border is also required. Information regarding colonias can be found by going to the Attorney General’s website at:
<https://www.oag.state.tx.us/consumer/border/colonias.shtml>
 - For sites in an economically distressed area, the Application must include evidence that the site is located in both of the following:
 1. A census tract that has a median household income that is 75 percent or less of the statewide median household income.
 2. A municipality or county that has been awarded EDAP funds administered by the Texas Water Development Board (TWDB) within the five (5) years ending at the beginning of the Application Acceptance Period. This information can be found on the TWDB website (<http://www.twdb.texas.gov/financial/programs/EDAP/index.asp>) by clicking on “EDAP status report” on the right side of the page.
 - **Concerted Revitalization Plan:** If submitting a concerted revitalization plan, either the entire plan or a link to the plan can be provided. If the plan is exceptionally large and no link is available, staff will accept an edited version, with only the applicable sections.
 - If in an urban area:
 - A letter from the appropriate local official providing documentation of measurable improvements within the revitalization area based on target efforts outlined in the plan and **discussing how the improvements will lead to an appropriate area for housing** is required.
 - If claiming an additional two points under §11.9(d)(7)(A)(ii)(II) of the QAP, a resolution must be included behind this tab.
 - **If claiming an additional one point under §11.9(d)(7)(A)(ii)(III), map here or under Opportunity Index showing amenities and radius.**
 - If in a rural area:
 - Provide rent roll, evidence of construction date, evidence of supporting funds, evidence regarding demolition/relocation (as applicable)
 - If claiming an additional two points under §11.9(d)(7)(B)(iii), provide letter from the appropriate governing body.
- ❖ **Tab 11 – Site Information Form Part III** This form is divided into 3 parts. All Applicants must complete the first two parts, and part 3 is relevant for tax credit (9% and 4%) applications only.
- **Part 1 – Site Acreage:** Identify the acreage listed on each of the four application exhibits. The site acreage in each of the four spaces should agree. If there are discrepancies, the acreage of the site plan should at least be contained within the acreage of each of the other exhibits.
 - The site control document (*e.g.* purchase contract, lease and/or deed) often reflects more land than the site plan but should never indicate less.
 - The entry for the site plan is the most important of the four entries. It must be the actual size of the final Development Site, taking into account any reductions for

2017 Multifamily Application Procedures Manual

- any circumstances (easements, dedications, *etc.*) that require land to be taken away from the final Site as it will be defined in the LURA.
 - The size of the Site that is reflected by the appraisal should match the size indicated by the site plan in that it should never be less than the size in the site plan. However, under certain circumstances, more land might be appraised than the final Site.
 - The ESA, like the site control document, often encompasses more land than the area of the final development site, but it should never be a lesser amount.
 - **Note: Any differences in the sizes of the land stated in any of the four responses should be explained in the space provided, e.g., more land was purchased and studied in the ESA than is projected to be used for the Development Site.**
 - **Part 2 – Site Control:**
 - Complete the yellow highlighted cells identifying the seller, date of sale and any relationship between the seller and the applicant and/or any member of the Development Team. Explain any relevant affiliations.
 - Identify all sellers of the property for the 36 months prior to 1/5/17.
 - Indicate the document being presented as evidence of site control by marking the appropriate box and fill in the expiration date and estimated closing date of the contract for lease, purchase, or other form of conveyance as applicable.
 - **Part 3 – 30% Increase in Eligible Basis (“Basis Boost”):** The “boost” may be granted to tax credit Developments in certain locations and/or for certain types of Developments. If the development is rural, supportive housing, or in a high opportunity area, these boxes will auto-populate. If claiming the boost under §11.4(c)(2) or §11.4(c)(3)(D) or (E), mark the appropriate box.
 - If claiming eligibility for the boost by restricting additional units for households below 30% AMGI, note that the application does not make this calculation and that applicants should reference §11.4(c)(3)(D) as well as §11.9(c)(1) and (2) of the QAP to ensure that enough units are set aside to meet these requirements.
 - If claiming eligibility for the boost for a Development located in a Small Area Difficult Development Area (SADDA), a SADDA map must be submitted that clearly shows the proposed Development is located within the boundaries of a SADDA.
 - For Competitive HTC applications where the Application is submitted prior to June 30, 2017 and the allocation is made after July 1, 2017 the application will be eligible for the boost based on a 2016 or 2017 QCT designation. For 4% HTC Applications, Applications submitted prior to June 30, 2017 will be eligible for the boost based on a 2016 QCT designation. Application submission or bonds that are issued after July 1, 2017 will be eligible for the 2017 QCT designation.
- ❖ **Tab 12 – Supporting Documentation from Site Information Part III** Provide the site control document, title commitment or policy and each HOME exhibit as applicable, according to the list given in the Application. **IMPORTANT:** For Applications involving scattered sites, please group all applicable items below, identifying the Site by the line number in the *Multiple Site Information Form* (e.g. if there are five different scattered sites, provide the site control, zoning, etc. for Site #1 in a group, and the same for Site #2, etc.)
- **Evidence of Site Control:** See 2017 Uniform Multifamily Rules Subchapter C, §10.204(10) for details regarding site control. Be aware that for Competitive HTC Applications the rules for scoring the submission of a pre-application are affected by site control.

2017 Multifamily Application Procedures Manual

- If the evidence is not in the name of the Development Owner, then an Affiliate of the Development Owner must have site control that does not expressly preclude an ability to assign the Site Control to the Development Owner or another party.
- If in the form of a lease or contract for lease, the existing lease must have 45 years remaining, or the contract be for a 45-year term.
- For identity of interest transactions, submit documentation requirements described in Subchapter D §10.302(e)(1)(B) of the Uniform Multifamily Rules.
- For **scattered sites**, if you are submitting multiple contracts, deeds, etc. each one must meet all of the requirements of §10.204(10) of the 2017 Uniform Multifamily Rules. Each must clearly have the address identified and be consistent with the Scattered Site Information Form (e.g. If the Development consists of 3 parcels of land, 3 contracts/deeds, etc. must be provided or one form of site control must clearly identify and cover all 3 parcels).
- **Title Commitment or Title Policy:** See 2017 Uniform Multifamily Rules Subchapter C, §10.204(12) for detailed instructions of the rules regarding title documents.
 - The title commitment or policy should be in the name of the Development Owner. In addition, the current owner reflected on any title commitment or policy should match the current owner listed on any purchase or lease agreements.
 - If documentation is more than six months old prior to the beginning of the Application Acceptance Period a letter from the title company/Bureau of Indian Affairs indicating that nothing further has transpired on the policy, commitment, or status report must be provided.
 - For **scattered sites**, a title for each separate site must be submitted. Each must have the site clearly identified. It must be consistent with the site control document submitted for the same piece of Property as well as the Scattered Site Information Form (e.g. if the Development consists of 3 parcels of land, 3 separate labeled titles must be provided).
- **Increase in Eligible Basis:** If claiming eligibility for the boost for a Development located in a Small Area Difficult Development Area (SADDA), a SADDA map must be submitted that clearly shows the proposed Development is located within the boundaries of a SADDA.
- **Site & Neighborhood Standards (Direct Loan New Construction Only):**
 - Letters from each utility provider.
 - A statement from the Applicant explaining how the Development will promote greater choice of housing.
 - Census data using the DP-1 (Profile of General Demographic Characteristics 2010) table from the Census Bureau. (<http://factfinder2.census.gov>)
 - Statement from the Applicant describing travel time and cost from the Development Site to areas of employment.
- ❖ **Tab 13 – Multiple Site Information Form:** The Application’s Multiple Site Information Form was created as an aid to determining how lots and tracts that have separate descriptions fit together to form the Development.
 - If a Development proposal requires the submission of more than one purchase contract, lease contract or deed to evidence Site Control, the Applicant must complete one block of the Multiple Site Information Form for each property that will be aggregated into the Development.
 - In general, the Application must sufficiently describe the properties in the contracts and deeds so that each property can be identified within the survey(s) of the Development Site(s).

2017 Multifamily Application Procedures Manual

- Evidence must show that the land delimited by the survey of the Development Site is entirely under the Applicant's Control and any land that is purchased in excess of the Development Site must be described in a way that makes the excess area apparent in both quantity and location.
- In all cases, the Application must include a plat or plats that indicate the legal description of each lot, alley, roadway and tract as described in the documents evidencing the Applicant's Control. If more than one plat is necessary to depict the land under control, the relative locations of the platted land should be clear and the fit of each part into the whole should be apparent. If a contract includes land that is only described by metes and bounds, a plat showing the boundaries corresponding to these same metes and bounds and labeled with the corresponding bearings and distances should be provided.
- The desired result of these descriptions and drawings is a clear depiction of the property under the Applicant's Control and the relationship of this property to the property that will be the Development Site(s). A further explanation of the information requested for multiple site development proposals is provided by the instructions for filling out the Multiple Site Information Form in the Application itself. *Note: Lines 135-433 are hidden and available should additional spaces be needed.*

❖ **Tab 14 – Elected Officials:**

- If no pre-application was submitted, list each elected official and their respective District/Precinct.
- If a pre-application was submitted which correctly identified all the elected officials, and no re-notifications or corrections are required (e.g., no information has changed), check the box that indicates no change and leave the rest of the form blank.
- If a pre-application was submitted and re-notification was required for any reason (whether changes to the application or to the elected official) fill out the entire form, indicating the elected officials that were notified prior to submission of the full Application.
- Note that this form becomes part of the Certification of Notifications. For details regarding the notification requirements, refer to §10.203 of the Uniform Multifamily Rules.

❖ **Tab 15 – Neighborhood Organizations:** Complete the form as applicable. If the pre-application exhaustively completed the process for notifying Neighborhood Organizations, and no corrections are necessary, it is not necessary to complete this form; the box at the top of the form would need to be checked in that instance.

❖ **Tab 16 – Certification of Notifications (All Programs):** This form is divided into three parts, the first two of which apply to all applications. The third part applies only to competitive HTC applications.

- **Part 1 – If a pre-application was submitted** and no re-notifications were necessary, mark the box and skip part 2.
- **Part 2 – If no pre-application was submitted or re-notification was required** mark the first box only if appropriate, and leave Part 1 blank. Mark the remaining three boxes in Part 2.
- **Part 3 – If no neighborhood organizations exist** mark this box, indicating also that no neighborhood organizations were notified.
- The form must be signed, dated and notarized. The individual signing the certification must be the Applicant or the person that has the authority to sign on behalf of the

2017 Multifamily Application Procedures Manual

Applicant. No hard copy is required, but a scanned copy of the signed and notarized form should be included in the application.

NOTE: Refer to §10.203 of the Uniform Multifamily Rules and §11.8(b)(2) of the QAP for details regarding notification requirements, particularly those involving Development Sites located in ETJs.

- The *Public Notifications Template* located in the 2017 Uniform Multifamily Templates file should be utilized to meet these requirements. The file can be found on the website at: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.

NOTE: For Competitive HTC Applications, if re-notification was required because the number of Units increased by more than 10% then the Application will not be eligible for pre-application participation points.

Part 3 – Development Activities

- ❖ **Tab 17 – Development Narrative** The Development Activities tabs are colored red, and contain all information regarding the planned construction on the Site. This includes physical features, such as architectural drawings, Development amenities, and populations served.
 - **Part 1 - Construction Type:** Choose one construction type from the drop-down menu and answer all appropriate questions. If questions are not relevant, answer with N/A, leaving no yellow highlighted cells blank.
 - **Part 2 – Target Population:** Identify the Target Population from the drop-down menu provided. Refer to §10.3(a)(47) of the 2017 Uniform Multifamily Rules for more information on how Elderly Development is defined. If Elderly Preference is proposed, complete the statement in this section by choosing the funding source from the drop-down menu in the space provided and submit supporting documentation for that financing behind the tab. Take care in selecting the correct Target Population.
 - **Part 3 – Staff Determinations:** If a staff determination was made pursuant to §10.3(b), mark the box with an “x” and submit a copy of the determination behind this tab. If no determination was required, simply leave the box blank.
 - **Part 4 – Narrative:** Applicants are required to provide a brief development narrative and should also use this space as an opportunity to explain any unique circumstances surrounding the proposed Development. Please double-check that any specific information about the development that is also provided elsewhere in the application is consistent. For example, if the narrative describes 4 residential buildings, then the architectural plans should reflect the same.
 - **Part 5 – Funding Request:** Applicants should carefully fill in all relevant cells highlighted in yellow. This form is used to auto-populate other parts of the Application, including the scoring item related to Leveraging of Private, State and Federal Resources. Applicants are encouraged to review this form carefully for errors.
 - There is no internal check on funding amounts built into the Application, so Applicants should also be aware of any funding limit requests before completing this form.
 - Clicking on the funding sources (Multifamily Direct Loan, Housing Tax Credits, etc.) will link Applicants to the Summary of Sources and Uses page in the finance section. That section also links back to this page so that funding requests can be manipulated easily as Applicants change their financing structures.

2017 Multifamily Application Procedures Manual

- **Part 6 – Set-Aside:** This section is applicable to Multifamily Direct Loan and Competitive HTC Applications only.
 - Applicants should mark each applicable box with an “x”. The use of a different symbol may result in misinformation in another part of the Application. Applicants will be asked to submit the appropriate supporting documentation for the set-aside at different parts of the Application.
NOTE: For Competitive HTC Applications seeking pre-application participation points, Set-Asides may not be changed from pre-application to Application.
 - **Part 7 – Previously Awarded State and Federal Funding:** All cells highlighted in yellow require data entry by the Applicant. If a particular question is not applicable to the Application, type in “N/A.”
 - **Part 8 – Qualified Low Income Housing Development Election:** This applies only to HTC (both 9% and 4%) applications. Applicants should understand that once an election is made it is irrevocable. Applicants are also encouraged to check this election against the Rent Schedule to ensure that there are enough 50% or 60% Units (whichever is applicable) to be consistent with the election.
- ❖ **Tab 18 – Development Activities Part I** This tab is divided into 4 parts, all of which need to be completed for all applications. The selections made here serve to certify that the development will meet various requirements under §10.101 of the Uniform Multifamily Rules.
- **Part 1 – Common Amenities** – The number of units will auto-populate, but applicants should fill in the appropriate number of points associated with amenities according to §10.101(b)(5) of the Uniform Multifamily Rules. Applicants proposing scattered site developments should review this rule carefully in order to determine the appropriate number of points.
 - **Part 2 – Unit Requirements** – Mark the one appropriate highlighted cell each from Part A and Part B.
 - **Part 3 – Tenant Supportive Services** - Mark the highlighted cell that is applicable.
 - **Part 4 – Development Accessibility Requirements** - Mark the appropriate cells, indicating “Not Applicable” where necessary. **Applicants proposing New Construction where some units are normally exempt from Fair Housing requirements should pay special attention to ensure that the design of the Development is in compliance with the rule.**
- ❖ **Tab 19 – Development Activities Part II** This tab is divided into 10 parts, all of which are relevant only to Competitive HTC Applications. The selections made here will populate the self-score form.
- **Part 1 – Size and Quality of the Units:** Mark the appropriate highlighted cell. Points claimed will auto-populate. **NOTE: Direct Loan applicants proposing new construction or rehabilitation should be prepared to comply with requirements of the newly published Federal rule at 81 FR 92626, which requires installation of broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily rental housing that is funded or supported by HUD.**
 - **NEW! Part 2 – Rent Levels/Tie Breaker for Direct Loan Program:** Only applicants applying for the Direct Loan Program need to complete this part. Applicants electing to restrict units at 30% AMGI for Competitive HTC purposes may not count those units for point scoring under §13.6(e). However, 50% AMGI and 60% AMGI units that are

2017 Multifamily Application Procedures Manual

layered with 30% AMGI units for Direct Loan purposes may count for point scoring under §13.6(e). **Points claimed here will not appear on the Self Score tab.**

- **Part 3 – Income Levels of the Tenants** - The Rent Schedule must be complete before a score can be calculated.
 - The *Total Number of Low-Income Units at 50% or less of AMGI* will auto-populate from the Rent Schedule.
 - You must select (in the second box) the number of 30% Units from the above number that will be used for points under §11.9(c)(2) of the QAP. **NOTE: This number cannot be greater than but can be less than or equal to the total number of 30% Units indicated in the Rent Schedule.**
 - You must select (in the third box) the number of 30% Units that will be used to satisfy the requirements of §11.4(c)(3)(D) related to the Increase in Eligible Basis (30% boost). **Applicants not requesting the boost or achieving the boost under another provision (QCT, rural, etc.) should leave this box blank.**
 - The fourth box will subtract all of the 30% Units used for either points or the boost from the total number of Units at 50% or less of AMGI.
 - The fifth box will calculate the percentage of Units at or below 50% of AMGI available for points under §11.9(c)(1) of the QAP.
 - Select a yellow highlighted cell if requesting points. The *Total Score Claimed* will populate based on what the Application is eligible for. **NOTE: The Total Score Claimed will not auto-populate if both check-boxes are marked.**
- **Part 3 – Rent Levels of the Tenants** - Select the highlighted cell that is applicable. The Rent Schedule must be complete before a score can be calculated, and the Total Points claimed will not auto-populate if more than one box is marked. **NOTE: There is no calculation to determine eligibility for points. Applicants need to double check that points claimed here are consistent with the number of units represented Part 2 - cell B21, “Number of Units used to score points under §11.9(c)(2).”**

Income Levels of Tenants & Rent Levels of Tenants Worksheet – Parts 2 and 3 above both deal with income targeting and are similar in many ways. However, it is important to note that the Income Levels of Tenants awards points for the number of Units at or below 50% AMGI, which includes 30% Units. The Rent Levels of Tenants awards points solely on the number of Units at 30% AMGI. **It is extremely important that Units at 30% AMGI are not counted twice for both scoring items.**

- Staff created a table located outside of the print area of the Development Activities exhibit to assist Applicants in determining their eligibility for points. The worksheet ***does not*** need to be submitted in the PDF Application. The worksheet is a tool for use by Applicants to determine their eligibility for points under §§11.9(c)(1) and 11.9(c)(2) of the QAP depending on how many total LI units are proposed. Column (a) contains a highlighted yellow cell that represents the total number of LI units. Applicants **can manipulate** this cell to determine the number of Units at or below 50% AMGI needed for points under §11.9(c)(1) and the number of LI Units left over to qualify for points under §11.9(c)(2). Once the *Rent Schedule* has been completed, the top right-hand corner of the worksheet pulls from it the total number of low-income (LI) Units as well as the total number of 30% Units. These two numbers ***cannot*** be manipulated. Right above column (a), there is a cell for Applicants to input the number of 30% Units being used to satisfy the boost provision under §11.4(c)(2)(D); **applicants not requesting the boost or achieving the boost under another provision (QCT, rural, etc.) should not enter anything into this cell in order to effectively use the worksheet.** TIP: In order to double-check the final

2017 Multifamily Application Procedures Manual

application submission and eligibility for points, this number should equal the red bolded number that auto-populates in the right-hand corner. *Applicants should always independently verify that the calculations are correct and that the spreadsheet is not rounding.* Staff attempts to include calculations in certain areas but it is the Applicant's responsibility to verify that their application meets the underlying rules.

- **Part 5 – Tenant Services:** Select a highlighted cell if applicable (Note that the score will not populate if both of the first two boxes are selected).
 - **Part 6 – Tenant Populations with Special Housing Needs:** Select the highlighted cell if claiming points.
 - **Part 7 – Pre-application Participation:** Mark the highlighted cell if claiming points.
 - **Part 8 – Extended Affordability:** Mark the highlighted cell if claiming points.
 - **Part 9 – Historic Preservation:** If claiming points for Historic Preservation, mark the first box in the section. Each of the four boxes under the first box as well as the fifth (indented) box must be marked for the appropriate score box to populate. Documentation must be submitted behind this tab.
 - **Part 10 – Right of First Refusal:** Mark the highlighted cell if claiming points.
 - **Part 11 – Funding Request Amount:** Mark the highlighted cell if claiming points.
- ❖ **Tab 19(a) and (b) - Section 811 Project Rental Assistance Program:** If claiming points under the Section 811 PRA Program, mark box A or box B as applicable and provide required supporting documentation.
- ❖ **Tab 20 – Existing Development Information** This form is divided into three sections which are all relevant to specific types of applications. See the headings for each part to determine if it is applicable.
- **Part 1 – At-Risk Set-Aside (Competitive HTC Developments applying under the At-Risk Set-Aside ONLY) –** Mark the highlighted cell next to all applicable subsidies or benefits in Section A. Continuing in Section A, mark each condition that is applicable. If the At-Risk units are owned by a Public Housing Authority, mark each box that is applicable under Section B. The box under Section C should be marked for all At-Risk developments.
 - **Part 2 – Existing Development Assistance on Housing Rehabilitation Activities**
 - Section A. Indicate the type of assistance the Development is expected to have or continue from the drop down box and include a brief description of the restrictions or subsidies in the space provided. Fill in the remaining highlighted cells based on the information in the contract which should be included behind Tab 35.
 - Section B. If claiming acquisition credits in an HTC Application, fill in all applicable highlighted cells.
 - **Part 3 – Lead Based Paint (Multifamily Direct Loan Applications Only).** If the Development was constructed before January 1, 1978 mark each of the highlighted cells that applies.
- ❖ **Tab 21 – Occupied Rehabilitation Developments:** Occupied Developments undergoing Rehabilitation OR Reconstruction, if the development is occupied at any time after the Application Acceptance Period begins, must provide at least *ONE* of the following (Mark the appropriate box):

2017 Multifamily Application Procedures Manual

- Historical monthly operating statements for 12 consecutive months ending not more than three (3) months from the first day of the Application Acceptance Period; or
- The two most recent consecutive annual operating statement summaries; or
- The most recent consecutive six months of operating statements and the most recent available annual operating summary; or
- All monthly or annual operating summaries available.
- Each of the following items, as applicable, must be provided:
 - A rent roll not more than 6 months old as of the first day of the Application Acceptance Period that discloses the terms and rates of leases, rental rates offered, unit types, and tenant names or vacancy. A sample rent roll is included below:

	Date:		As of:		
Unit	Lease Expires	Unit Type	Tenant Name	Rental Rate	Tenant Pays
101	6/15/14	1/1- 630sf	Jones	\$450	\$450
102	8/30/14	1/1- 630sf	Smith	\$450	\$400
103	12/1/14	1/1- 690sf	Travis	\$470	\$470
104	3/15/14	2/1- 720sf	Wright	\$470	\$450
105	N/A	2/1- 720sf	Vacant	\$600	\$0

- written explanation of the process used to notify and consult with the tenants in preparing the Application,
 - a relocation plan outlining relocation requirements and a budget with an identified funding source,
 - any documentation necessary for the Department to facilitate, or advise an Applicant with respect to or to ensure compliance with the Uniform Relocation Act and any other relocation laws or regulations as may be applicable, and
 - evidence that a relocation plan has been submitted to the appropriate legal or governmental agency.
 - If one or more of the above is not applicable, based upon the type of occupied structures on the Development Site, provide an explanation in the highlighted box.
 - Uniform Relocation Act (URA) Applicability (***Multifamily Direct Loan Applications Only***)
 - The proposed Development must be carried out in accordance with policies and procedures governing implementation of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, Section 104(d) of the Housing and Community Development Act of 1974, and the optional relocation policies adopted pursuant to 24 CFR 92.253(d).
 - If any yellow highlighted box is marked, then the Residential Anti-Displacement and Relocation Assistance Plan Certification must be submitted.
- ❖ **Tab 22 – Architectural Drawings:** Make sure all drawings are LEGIBLE and double-check full application submission after combining pdf files into one. *Do not submit drawings above and beyond those required under the rules.*
- **Site Plan** – There have been changes to the list, so be sure that your architect follows it closely.
 - **Building Floor Plans** - must be submitted for each building type. Applications for Adaptive Reuse are only required to include building plans delineating each Unit by

2017 Multifamily Application Procedures Manual

number and type. **There have been changes to the list, so be sure that your architect follows it closely.**

- **Unit Floor Plans** - must be submitted for each Unit type and must include the square footage for each type of Unit. Applications for Adaptive Reuse are only required to submit Unit floor plans for each typical Unit type and for all Unit types that vary in NRA by more than 10% from the typical Unit of each type. **There have been changes to the list, so be sure that your architect follows it closely.**
- **Building Elevations** - must be submitted for each side of each building type (**or include a statement that all other sides are of similar composition to the front**) and must include percentage estimates of each exterior material and proposed roof pitch. Rehabilitation and Adaptive Reuse Developments may submit photographs if the Unit configurations are not being altered and after- renovation drawings must be submitted if Unit configurations are proposed to be altered.

❖ **Tab 23 – Specifications and Building/Unit Configuration:**

- **Specifications and Amenities** - Required for all Development types (i.e. New Construction, Rehabilitation, etc.); no exceptions. Complete all yellow highlighted cells as applicable. Under parking requirements, indicate number of spaces of each parking type that will be free of charge and number of spaces that will be available to tenants for a fee.
- **Building/Unit Configuration** – Information on this chart should be consistent with the *Rent Schedule* and the architectural drawings.
 - **NEW! For Supportive Housing Applications Only:** The breakdown of common area square footage at the bottom of the page must agree with the architectural plans.
 - **NEW!** This form includes a worksheet that will help you figure of the distribution of mobility and hearing/visual accessible units.

Part 4 – Development Financing

- ❖ **Tab 24 – Rent Schedule:** Submit the final *Rent Schedule* after deleting any rows that indicate zero (0) as the unit count. The *Rent Schedule* has been intentionally placed immediately following the *Building/Unit Configuration* exhibit in an effort to reduce the number of inconsistencies.
 - Gross Rent cannot exceed the HUD maximum rent limits unless documentation of project-based rental assistance is provided.
 - The unit mix and net rentable square footages must be consistent with the site plan and architectural drawings.
 - If any non-rental income is included, describe the source(s) of the income. “Misc” or “Etc.” in the income description is not acceptable.
 - If the Development includes loft/efficiency Units, label these Units as “0” bedrooms as provided in the drop-down list.
 - If applying for Multifamily Direct Loan funds the column titled “MF Direct Loan Units (HOME (Rent/Inc))” also includes the Income level required for each MF Direct Loan Unit designation.
 - **Tax-Exempt Bond Developments ONLY.**
 - Space has been added to identify the Private Activity Bond Priority. Choose the applicable priority from the drop-down list.

2017 Multifamily Application Procedures Manual

- Priority must be designated, as submitted to the Bond Review Board, regardless of Bond Issuer. The priority designations include the following:
 - Priority 1(a): Set-aside 50% of the Units at 50% AMGI and 50% of the Units at 60% AMGI.
 - Priority 1(b): Set-aside 15% of the Units at 30% AMGI and 85% of the Units at 60% AMGI.
 - Priority 1(c): Set-aside 100% of the Units at 60% AMGI for Developments located in a census tract with a median income that is higher than the median income of the county, MSA or PMSA in which the census tract is located.
 - Priority 2: Set-aside 80% of the Units at 60% AMGI; up to 20% of the Units can be at market rate.
 - Priority 3: Includes any qualified residential rental Development. Market rate Units can be included under this priority.
- **Cost of Development per Square Foot.** These cells will calculate automatically when both the *Rent Schedule* and *Development Cost Schedule* are completed. **Points for this item will be selected at the end of the Development Cost Schedule.**

❖ **Tab 25 – Utility Allowances:**

- Drop down lists are provided to identify “Who Pays” for the utility service and what type of “Energy Source” will be used.
- If Development is all bills paid, utilities and energy source is still required.
- The “Total paid by tenant” calculates only those energy sources for which it is indicated the tenant pays.
- **Remember to include your support documentation** (i.e., current PHA utility allowances sheet or local utility provider estimate specific to development) that clearly identifies the utility costs included in the estimate and the effective date of the documentation.

NOTE: Applicants should review the HTC Workshop Part 3 presentation slides posted on the website at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>

❖ **Tab 26 – Annual Operating Expenses:**

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

❖ **Tab 27 – 15 Year Pro Forma:**

- Refer to §10.302(d) of the Multifamily Rules regarding the underwriting analysis for a discussion that encompasses the items in the pro forma.
- Any deferred developer’s fee must be shown to be fully repaid by year 15.
- Enter rental concessions as a negative value.
- You must describe any “Other” debt service included in the pro forma.

2017 Multifamily Application Procedures Manual

- The form includes an optional certification, signature, and contact information for the lender for Competitive HTC Applications claiming points under §11.9(e)(1) of the QAP.

❖ **Tab 28 – Offsite Costs Breakdown**

- This form must be completed if there are any offsite costs associated with the Development, whether or not they are included in the *Development Cost Schedule*. For example, if offsite costs are embedded in the acquisition costs, this form must be completed. If there are any unusual circumstances surrounding the costs and/or payment of off-site costs, please include an explanation behind this tab.
- The form must be completed, signed and sealed by a professional engineer. See §10.204(8)(E)(ii) of the Uniform Multifamily Rules.
- If any Off-site Costs are included in Eligible Basis:
 - A letter from a certified public accountant must be submitted allocating which portions of those costs should be included in Eligible Basis; and
 - If off-site costs are based on PLR 200916007 the certified public accountant must provide a statement of findings describing the facts relevant to the Development and that the fact pattern matches the PLR 200916007.

❖ **Tab 29 – Site Work Costs Breakdown**

- This form is applicable to all Developments, regardless of the amount of Site Work cost attributed to the Development.
- If the Site Work cost is above \$15,000 per Unit and are included in Eligible Basis, a letter must be provided from a certified public accountant allocating which portions of those site costs should be included in Eligible Basis.
- The total Site Work costs entered in this exhibit should match the amount reflected in the *Development Cost Schedule*.

❖ **Tab 30 – Development Cost Schedule**

- All applicable yellow highlighted cells under the Total Development Summary (columns C,D, and E) should be completed. A section for notes regarding the costs is provided as well; this should be used to add any information that could be helpful for the underwriting review, to explain line items that may be particularly low or high costs.
- This form separates contingency from general requirements, overhead and profit. **NEW!** In addition, “Voluntary Eligible Building/Hard Costs” has been added so that the Applicant can indicate the amount to be used to score points under §11.9(e)(2) Cost per Square Foot. This number can be revised by the Applicant until the desired percentage is reached. The score will be entered at the bottom of the form.
- **NOTE:** No syndication costs should be included in the Eligible Basis.
- The “Credits Supported by Eligible Basis” cell is automatically calculated. This figure should be equal to or greater than the annual Housing Tax Credit Funding Request.
- **IMPORTANT:** If a 130% High Cost Area Adjustment is included in the *Development Cost Schedule* the application should meet one of the criteria identified in §11.4(c) of the QAP and indicate under which criteria the Application qualifies for the Eligible Basis boost in Part 3 of the *Site Information Form Part III*.
- You must describe any “Other” costs reflected in the Cost Schedule. The cells will prompt you when an amount is inserted to “please specify” under a footnote.

Include the contact name and phone number in the space provided of the person providing the cost estimate for the Hard Costs.

2017 Multifamily Application Procedures Manual

❖ **Tab 31 – Financing Narrative and Summary of Sources and Uses:**

- Identify the name of each Financing Participant in the left-hand column. (Note that Department Funds have been auto populated based on data entered on the Development Narrative Tab, and are hyperlinked to move back and forth between tabs.)
- Choose the Funding Descriptions from the drop-down list for *Debt* and *Third Party Equity*:
 - conventional loan,
 - conventional/FHA,
 - conventional/letter of credit,
 - mortgage revenue bonds – other issuer,
 - Housing Trust Fund,
 - CDBG,
 - USDA/TXRD loan,
 - federal loan,
 - state loan,
 - local government loan, or
 - private loan.
- Match (MF Direct Loan only) is included as Other.
- Note that the Funding Description column under “Deferred Developer Fee” and “Other” do not have drop-down menus. Applicants should write in a funding description.
- For each source identified you are required to include the interest rate, amortization, term and syndication rate, where applicable. **THE INFORMATION INCLUDED HERE MUST BE CONSISTENT WITH THE FINANCING NARRATIVE, TERM SHEETS, AND DEVELOPMENT COST SCHEDULE.**
- The priority of lien must be indicated in the “Lien Position” column for interim and permanent financing.
- Total sources of funds in the “Permanent Period” portion of the form must equal the total uses of funds reflected in the *Development Cost Schedule*.
- Complete the financing narrative, **again ensuring that any information written here is consistent** with the other exhibits in the application. The narrative should identify any non-traditional financing arrangements; use of funds with respect to the Development; funding sources including construction, permanent, bridge loans, rents, operating subsidies, and replacement reserves; and commitment status of funding sources for the Development.

❖ **Tab 32 – Financial Capacity and Construction Oversight (Direct Loan Applications only)**

This tab is applicable for the Department’s Direct Loan Applications if the Direct Loan amount to more than 50% of the Total Housing Development Cost, except for Developments also financed through the USDA-515 program. Place the documentation described in the tab behind the tab.

❖ **Tab 33 – Matching Funds (Direct Loan Applications only)**

This form is applicable for Multifamily Direct Loan Applications, only. Detail the type of Match, amount, and source in the appropriate columns. See the Match Guidance section of the tab page for information and requirements about Match. Match in the amount of at least 5% of the MF Direct Loan funds requested must be documented with a letter from the anticipated provider of Match.

❖ **Tab 34 – Finance Scoring (competitive HTC Applications only)** This form is divided into 3 parts and is only applicable to Competitive HTC Applications.

2017 Multifamily Application Procedures Manual

- **Part 1 – Commitment of Development Funding by Local Political Subdivision (LPS) (§11.9(d)(2))** To request the point, enter the name of the Local Political Subdivision providing the funding in the highlighted box at the top of this part and select the box corresponding to the letter from an official of the Local Political Subdivision. **The letter must indicate the dollar value of the contribution and the dollar value of the contribution must be reflected in the Application.** The letter committing the funding and naming the same Local Political Subdivision named in the top box of this scoring item must be present in the “Tab 35. Supporting Docs.” The Total Points Claimed will auto-populate the score box only if the boxes above it have entries.
- **Part 2 – Financial Feasibility (§11.9(e)(1))** Make only one selection from the options listed on the form in this section. The Total Points Claimed will auto-populate based on your selection.
- **Part 3 – Leveraging of Private, State, and Federal Resources (§11.9(e)(4))**
 - At least 5% of the total Units must be restricted to 30% AMGI. The form will calculate the percentage based on the information reflected in the *Rent Schedule*.
 - If the Development leverages CDBG Disaster Recovery, HOPE VI, RAD, or Choice Neighborhoods funding, mark the appropriate box.
 - The form will calculate Housing Tax Credit funding request as a percent of Total Housing Development Cost based on information reflected in the *Development Narrative* and the *Development Cost Schedule*. **Note that the rule calls for the funding request to be LESS THAN a certain percentage without rounding.**
 - No more than 50% of the developer fee can be deferred to be eligible. **NOTE: This form does not perform this calculation.**
 - No supporting documentation is necessary unless claiming points based on a commitment of CDBG-DR, HOPE VI, RAD or Choice Neighborhood Funding.

NOTE: Remember to select the points being requested from the drop-down in the “Total Points Claimed” field. Although the form will calculate eligible points based on the information provided, the points requested WILL NOT auto-populate.

❖ **Tab 35 – Supporting Documentation**

- Evidence must be consistent with the *Summary Sources and Uses of Funds* and *Financing Narrative*.
- Executed Pro Forma from a Permanent or Construction Lender (if requesting points for financial feasibility). The pro forma must include:
 - the first 5 years and every fifth year thereafter for a 15 year period;
 - all projected income, operating expenses, and debt service;
 - the general growth factor applied to income and expense;
 - a minimum 1.15 DCR throughout the 15 years for all Third Party lenders that require scheduled repayment;
 - signature and contact information of an authorized representative of the lender.
- Letter from lender regarding approval of Principals.
- Include term sheets for interim and permanent financing that are consistent with other parts of the Application, and provided in one or more of the forms identified and include the requirements set forth in §10.204(7)(A)-(B) of the Uniform Multifamily Rules. **NEW! Term sheet must include an acknowledgment of the amounts and terms of all other anticipated sources of funds.**

2017 Multifamily Application Procedures Manual

- Any federal, state or local gap financing, whether soft or hard debt must be identified at the time of Application.
- If the Development is financed through more than 5% Development Owner contributions provide the required documentation described in §10.204(7)(C).
- Include term sheets for syndication of tax credits that include the requirements set forth in §10.204(7)(D) of the Uniform Multifamily Rules.
- Letter from the Texas Historical Commission as applicable to historic tax credit financing under §11.9(e)(6) or otherwise.
- Include evidence of rental assistance or other subsidies if applicable.

Part 5 – Development Organization

The Development Organization tabs are colored green, and include all information regarding the Development Team members. The Organizational Charts, Previous Participation exhibits, and Credit Limit documents are all located in this section.

- ❖ **Tab 36 – Sponsor Characteristics** This form is only applicable for Competitive HTC Applications, and is divided into 2 Parts. Applications may qualify for one point for having a Certified HUB or Qualified Nonprofit in the ownership structure.
 - **Part 1 – Qualified Non-Profit:** To be eligible for this point, the Application must be applying in the Nonprofit Set-Aside (a selection made in the *Development Narrative* and which will be auto-populated in this section.)
 - Complete the yellow highlighted cells with the percentages of ownership interest, cash flow from operations, and developer fee.
 - Certify that the Non-Profit will materially participate in the Development.
 - Indicate the experience of the Non-Profit by marking the checkboxes (Property Management, Construction, Development, Financing, or Compliance).
 - Certify there is no relationship between the Principals of the Non-Profit and any other Principals of the Applicant or Developer.
 - Evidence of experience in the housing industry as well as a statement indicating how the Non-Profit will materially participate must be included behind this tab. Acceptable evidence of experience includes, but is not limited to a resume or TDHCA experience certificate. (*Note, however, that such certificate is not necessarily sufficient to satisfy a 2017 experience requirement.*)
 - **Part 2 – Qualified HUB:** To be eligible for this point, the HUB must be registered with the Texas Comptroller of Accounts, and evidence of such registration provided behind this tab.
 - Complete the yellow highlighted cells with the percentages of ownership interest, cash flow from operations, and developer fee.
 - Certify that the HUB will materially participate in the Development.
 - Indicate the experience of the HUB by marking the checkboxes (Property Management, Construction, Development, Financing, or Compliance).
 - Certify there is no relationship between the Principals of the HUB and any other Principals of the Applicant or Developer.
 - Evidence of experience in the housing industry as well as a statement indicating how the HUB will materially participate must be included behind this tab. Acceptable evidence of experience includes, but is not limited to a resume or

2017 Multifamily Application Procedures Manual

TDHCA experience certificate. *(Note, however, that such certificate is not necessarily sufficient to satisfy a 2017 experience requirement.)*

- **The score will populate based on the selections made on this form. If it is not filled out correctly, points will not be included on the self score form.**

❖ **Tab 37 – Applicant and Developer Ownership Charts:** This sheet shows a basic format for organizational charts. Be sure that charts follow the example given and that they contain the following information:

- Correct name and ownership percentage of each entity and person. Avoid nicknames.
- Clear indication of role, i.e. Member, Member/Manager, Class B, LP, etc.
- Trusts must include the trustee and list all beneficiaries that have the legal ability to access, control, or direct activities of the trust and are not just financial beneficiaries.
- Nonprofit entities, public housing authorities and publicly traded corporations must show name of organization, individual board members and executive director. **For individual board members, indicate the board members that have the ability to exercise control.**
- In cases of to-be-formed instrumentalities of PHAs where the board members and executive director remain to be determined, the PHA itself is shown.
- Ownership must be described to the level of natural persons, whether owners or board members.
- Developer organization chart shows the structure of the Developer and includes the following:
 - Any Person receiving more than 10% of the Developer Fee
 - Nonprofit entities, public housing authorities and publicly traded corporations show name of organization, individual board members and executive director
 - Ownership to the level of natural persons, whether owners or board members
- Create separate charts for the Owner, Developer and Guarantor, ensuring that each of the three is a complete representation of the structure of each organization, and attach them behind this exhibit.

❖ **Tab 38 – List of Organizations and Principals**

- Complete the yellow highlighted cells as needed, beginning with the Applicant name.
- **All information that the form solicits must be legible in the Acrobat version of the form (reduce the font size or make other provisions as necessary to accomplish this).**
- All organizations AND persons should be listed on this form.
- Each ***entity*** except a natural person will have its own section, in which its individual structure will be given.
- Select the appropriate description of TDHCA experience for each Person from the Yes/No drop-down menu. Make a selection for each entry.
- Be sure names match the organizational charts. Avoid nicknames.
- Additional spaces for Sub-Entities or Principals are available by un-hiding rows. (There are 30 entries available for Sub-Entities or Principals.)
- Submit as many pages of the form as necessary to report all organizations and natural persons, including Guarantors and recipients of more than 10% of the developer fee.

When converting to PDF format, be sure to adjust page breaks as necessary and keep all information legible.

❖ **Tab 39 – Previous Participation Form**

- **A separate form must be completed for each entity shown on the Owner and Developer organizational charts, and for only those natural Persons shown on the Owner and**

2017 Multifamily Application Procedures Manual

Developer organizational charts that exercise control. See 10 TAC §1.5 for possible exceptions from previous participation review.

- Note that the appropriate fields should be marked at the bottom to indicate other TDHCA programs the entity or person has participated in.
- **A separate form is required for each Person or entity, regardless of whether the Person or entity has previous experience with TDHCA funding.**
- For “Control Begin”/”Control End” enter the time period a person’s or entity’s role in each property identified began and ended. This applies to any developments in which a Person or entity was originally involved, but have since been transferred to another Person or entity.
- If the Person’s or entity’s role in a property or service-related activity has not ended then leave the “Control End” column blank.
- If more space is needed, unlock rows after row 40.

❖ **Tab 40 – Nonprofit Participation**

- All nonprofit Applicants or Principals must complete this form regardless of the level of ownership or application set-aside.
- Complete all appropriate yellow highlighted cells. Yes/No questions have drop-down menus.
- The worksheet allows listing up to twenty (20) board members. If more space is needed, print additional forms or contact staff.
- Include the Board Members’ **home** address.

❖ **Tab 41 – Nonprofit Supporting Documentation**

- Applications involving 501(c)(3) or (4) nonprofit General Partners that DO NOT elect to be included under the Nonprofit Set-Aside only need to submit the IRS determination letter described below, or if the nonprofit designation is not due a 501(c)(3) or (4) determination, the application must contain a disclosure of the basis of the nonprofit status. **Tax Exempt Bond Applications only need to submit the first item below in addition to the Nonprofit Participation Form.**
 - **IRS Determination Letter** which states that the nonprofit organization is a §501(c)(3) or (4) entity. ***This designation must be in place as of the beginning of the Application Acceptance Period.*** If the organization is a Qualified Nonprofit Organization as defined in the tax code, notwithstanding any apparent limitations in the QAP about the particular parts of the Code under which a nonprofit may qualify, submit an IRS determination letter
- The additional documentation requirements identified in this section must be completed **only** if the Applicant is eligible and has elected to compete under the Nonprofit Set-Aside Allocation pursuant to §2306.6706, which requires that the organization’s 501(c)(3) or (4) designation be in place at the beginning of the Application Acceptance Period.
 - **Third Party Legal Opinion** – Be sure your legal opinion contains all of the required statements pursuant to §2306.6706 and §10.204(14)(A)(iii). A template is provided on the website at: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>. **The Third Party Legal Opinion letter template has changed. Be sure to use the current letter.**
 - **Financial Statement** - The nonprofit’s most recent financial statement prepared by a Certified Public Accountant.

2017 Multifamily Application Procedures Manual

- **Certification of Residence**- a certification that a majority of the board members reside in the State of Texas if the Development is in a Rural Area, or within 90 miles of the Development if it is not in a Rural Area.
- The worksheet allows up to twenty (20) board members to be listed. If more space is needed, simply print out another form or contact staff.

- ❖ **Tab 42 – Development Team Members:** Enter information as requested. Note that drop-down menus will facilitate identification of HUB participants and related team members.

- ❖ **Tab 43 – Architect Certification:**
 - This certification can be found on the Department’s website at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm> and must be executed by the Development engineer, an accredited architect or Third Party accessibility specialist.
 - New Construction Direct Loan Applicants must have the architect certify Development Site is sufficient in size, exposure, and contour to accommodate the number of Units proposed.
 - The form must be signed, dated, and notarized. *No hard copy with original signature/stamp is required, only a scanned copy within the final PDF file.*

- ❖ **Tab 44 – Experience Certificate**
 - If a Principal of the Development Owner, General Partner or Developer for the Application is seeking an Experience Certificate from the Department, the **2017 Experience Certification Request Form**, along with the required documentation (found in §10.204(6) of the Uniform Multifamily Rules) to establish experience must be submitted to the Department within the Application behind this placeholder tab.
 - Names on the evidence must tie back to the individual seeking the experience certificate.
 - Experience certification may be withheld if the individual has, at any time within the preceding three years, been involved with affordable housing in another state which has been the subject of issued IRS form 8823 citing non-compliance that has not been or is not being corrected with reasonable due diligence.
 - If the Principal is determined by the Department to not have the required experience, an acceptable replacement for that Principal must be identified prior to the date the award is made by the Board.
 - No person may be used to establish the required experience if that person or an affiliate of that person would not be eligible to be an Applicant themselves.
 - The *2017 Experience Certification Request Form* is located in the Multifamily Applications section of the TDHCA website or at: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.
 - Experience documentation **may be submitted prior to the March 1st** Competitive HTC Application deadline. If the documentation has been submitted but no experience certificate issued, indicate such on the form and include a copy of the request.
 - **DUNS Number and SAM.gov Registration (Direct Loan Applications Only)** If available include the DUNS and SAM.gov registration behind this tab. This information is an absolute requirement prior to Contract execution should the Applicant receive an award of federal funds (*e.g.* HOME).
 - **Davis Bacon Labor Standards (Direct Loan Applications Only)** Mark boxes as appropriate.

2017 Multifamily Application Procedures Manual

- **Affirmative Marketing Plan (Direct Loan Applications Only)** Complete the HUD form including the worksheets and attach behind this tab.

❖ **Tab 45 – 9% Applicant Credit Limit Documentation and Certification**

- In general, each entity and Person listed on the Owner's and the Developer's organizational charts should be listed on Part 1a.
- Part 1a must list all Board Members of Nonprofits that have the ability to exercise control and all Executive Directors.
- In Part 1b, use the drop-down menu to state whether the person or entity has more than one Application competing in the current Application Round.
- **Be sure all names match the organizational charts. Avoid nicknames.**
- For each Person or entity that indicates affiliation with another Application in Part 1b, you must submit a Part 2. Scroll down to find Part 2 of the form.
- Up to 30 separate persons or entities may be entered in Part 1.
- **Part 2: Complete a Part 2 for each Person that answered "Yes" on Part 1b. Print the complete forms, have them signed, and insert the executed copies back into the PDF application.**

The Housing Tax Credit cap is \$3 million and applies to all Applicants, Developers, Affiliates or Guarantors in the Application. See §11.4(a) of the QAP for details regarding how to apply the cap.

Part 6 – Third Party Reports

All third party reports must be submitted in their entirety by the deadline. Incomplete reports may result in termination of the application. Reports should be submitted in a searchable electronic copy in the format of a single file containing all of the required information and conform to Subchapter D of the Uniform Multifamily Rules. Exhibits should be clearly bookmarked.

❖ **Tab 46 – Third Party Reports**

- The required **Environmental Site Assessment (ESA)** must be submitted to the Department no later than 5pm (Austin Local Time) on **March 1, 2017** for competitive HTC Applications, at least 75 days prior to the selected Board meeting at which the Determination Notice will be considered for Tax-Exempt Bond Applications or at the time of Application submission for all other programs.
 - The ESA must not be dated more than twelve (12) months prior to the first day of the Application Acceptance Period. If the timeframe is exceeded an updated report or letter must be provided, dated not more than three (3) months prior to the Application Acceptance Period from the party who completed the original report confirming that the site has been re-inspected and reaffirming the conclusions of the initial report or identifying any changes.
 - If the Application is receiving funding from USDA, an ESA will not be required; however it is the responsibility of the Applicant to ensure that the Development is in compliance with all state and federal environmental hazard requirements.
 - Prior to submission, confirm that the report is addressed to the Department or has a statement granting the Department authority to rely on the report findings. Also

2017 Multifamily Application Procedures Manual

required are statements that the report preparer has read and understood §10.305 of the Uniform Multifamily Rules; a statement confirming that the person or company preparing the report will not materially benefit from the Development in any other way than receiving a fee for performing the ESA; and that the fee is in no way contingent upon the outcome of the assessment.

- If the report includes a recommendation for any additional assessments to be performed, include a statement that the recommendations will be followed prior to closing.
- All Applications for Direct Loans by the Department must complete an environmental clearance process in accordance with 24 CFR Parts 50 and 58 prior to engaging in choice limiting activities such as closing on land, loans, beginning demolition or construction activities, or entering into construction contracts. A Phase I Environmental Site Assessment (ESA) WILL NOT satisfy the environmental clearance required for use of Direct Loan funds. Mark the appropriate yellow highlighted cells.
- **The Primary Market Area (PMA) Map is required with full application submission.** For competitive HTC Applications, this is **March 1, 2017**. *A pdf copy of the map as well as the definition of the PMA, based on census tracts, ZIP codes, or census place should be included with the application to ensure timely submission.*
- The **Market Analysis** is required for all Developments and must be submitted no later than 5pm (Austin Local Time) on **April 1, 2017** for competitive HTC Applications and no later than 75 days prior to the selected Board meeting at which the Determination Notice will be considered for Tax-Exempt Bond Applications, or at the time of Application submission for all other programs.
 - The report must be prepared by a Qualified Market Analyst approved by the Department. The approved list is found on the REA page of the TDHCA website.
 - Applications in the USDA Set-Aside proposing Rehabilitation with residential structures at or above 80% occupancy at the time of application submission may use the Appraisal (required for Rehabs and prepared in accordance with §10.304) to satisfy the Market Analysis requirement.
 - The report must include a statement from the Market Analyst that they have read and understood §10.303 of the Multifamily Rules.
 - **NEW: It is the responsibility of the Applicant to ensure that this analysis forms a sufficient basis for the Applicant to be able to use the information obtained to ensure that the Development will comply with fair housing laws.**
- If applicable, the **Property Condition Assessment (PCA)** must be submitted to the Department no later than 5pm (Austin Local Time) on **March 1, 2017** for competitive HTC Applications, at least 75 days prior to the selected Board meeting at which the Determination Notice will be considered for Tax-Exempt Bond Applications or at the time of Application submission for all other programs.
 - The PCA must not be dated more than six (6) months prior to the first day of the Application Acceptance Period. If the timeframe is exceeded an updated report must be provided from the Third Party who completed the original report. Any

2017 Multifamily Application Procedures Manual

report dated more than twelve (12) months from the first day of the Application Acceptance Period will not be accepted.

- If submitting a capital needs assessment from USDA in lieu of a PCA, it may be more than six (6) months old, as long as written evidence from USDA is submitted confirming the existing capital needs assessment is still acceptable and meets the requirements of §10.306 of the Uniform Multifamily Rules.
 - Prior to submission, confirm that the report is addressed to the Department or has a statement granting the Department authority to rely on the report findings. Also required are statements that the report preparer has read and understood §10.306 of the Uniform Multifamily Rules; a statement confirming that the person or company preparing the report will not materially benefit from the Development in any other way than receiving a fee for performing the PCA; and that the fee is in no way contingent upon the outcome of the assessment.
- If applicable, the **Appraisal** must be submitted to the Department no later than 5pm (Austin Local Time) on **March 1, 2017** for competitive HTC Applications, at least 75 days prior to the selected Board meeting at which the Determination Notice will be considered for Tax-Exempt Bond Applications or at the time of Application submission for all other programs.
 - The appraisal must not be dated more than six (6) months prior to the first day of the Application Acceptance Period. If the timeframe is exceeded an updated report must be provided from the Third Party who completed the original report. Any report dated more than twelve (12) months from the first day of the Application Acceptance Period will not be accepted.
 - If submitting an appraisal from USDA, it may be more than six (6) months old, as long as written evidence from USDA is submitted confirming the appraisal is still acceptable and meets the requirements of §10.304 of the Uniform Multifamily Rules.
 - Prior to submission, confirm that the appraisal is addressed to the Department or has a statement granting the Department authority to rely on the report findings and that the report preparer has read and understood §10.304 of the Uniform Multifamily Rules.
 - If applicable, the **Site Design and Development Feasibility Report** must be submitted to the Department no later than 5pm (Austin Local Time) on **March 1, 2017** for competitive HTC Applications, at least 75 days prior to the selected Board meeting at which the Determination Notice will be considered for Tax-Exempt Bond Applications or at the time of Application submission for all other programs.
 - Required for New Construction Developments and must meet the requirements of §10.204(15) of the Uniform Multifamily Rules.

The feasibility report should include a statement regarding local design requirements, which includes requirements related to parking. Local parking code will be reviewed for compliance with §10.101(b)(4)(M) of the Uniform Multifamily Rules.

2017 Multifamily Application Procedures Manual

Part 7 – Community Input Scoring Items

- ❖ **Tab 47** – Fill-in the form and include the letters behind the form as applicable.
 - **Section 1 - Local Government Support** - An Application may qualify for up to seventeen (17) points for a resolution or resolutions voted on and adopted by the bodies reflected in subparagraphs (A) - (C) below. The resolution(s) must be dated prior to and submitted no later than 5pm (Austin Local Time) on **March 1, 2017**. Resolution(s) must specifically identify the Development by legal description, address, Development name, Application number or other verifiable method. A municipality or county should consult its own staff and legal counsel to assure the consistency of such resolution with applicable Fair Housing laws, including any Fair Housing Activity Statement-Texas (“FHA ST”) form on file, any current Analysis of Impediments to Fair Housing Choice, or any current plans such as one year action plans or five year consolidated plans for HUD block grant funds, such as HOME or CDBG funds. Once a resolution is submitted to the Department it may not be changed or withdrawn. For an Application with a proposed Development Site that, at the time of the initial filing of the Application, is:
 - (A) Within a municipality, the Application can receive seventeen (17) points for a resolution from the Governing Body of that municipality expressly stating that the municipality supports the Application or Development; or fourteen (14) points if the resolution states that the municipality has no objection to the Application or Development.
 - (B) Within the extraterritorial jurisdiction of a municipality, the Application may receive(i) eight and one-half (8.5) points for a resolution from the Governing Body of that municipality expressly stating that the municipality supports the Application or Development; or seven (7) points if the resolution states that the municipality has no objection to the Application or Development. In addition, the Application can receive eight and one-half (8.5) points for a resolution from the Governing Body of the county expressly stating that the county supports the Application or Development; or seven (7) points if the resolution states that the county has no objection to the Application or Development.
 - (C) Within a county and not within a municipality or the extraterritorial jurisdiction of a municipality scores seventeen (17) points for a resolution from the Governing Body of that county expressly setting forth that the county supports the Application or Development; or fourteen (14) points if the resolution expressly sets forth that the county has no objection to the Application or Development.
 - **Section 2 - Community Support from State Representative** – This item adds or deducts up to eight (8) points in the Application score. Letters must be on the State Representative's letterhead and be signed by the State Representative, identify the specific Development and clearly state support for or opposition to the specific Development. The letter will be accepted with the Application or via delivery from the Applicant or State Representative and must be submitted no later than 5pm (Austin Local Time) on **March 1, 2017**. After submission, letters may not be changed or withdrawn. Neutral letters or letters that do not specifically refer to the Development or specifically express support or opposition will receive zero (0) points. A letter that does not directly express support but expresses it indirectly by inference (e.g. "the local jurisdiction supports the Development and I support the local jurisdiction") will be treated as a neutral letter.
 - **Section 3 - Input from Community Organizations** - Development Sites outside the boundaries of qualifying Neighborhood Organizations may score up to four (4) points for

2017 Multifamily Application Procedures Manual

letters within the Application. Once a letter is submitted to the Department it may not be changed or withdrawn. This option means losing one (1) point from the score under this paragraph for each letter in opposition that is from an organization that would otherwise qualify under this paragraph. The score of this item will never be less than zero (0), calculated as follows:

- Two (2) points for a letter of support from a community or civic organization serving the community containing the Development Site, identifying and stating support for the Development at the proposed location. The organization must be tax exempt and its primary purpose must be the overall betterment, development, or improvement of the community as a whole or one of its major aspects such as schools, fire protection, law enforcement, city-wide transit, flood mitigation or similar activities. The community or civic organization must provide evidence of its tax exempt status and existence and participation in the community, including, a listing of services and/or members, brochures, annual reports, etc. Community and civic organizations do not include neighborhood organizations, governmental entities (excluding Special Management Districts), or taxing entities.
- Two (2) points for a letter of support from a property owners association created for a master planned community containing the Development Site that does not meet the requirements of a Neighborhood Organization for the purpose of awarding points under §11.9(d)(4) of the QAP.
- Two (2) points for a letter of support from a Special Management District whose boundaries include the Development Site, as of the Full Application Delivery Date as identified in §11.2 of the QAP.

Note that input evidencing unlawful discrimination under Fair Housing law or whose scoring the Department determines to be contrary to the Department's efforts to affirmatively further fair housing will not be considered. The Department will refer input appearing to indicate non-compliance under the Fair Housing Act, to the Texas Workforce Commission for investigation, but the referral will not, standing alone, cause staff or the Department to terminate the Application. Staff will report all such referrals to the Board and summarize the status of any such referrals in any recommendations.

Part 8 – Review Tabs

These tabs will be used by staff in the review process. While there is nothing to be completed or supplied on these tabs at submission, they should be included.

Tab 48 - Deficiency Documents

Tab 49 – Scoring Notice

Tab 50 - Third-Party Requests for Administrative Deficiency

Tab 51 – REA Division RFI Documents

Tab 52 – Board Action

Tab 53 – Public Comment

Tab 54 – Commitment or Determination Notice

Tab 55 – MFDL Award Letter

Tab 56 – Carryover Documents

Multifamily Direct Loan Program Information

Application Delivery Instructions

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

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

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

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

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

2017 Multifamily Application Procedures Manual

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

Multifamily Direct Loan Program Information

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

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

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

CHDO Overview

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

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

2017 Multifamily Application Procedures Manual

the “community” in which it produces housing) and have demonstrated experience serving the community for at least one year prior to applying for HOME funds. A community can be a neighborhood or neighborhoods, city, county, metropolitan area, or multi-county area (but not the entire state).

Supplemental Information

Requests for Waiver and Staff Determinations

The Department will accept requests for waivers and staff determinations during the Application Acceptance Period. These requests can be submitted separately from the application or with the Pre-application or full application submission. Requests WILL NOT be accepted after full application submission. Requests should be submitted directly to the appropriate staff below and when possible submitted electronically, either through the ServeU system, or by email attachment. Hard copies will not be accepted.

For Competitive 9% HTC Applications, Sharon Gamble at sharon.gamble@tdhca.state.tx.us; for 4% HTC/Bond Applications, Teresa Morales at teresa.morales@tdhca.state.tx.us, or for Multifamily Direct Loan Program Applications, Andrew Sinnott at andrew.sinnott@tdhca.state.tx.us.

Requests for waivers are appropriate when an Applicant violates a rule and/or proposes a development that violates a rule, and as such they must be specific to an actual proposed Development (or Application). Requests should include an explanation of how the circumstances surrounding the request are out of the applicant's control and how, if such waiver is not granted, the Department would not fulfill some specific requirements of law. Applicants should familiarize themselves with §10.207(a) of the Uniform Multifamily Rules and are encouraged to contact staff to discuss the request before submission.

Requests for staff determinations should be submitted in cases where certain definitions or terms do not fully account for activities proposed in an application. For example, if an applicant proposes a scattered site development that involves different census tracts that would score differently on the Opportunity Index, that applicant may request a staff determination prior to application submission in order to ascertain how staff will apply the rule and ultimately award points. Similarly, an applicant proposing a combination of rehabilitation and adaptive reuse may request a staff determination as to how to classify the activity. Applicants should familiarize themselves with §10.3(b) of the Uniform Multifamily Rules.

Public Viewing of Pre-applications and Applications

The Department will allow the public to view any Pre-applications or Applications that have been submitted to the Department in an electronic format. These electronic versions should be available within approximately two weeks of the close of the Application Acceptance Period. An Applicant may request, via an open records request, a paper or electronic copy between the hours of 8:00 a.m. and 5:00 p.m. (Austin local time) Monday through Friday. There may be an associated cost with requesting this information.

Applicable Rules and Reference Materials

2017 SITE DEMOGRAPHIC CHARACTERISTICS REPORT

2017 UNIFORM MULTIFAMILY RULES (includes Chapter 13, the Multifamily Direct Loan Rule)

2017 Multifamily Application Procedures Manual

2017 QUALIFIED ALLOCATION PLAN

TEXAS GOVERNMENT CODE CHAPTER 2306

INTERNAL REVENUE CODE SECTION 42

TEXAS GOVERNMENT CODE CHAPTER 1372

NOTICES OF FUNDING AVAILABILITY (NOFA)