



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

**TAX CREDIT ASSISTANCE PROGRAM (TCAP)
APPLICATION SUBMISSION PROCEDURES
MANUAL (TASPM)**

TABLE OF CONTENTS

SECTION 1	3
SECTION 2	5
SUBMISSION FORMAT	5
Submission Guide.....	8

SECTION 1

1) **Overview**

President Barack Obama signed into law the American Recovery and Reinvestment Act of 2009 on February 17, 2009, which provided for dedicated funds to assist in the development of properties that had been awarded low income housing tax credits (“LIHTCs”) between October 1, 2006, and September 30, 2009. These funds are to be used to help provide additional financing at a level determined by the State to create jobs and provide affordable housing. All the funds must be used or returned by February 16, 2012.

2) **Eligible Applicants**

- a) Only Applicants that received an Award of LIHTC for award years 2007, 2008 and/or 2009 which did not previously return the credits are eligible for TCAP funding, provided that the TCAP application is consistent with the most recent Board approved application except for changes to the development costs, financing structure, or additional TCAP related requirements.
- b) Applicants requesting funds must provide evidence of a Good Faith Effort to obtain equity commitments.
- c) Developments receiving funds must continue to meet the threshold and scoring requirements as included in the original application or most recent amendment approved by the Board.
- d) Applicants must not be in material non-compliance for any Department program, as defined in the QAP. The Department will check for material non-compliance at the time of application. The Department may also check for material non-compliance at the time of execution of the Written Agreement and at closing should any of these subsequent events occur more than three months after the initial review at application.
- e) Per federal law, developments awarded only GO Zone or Ike credits are not eligible for TCAP funds.

3) **Priority for awarding of TCAP Funds**

- a) Developments which can be completed by February 16, 2012 (or earlier, as may be required under existing funding source requirements).
- b) Developments ready to proceed (“shovel ready”).
- c) Developments which maximize the use of prior awards and tax credit resources.
- d) Developments that obtained the highest application scores in the round in which they applied in accordance with regional allocation formula, including set asides for at risk and rural populations.
- e) Developments located in a rural area.
- f) Desire to maintain private sector investment and leveraging of funds. The TDHCA shall add to the initial application scores by utilizing a formula developed by staff that reflects the following priorities:
 - i) Priority I—Credit Pricing Incentive. Private equity investor commits to provide “greater than market” funding, as evidenced by a price and equity amount equal to or greater than the credit price and equity amount reflected in the Board approved analysis for the additional allocation on November 13, 2008 or, for 2009 awards made subsequent to the approval of this Policy, the price and equity amount reflected in the original 2009 application. (All such letters to be posted on TDHCA Website)

- ii) Priority II—Equity Bridge Loan Initiative. Funds awarded under this subsection are intended to attract additional equity investment or preserve existing equity investment in tax credit developments by increasing the yield potential for top tier investors. The potential yield enhancement is derived from a reduced period of time between the final investment of equity and the realization of tax benefits and savings due to the interest rate savings on the bridge loan. The yield enhancement should result in stabilization of pricing and could lead to higher pricing if the market expectation of yield is exceeded. The funds awarded under this initiative may be up to one-half of the total equity contribution derived from the Award of LIHTC and are subject to the criteria in the policy supplement.
- iii) Priority III—Permanent Loan Replacement/Equity Risk Reduction Initiative. Funds awarded under this initiative are intended to reduce the risk to the limited partner and primary lender by replacing a all or a portion of the first lien debt with lower cost second lien, non-recourse debt from funds made available under this Policy. Reduction of the obligation of the partnership to the first lien lender, and reduced risk of foreclosure or an event of default by the primary lender should have a positive impact on the investor limited partners' and first lien lender's risk assessment of a development, which may attract renewed lender and syndicator interest in tax credit developments. The funds awarded under this subsection are subject to the criteria in the policy supplement.
- iv) Priority IV—Tax Credit Replacement Initiative. Funds awarded under this initiative are intended to replace the loss of syndication proceeds created by an applicant's inability to sell or otherwise utilize a portion of the Award of LIHTC. The returned credits may be a result of a determination by the applicant that a portion of the original or supplemental allocation of credits provided as contingency in anticipation of cost increases which have not materialized. The returned credits may alternatively be a result of the inability to close on a partnership agreement with a limited partner investor after a Good Faith Effort to close has been made. The funds awarded under this subsection are subject to the criteria in the policy supplement.

SECTION 2

SUBMISSION FORMAT

1) Identifying Labels

All electronic submissions and supplemental documents must be clearly labeled with the following:

- a) Development Name;
- b) Include the assigned TDHCA Development Number;
- c) Owner Name;
- d) Contact Name(s);
- e) Contact Address(es);
- f) Contact Phone and Fax Number(s); and
- g) Contact Email Address(es).

2) Electronic Submission

A bookmarked, electronic copy of the complete Application must be submitted as one PDF file on a recordable compact disk (CD-R). The Supplemental Reports (as applicable) may be submitted on the same disk or on separate disks, but must be in the same PDF format. The disk should NOT be rewritable to protect the integrity of the data on the disk. This electronic file(s) must be submitted in the following required format:

- a) Each volume's tabs must be correctly bookmarked;
- b) Files should average less than 100 Kilobytes per page;
- c) Files must be readable with free PDF¹ file viewers including Adobe Reader and be compatible with Adobe Reader 5.0 and above;
- d) Files should be saved so that "Fast Web View" (or page at a time downloading) is enabled
- e) The PDF file should be named in the following format:

<file_name>.pdf (i.e. Greens_Crossing.pdf); and

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

*IF THE DEVELOPMENT HAS ALREADY BEEN ASSIGNED AN FTP USERNAME AND PASSWORD, THE APPLICANT MAY SUBMIT ALL APPLICATION MATERIALS VIA FTP INSTEAD OF ON A CD-R. AND THE APPLICANT MUST THEN NOTIFY **Jason Burr** via email at jason.burr@tdhca.state.tx.us.*

3) Important Information Regarding Electronic Submissions

- a) Applicants will be assigned a user name and a password for each Application submitted. Information regarding the Department's File Transfer Protocol (FTP) Procedures to submit subsequent application documentation will be provided on the Department's website.
- b) **Each Applicant is required to complete and submit the *Electronic Application Filing Agreement* prior to receiving a user name and password for the FTP service. The agreement can be found at <http://www.tdhca.state.tx.us/recovery/detail-tcap.htm>.**

¹ Please note that the PDF format is an open technology and not proprietary to Adobe, therefore other PDF format applications are available to the public. Questions about electronic submission should be directed to Jason Burr at jason.burr@tdhca.state.tx.us.

- c) The Application consists of Tabs 1 through 8 and a Property Condition Assessment (if applicable) and Environmental Review Supplement.
- d) All required forms may be found on the Department's website. The forms submitted to the Department must be the specific to the TCAP Policy; the Department will not accept Application materials from previous years or other programs, and will terminate Applications for this reason. Each form must be completed; all questions must be answered and spaces completed. If a question does not pertain to the Development, mark "N/A."
- e) If you have difficulty downloading the files from the website, contact **Jason Burr** at jason.burr@tdhca.state.tx.us.
- f) The Applicant will receive a User ID and Password from the Department for each Application submitted to allow the Applicant the ability to submit other documents and Application materials throughout the Application process. This includes submission of Supplemental Reports that are received separate from the Application.

4) **Supplemental Reports**

The following supplemental reports must be received by the Department with the complete TCAP application.

- a) Property Condition Assessment – (ONLY REQUIRED FOR APPLICATIONS PROPOSING REHABILITATION OR RECONSTRUCTION AND WHICH HAVE CONSTRUCTION COSTS THAT HAVE CHANGED SINCE THE MOST RECENTLY APPROVED APPLICATION). A bookmarked electronic copy in the format of a single file containing all information and exhibits on a CD-R clearly labeled with the report type, Development name, Development location are required -- §49.9(h)(14)(G)(iii). The assessment must:
 - i) Include a statement that it was prepared in accordance with the Department's Property Condition Assessment Rules and Guidelines, §1.36 of the 2009 **REA Rules**;
 - ii) Be prepared by a qualified Third Party;
 - iii) Be prepared in accordance with all other requirements of §1.36; and
 - iv) For Developments which require a capital needs assessment from TRDO-USDA, the capital needs assessment may be substituted and may be more than six months old as long as TRDO-USDA has confirmed in writing that the existing capital needs assessment is still acceptable.

Questions regarding the PCA should be directed to Pamela Cloyde in the Real Estate Analysis Division at (512) 475-4573.

- b) Environmental Review Supplement - All Applicants that have **not** received a HUD environmental clearance through the Department for the Development must submit an environmental review supplement as a bookmarked, electronic file in the format of a single file containing all information and exhibits on a CD-R clearly labeled with the report type, Development name, and Development location
 - i) The materials provided for this Supplement may reference HOME or CDBG programs. All Applicants for TCAP funds must follow the same procedures that are applicable for these programs.
 - ii) The Environmental Review Supplement consists of the following documents that must be completed as described in the Environmental Procedures Manual:
 - (A) FOR NEW CONSTRUCTION, RECONSTRUCTION, and REHABILITATION where the rehabilitation cost exceeds 75% of the replacement value:
 - (I) Environmental Review Guide for Community Development Block Grant Programs with all 3 checklists (Compliance Documentation, Statutory, and Environmental Assessment Checklists) and supporting documentation
 - (II) Project Description (See example Project Description)

(B) FOR REHABILITATION where rehabilitation cost does not exceed 75% of the replacement value:

- (I) Compliance Documentation Checklist
- (II) Statutory Checklist for Categorically Excluded Developments
- (III) Project Description (See example Project Description)

- iii) All checklists must be completed as described in the Environmental Clearance Manual.
- iv) The Project Description must include the amount of the TCAP request, explanation of how the funds will be used, target population, number of individuals receiving assistance, amount per individual, total project amount, location, Area Median Family Income (AMFI) of the target population, size, function, cost, existing and future need, the project location indicated on a map, as appropriate and an evaluation of the effects.
- v) To meet the requirements for Historical Preservation, the Applicant must receive a “no impact” finding from the Texas Historical Commission (THC). At Application, documentation that this finding has been requested (by submission of a Project Review Package) will be required. The Applicant must send a Project Review Package as outlined by THC, by Certified Mail, to the Texas Historical Commission prior to the submission of the TCAP Application. The Certified Mail Receipt must be included with the Environmental Review Supplement supporting documentation that is submitted with the Environmental Review Supplement. The THC Project Review Package requirements may be found at <http://www.thc.state.tx.us/crm/crmsend.shtml>.

The Applicant must submit the Project Review Package to:
Texas Historical Commission
Lawrence Oaks - Executive Director
P. O. Box 12276
Austin, TX 78711-2276
Phone: (512) 463-6100

The THC Historic Preservation response may be required to be submitted to the Department prior to award of TCAP funds.

5) Unbound Items:

The following documents are a part of the Application, but must not be included within the electronic submission. Please note that not all of the Unbound Items listed below are due at the same time as the electronic portion of the Application (i.e. Supplemental Reports). Please do not use three-ring binders for these unbound submissions.

- a) 2009 Application Receipt
- b) 2009 Electronic Application Filing Agreement

Submission Guide

Tab 1: All forms included in the *Uniform Application* under *Tab 1 Parts A-E*

Part A. Activity Overview

- 1) This form must be signed by the representative or person with authority to execute documents on the Applicant's behalf.

Part B. Applicant Information

- 1) All Items must be completed.
- 2) Information for a second contact must be provided.
- 3) Name and contact information for Consultant must be entered.

Part C. Funding Request

- 1) Correctly select the appropriate items.
- 2) The funding request must correspond with the Selection Criteria and points items reflected in Part E.
- 3) If the requested funding will have any impact on the other sources of financing, this impact must be accounted for in the Financing Commitments provided in Tab 4. For example, if an Equity Bridge Loan is requested, the Syndication Commitment must account for the Bridge Loan repayment with the equity pay-in schedule.
- 4) If you anticipate returning a portion of your existing housing tax credit allocation/award, you must reflect the amount of credits that are currently anticipated to be returned and the gap created by returning these credits. No return of credits will actually take place as a result of completing this section unless TCAP funds are awarded.

Part D. Cross-Cutting Federal Requirements

- 1) Complete each section entirely.
- 2) The DUNS number must be provided at the time of application. If a DUNS number has not been provided you must provide evidence that an application for a DUNS number has been completed and submitted. The DUNS number must be received and provided to the Department prior to any award of funds.
- 3) Evidence of Central Contractor Registration (CCR) must be provided. Evidence may consist of the printed online registration confirmation page or the printed search results page reflecting the Applicant. Each of these can be printed from <http://www.ccr.gov/>.
- 4) If relocation of existing tenants is required, a relocation plan must be submitted behind this exhibit.

Part E. Selection Criteria

- 1) Correctly elect points for each of the applicable point categories using the criteria under paragraph (6) below.
- 2) Points for any given criterion will only be awarded if requested by the Applicant and changes to the Selection Criteria exhibit may only be made if specifically and as specifically requested by the Department.
- 3) Points under the Base Points category will be equal to the final Department designated points on which the application's original Award of LIHTC was based, less any adjustments resulting from subsequent Board approved amendments. It is the Applicant's responsibility to correctly elect points for this item.
- 4) Sign and date this form.
- 5) **Selection Criteria.** The following Selection Criteria may be elected by an Applicant. An Applicant may not change their score or elect to participate in any initiatives not elected at the time of application.

- a) **Base Points.** An Applicant may elect base points equal to the final Department designated points on which the application's original Award of LIHTC was based, less any adjustments resulting from subsequent Board approved amendments. It is the Applicant's responsibility to correctly elect points for this item.
- b) **Credit Pricing Incentive.** An Applicant may elect points from the table below for a firm syndicator commitment (a commitment which has or is ready to close a partnership agreement subject only to the award of TCAP funds) that reflects a syndication equity and price equal to or greater than the syndication equity and credit price reflected in the Board approved analysis for the additional allocation on November 13, 2008 or for 2009 awards made subsequent to the posting of this Policy Supplement, the price and equity amount reflected in the original 2009 application.

Table 1. Credit Pricing Points

% above the prior commitment	Points
More than 10%	300
More than 5% to less than or equal to 10%	200
More than 0% to less than or equal to 5%	100
Equal to prior commitment	50

- c) **Equity Bridge Loan Points.** An Applicant requesting funds under the Equity Bridge Loan Initiative may elect points based on the amount of the requested funds and the term of the bridge loan using the following table (Table 2). The "Equity" used in this table shall mean the equity generated by the Award of LIHTC and paid by the Limited Partner for use of the LIHTCs.

Table 2. Equity Bridge Loan Points

		Year of Final Payment				
		6	7	8	9	10
Loan Amount	Less than or equal to 1/10th of the Equity	220	215	210	205	200
	Less than or equal to 2/10ths of the Equity	190		185	180	175
	Less than or equal to 3/10ths of the Equity	165			160	155
	Less than or equal to 4/10ths of the Equity	145				140
	Less than or equal to 5/10ths of the Equity	130				

- d) **Permanent Loan Replacement/Equity Risk Reduction and Tax Credit Replacement Points.** If an Applicant requests funds under the Permanent Loan Replacement/Equity Risk Reduction Initiative and/or the Tax Credit Replacement Initiative they may elect points from the following table (Table 3) based on the combined amount requested under these two initiatives.

Table 3. Replacement Points

Loan requested as percentage of Total Housing Development Costs (TDC)	Points
Equal to or less than 10% of TDC	195
Equal to or less than 20% of TDC	150
Equal to or less than 30% of TDC	120
Equal to or less than 40% of TDC	90
Equal to or less than 50% of TDC	60
Equal to or less than 60% of TDC	30
Equal to or less than 70% of TDC	5

- e) Single Purpose Points. An Applicant may elect 200 points if funds are requested under only one of the point categories in subsections (c) or (d) of this section.
- f) Rural Development Points. Applications that received their Award of LIHTC under any of the 13 Rural Subregions may elect 100 points.

Tab 2: All forms included in the Application under Tab 2 and in the Excel Inserts under Tab 2 Parts A-D

Part A. Rent Schedule

- 1) **Note that this is a two-page form.**
- 2) The rent schedule must reflect the same unit mix as originally proposed. Any changes to the unit mix or income levels proposed may result in the application being ineligible for funds.
- 3) The rents and utility allowances should be updated based on the most current available information.

Part B. Utility Allowances

- 1) Form must be completed; if the form is not applicable, indicate such and submit the form. If the Development is all bills paid, indicate such and indicate the utilities and energy source.
- 2) Support documentation must be included (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.
- 3) If the Department identifies more current allowances are available, these utility allowances may be used.

Part C. Annual Operating Expenses

- 1) You must describe any “Other” cost included in any of the expense categories.
- 2) Any significant changes from the originally underwritten expenses should be explained in a narrative and inserted behind this exhibit.

Part D. 30 Year Rental Housing Operating Pro Forma

The Applicant must complete this form for all 30 years; however, no applicant will be determined by the Real Estate Analysis Division as “infeasible” based on any information relating to years 16-30 contained within this document.

Tab 3: All forms included in the Excel Inserts under Tab 3 Parts A-C

Part A. Development Cost Schedule

- 1) Must be signed by Development Owner and Contractor.
- 2) **IMPORTANT:** If projected site work costs include unusual or extraordinary items or exceed \$9,000 per Unit, then the Applicant must provide the documentation described under *Part C. Site Work Costs* form below -- §49.9(h)(6)(G)

Part B. Offsite Costs Breakdown

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

Part C. Site Work Costs

- 1) This form is only applicable if the subtotal site work cost from *Part A. Development Cost Schedule* is above \$9,000 per unit.
- 2) In addition, the following documentation must be provided:
- 3) A detailed cost breakdown prepared by a Third Party engineer or architect, and
- 4) A letter from a certified public accountant allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible.

Tab 4: All forms included in the Application under Tab 4 and in the Excel Inserts under Tab 4 Part A.

Part A. Summary Sources and Uses of Funds

- 1) Financing participants must be listed in the right-hand column.
- 2) Must include interim and permanent financing.
- 3) Total sources of funds must equal total uses of funds.
- 4) Total permanent sources must be consistent with *Tab 3 Part A. Development Cost Schedule Total Development Cost*.
- 5) Amounts listed must match amounts listed in *Part B. Financing Participants*, the Financing Narrative, Commitment Letters and Syndicator Letters.

Part B. Financing Narrative -- §49.9(h)(6)(A).

- 1) The financing narrative must include a description how each source of financing will be used and must include a description of how the requested TCAP funds will be implemented;
- 2) Description must be consistent with Part A. Summary Sources and Uses of Funds;
- 3) Commitment Letters -- §49.9(h)(7)(C):
 - a) Must include evidence of interim and permanent financing
 - b) Evidence must be consistent with Part A. Summary Sources and Uses of Funds
 - c) Commitments must account for the funding requested in the Application as applicable.
 - d) Evidence of a Good Faith Effort to secure an equity commitment must be provided.
 - i) Good Faith Effort means attempts by the Applicant to secure final financing commitments from an equity investor and lender (other than program funds from the Department) prior to application as evidenced by term sheets or letters of interest and paid due diligence or commitment fees to lenders or syndicators for due diligence efforts.
 - e) Evidence must be provided in one or more of the following forms:
 - i) Valid and binding loan agreement or deed of trust in the name of a member of the Development Owner and/or that allows transfer to the Development Owner, and, for TRDO-USDA 515 Developments, an executed letter indicating that TRDO-USDA has received a Consent Request or Primary Submittal and a copy of the original loan documents; or
 - ii) Commitment or term sheet must:
 - (A) Be addressed to a member of the Development Owner;
 - (B) Refer to the development by name;
 - (C) Be executed by lender;
 - (D) Indicate a principal amount, loan term, stated interest rate, amortization term and expiration date for any soft debt or subsidized gap financing;
 - (E) Provide intent to apply or evidence from lending agency that an application has been received; and
 - (F) Term sheet must indicate terms and amount of funding and date funding determination will be made and a commitment issued.
 - (G) If Development is financed through more than 5% Development Owner contributions, than the following are required:
 - (I) Third Party CPA letter verifying the capacity of the Development Owner to provide the proposed funding with funds not otherwise committed; and
 - (II) Letter from Development Owner's bank confirming that sufficient funds are available to the Development Owner.
 - f) Syndicator Letters -- §49.9(h)(6)(C)
 - i) Evidence must be consistent with Part A. Summary Sources and Uses of Funds
 - ii) Letter of commitment from a syndicator that, at a minimum, provides the per-credit price offered, an estimate of the amount of equity dollars expected to be raised for the Development in conjunction with the amount of housing tax credits awarded to the

- Development Owner and TCAP funding requested (as applicable), including pay-in schedules, syndicator consulting fees and other syndication costs.
- iii) No syndication costs should be included in the Eligible Basis.

Tab 5: All forms included in the *Application* under *Tab 5*.

Note: Do not include Part A.2 in Electronic Submission. The Development ownership structure must be consistent with the structure originally approved by the Department. Any changes must have been approved prior to submission of a TCAP Application.

Part A. Certification of Principal

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

Part B. Previous Participation and Background Certification -- §49.9(h)(9)(C)

- 1) Must be completed for each entity and natural person shown on the organizational chart and in Part C: List of Principals of Organizations with an Ownership or Special Interest in the Applicant from the LIHTC Application that has any previous participation with funding from TDHCA. This form is not required for Persons/entities with no previous participation.
- 2) For nonprofit entities, public housing authorities and publicly traded corporations, exhibit must be completed for the entity, individual board members and executive director.
- 3) Must be completed for any Person receiving more than 10% of the Developer fee

Tab 6: All forms included in the *Application* under *Tab 6*

Part A. Development Owner Certification

Refer to QAP definition of Development Owner

Tab 7: All forms included in the *Application* under *Tab 7*

- 1) *Site Information:* You must identify all of the sellers of the proposed Property for the 36 months prior to the first day of the Application Acceptance Period and their relationship, if any, to members of the Development team behind this form.
- 2) Tax Assessment (not required if site is located on land that is not subject to federal, state or local property taxes)
 - a) Provide the most current tax assessment valuation from the applicable county tax appraisal district.
 - b) Must indicate tax rates for each taxing jurisdiction.
 - c) For scattered sites, a tax assessment for each separate site must be submitted. Each assessment must have the site address clearly identified.
- 3) Evidence of Site Control -- §49.9(h)(7)(A)
 - a) Site control must be valid for the entire period the Development is under consideration.
 - b) Evidence must be in one of the following forms:
 - i) A recorded warranty deed (with a corresponding executed settlement-unless identity of interest transaction)

- ii) A contract for lease (45-year minimum term)
- iii) A contract for sale or an exclusive option to purchase or lease
- c) Evidence must be in the name of a member of the Development Owner. If not in the name of a member of the Development Owner, then the documentation must reflect an expressed ability to transfer the rights to the Development Owner.
- d) If a contract is provided as evidence of site control, the closing date must be highlighted or flagged. If the date is not explicitly stated, but rather is triggered by other dates or periods, submit an outline of the dates that must be used to derive the closing date.
- e) If the contract expires prior to the date the Board will consider for an award, there must be an exclusive option to extend in the contract.
- f) For **scattered sites**, if you are submitting multiple contracts, deeds, etc. each one must meet all of the requirements listed above. Each must clearly have the address identified and be consistent with the *Board approved application for the Award of LIHTC*.

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

- a) Zoning must match representation made in Site Information form.
- b) If the site was zoned for the proposed use at the time of the LIHTC application, the same documentation may be provided.
- c) Priority may be given to applications with site zoning secured for the proposed use.
- d) Evidence must include official description or definition of the zoning claimed or proposed.
- e) Evidence must be in one of the following forms:
 - i) For New Construction, Adaptive Reuse, or Reconstruction Developments, a signed certification stating that the Development is located in an Extra Territorial Jurisdictions (ETJ) of a city, is not within the boundaries of any local political subdivision, and is not subject to any zoning ordinance; or
 - ii) For New Construction, Adaptive Reuse, or Reconstruction Developments, a letter from the CEO of the political subdivision or another local official with appropriate jurisdiction stating that the Development is located in a political subdivision which does not have a zoning ordinance and that the Development is consistent with a local consolidated plan, comprehensive plan, or other local planning document that addresses affordable housing. If no such planning document exists, the letter must attest to this and state that there is a need for affordable housing; or
 - iii) For New Construction, Adaptive Reuse, or Reconstruction Developments, a letter from the CEO of the political subdivision or another local official with appropriate jurisdiction stating that the Development is permitted under the provisions of the zoning ordinance that applies to the location of the Development; or
 - iv) For New Construction, Adaptive Reuse, or Reconstruction Developments, a letter stating the Applicant is in the process of seeking the appropriate zoning and has signed and provided to the political subdivision a release agreeing to hold the political subdivision and all other parties harmless in the event the appropriate zoning is denied; and a time schedule for completion of appropriate zoning. Submit a copy of the application for change in zoning and the hold harmless letter, as well as proof of delivery of both, in the form of a signed certified or overnight mail receipt, or confirmation from said official.
 - v) For Developments involving Rehabilitation, if the property is not a non-conforming use as presently zoned, or if no zoning is required, a letter from the CEO of the political subdivision or another local official with appropriate jurisdiction which states such.
 - (A) If the property is currently a non-conforming use as presently zoned, a letter from the CEO of the political subdivision or another local official with appropriate jurisdiction which addresses the following items must be submitted:
 - (I) Nature of non-conformance; detailed narrative must be provided.
 - (II) Applicable destruction threshold
 - (III) Owner's right to reconstruct in the event of damage.
 - (IV) Penalties for noncompliance.

Tab 8 – Acquisition and/or Rehabilitation: The form included in the Application under Tab 8 Acquisition and/or Rehabilitation (form) is required for Developments proposing Acquisition and/or Rehabilitation

- 1) An updated Property Condition Assessment must be submitted in electronic format if changes to the construction costs or scope of work are proposed.
- 2) If rental assistance, an operating subsidy, an annuity, or an interest rate reduction payment is proposed to exist or continue for the Development -- §49.9(h)(10)(B), than any related contract or other agreement securing those funds or proof of Application must be provided, which at a minimum identifies the:
 - a) Source of funds;
 - b) Annual amount of funds;
 - c) Number of Units receiving the funds; and
 - d) Term and expiration date of the contract or other agreement.
- 3) For Occupied Developments involving Rehabilitation -- §49.9(h)(10)(D), at least one of the following must be submitted, unless the current property owner is unwilling to provide the required documentation. In that case, submit a signed statement from the current property owner stating either refusal or an inability to provide the following:
 - a) Monthly operating statements for 12 consecutive months ending not more than three months from the first day of the Application Acceptance Period;
 - b) The two most recent consecutive annual operating statement summaries;
 - c) The most recent consecutive six months of operating statements and the most recent available annual operating summary; or
 - d) All monthly or annual operating summaries available **AND** a written statement from the seller refusing to supply any other summaries or expressing the inability to supply any other summaries. Any other supporting documentation used to generate projections may be provided.