



Tax Credit Assistance Program (TCAP) Submission Packet May 2009

A. Statement of Intent.

- 1) This TCAP Submission Packet (the “Plan”) is presented in response to CPD Notice 09-03. The Texas Department of Housing and Community Affairs (the “Department”) intends to accept the entire amount of the TCAP formula allocation which was anticipated to be \$148,354,769. The Department will accept any additional amount available due to the return of allocation from other states.
- 2) The Department currently administers funds from the United States Department of Housing and Urban Development (“HUD”) for the following programs: HOME Investment Partnerships Program, Community Development Block Grant, Section 8 Housing Choice Voucher Program, Emergency Shelter Grants Program, Neighborhood Stabilization Program, and the Homelessness Prevention and Rapid Re-Housing Program. In addition to HUD funds, the Department administers the Weatherization Assistance Program funded through the U.S. Department of Energy, and the Community Services Block Grant and Comprehensive Energy Assistance programs through the U.S. Department of Health and Human Services.
- 3) The Department has accepted and is currently reviewing Applications for the 2009 housing tax credit cycle and anticipates awarding allocations by July 31, 2009.
- 4) Information about the TCAP programs can be addressed to

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Texas Department of Housing and Community Affairs
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Austin, TX 78711-3941
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Fax: (512) 475-0764
Email: robbye.meyer@tdhca.state.tx.us

B. Description of Competitive Selection Criteria.

- 1) Eligible Applicants. In addition to the eligibility requirements included in the Act and CPD Notice 09-03, the Department will require the following threshold elements for Applicants.
 - a) 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.
 - b) Applicants, as defined in the QAP, must not be in material non-compliance for any Department program. 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 to the extent that any of these subsequent events occur more than three months after the initial review at Application.
 - c) Applicants requesting funds must provide evidence of a Good Faith Effort to obtain equity commitments.
- 2) Priority for awarding of TCAP Funds. Developments will also be required to meet the following prioritization requirements.
 - a) Development 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 that maximize the use of prior awards and tax credit resources.
- 3) Selection Criteria. Applications for TCAP will be further prioritized based upon the following criteria and initiatives.
 - a) Developments will have a base score equal to the score in the round they applied in accordance with regional allocation formula including set asides for at risk and rural populations. The maximum possible score for this criterion is the maximum available in the appropriate credit year and is based on the Selection Criteria in the Qualified Allocation Plan.
 - b) Private equity investor commits to provide “greater than market” funding, as evidenced by a firm commitment that reflects 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. Applications may be awarded points based on a scale from 0 to 300 based with higher points for greater percentage increases in pricing.
 - c) Funds awarded under the Equity Bridge Loan Initiative 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 realized from 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. Applications will be awarded points on a scale of 0 to 220 with higher points available for applications requesting less Bridge Loan funds and faster repayment of the funds.

- d) Funds awarded under the Permanent Loan Replacement/Equity Risk Reduction Initiative are intended to reduce the risk to the limited partner and primary lender by replacing a portion or all of the first lien debt with lower cost second lien, non-recourse debt from funds made available under this Policy. By reducing the obligation of the partnership to the first lien lender, the 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 and may attract renewed lender and syndicator interest in tax credit developments. The funds requested under this subsection shall be combined with the funds awarded under the Tax Credit Replacement Initiative (see subsection (e) below) for scoring purposes.
 - e) Funds awarded under the Tax Credit Replacement 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 do so has been made. The funds requested under this initiative shall be combined with the funds requested under the Permanent Loan Replacement/Equity Risk Reduction Initiative and Applications may be awarded points based on a scale of 0 to 195 with higher points available to applications requesting less funding as a percentage of the total development costs.
 - f) An Application may be eligible for 200 points for limiting the use of the above initiatives.
 - g) Applications that received their Award of LIHTC for development in rural areas of the state may receive 100 points.
- 4) The Department defines an "Award of LIHTCs" to be an approval by the Department's Governing Board ("Board") of an allocation or determination of Low Income Housing Tax Credits between October 1, 2006, and September 30, 2009, and as may be adjusted based upon the Application for TCAP funds. The Department will uniformly apply this definition of housing tax credits for determining eligibility for TCAP funding.

C. Commitment and Expenditure Deadlines.

For applications with an Award of LIHTC made in 2007 or 2008, the Department will solicit Applications in June and July of 2009 with a deadline for submission of July 17, 2009 and anticipates initially awarding TCAP funds for these developments by September 3, 2009. For applications with an Award of LIHTC made in 2009, the Department will accept Applications after July 31, 2009 with a deadline for submission of October 1, 2009 and anticipates awarding all TCAP funds for these developments by December 17, 2009. The Department will enter into written agreements with project owners for the entire amount of the TCAP allocation by December 31, 2009. The commitment contracts will include performance benchmarks to ensure timely expenditure of funds by the property owners by February 16, 2011. In the event of noncompliance with performance benchmarks, the Department will deobligate and redistribute funds to eligible Applicants to ensure expenditure of 100 percent of TCAP funds by February 16, 2012.

D. Recovery Act Accountability and Transparency Requirement.

The Department is committed to an open and transparent process in the administration of all Recovery Act funds, including TCAP. In order to encourage public participation in the planning process, the Department hosted a roundtable on the topic of the Recovery Act housing tax credit funds on March 2, 2009. The Department regularly publishes current information regarding Recovery Act programs on the website dedicated to the Recovery Act at www.tdhca.state.tx.us/recovery.

The Department will post the description of the TCAP selection process and criteria on the Department's Recovery Act website on Friday, May 15, 2009 and will accept public comment for five days. The Department's Board will accept public comment at the May 21, 2009 meeting prior to consideration of the selection criteria. The Department will post information on all developments submitting Applications and receiving awards, including the total TCAP funds awarded for each development.

Application for Federal Assistance SF-424		Version 02
*1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		*2. Type of Application * If Revision, select appropriate letter(s) <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision *Other (Specify) _____
3. Date Received:		4. Applicant Identifier:
5a. Federal Entity Identifier:		*5b. Federal Award Identifier:
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
8. APPLICANT INFORMATION:		
*a. Legal Name: State of Texas		
*b. Employer/Taxpayer Identification Number (EIN/TIN): 74-2610542		*c. Organizational DUNS: 806781902
d. Address:		
*Street 1:	<u>221 East 11th Street</u>	
Street 2:	_____	
*City:	<u>Austin</u>	
County:	<u>Travis</u>	
*State:	<u>Texas</u>	
Province:	_____	
*Country:	<u>USA</u>	
*Zip / Postal Code	<u>78701-2410</u>	
e. Organizational Unit:		
Department Name: Texas Department of Housing and Community Affairs		Division Name: HOME Program
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix:	<u>Ms.</u>	*First Name: <u>Robbye</u>
Middle Name:	_____	
*Last Name:	<u>Meyer</u>	
Suffix:	_____	
Title:	Director of Multifamily Finance	
Organizational Affiliation:		

*Telephone Number: 512-475-2213		Fax Number: 512-475-0764
*Email: robbye.meyer@tdhca.state.tx.us		

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***9. Type of Applicant 1: Select Applicant Type:**

A.State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

***10 Name of Federal Agency:**

US Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.258 _____

CFDA Title:

Tax Credit Assistance Program (TCAP) _____

***12 Funding Opportunity Number:**

14.258 _____

*Title:

Tax Credit Assistance Program (TCAP) _____

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

State of Texas

***15. Descriptive Title of Applicant's Project:**

Tax Credit Assistance Program (TCAP)

Application for Federal Assistance SF-424		Version 02
16. Congressional Districts Of:		
*a. Applicant: TX-all	*b. Program/Project: TX-all	
17. Proposed Project:		
*a. Start Date: June 15, 2009	*b. End Date: February 16, 2012	
18. Estimated Funding (\$):		
*a. Federal	<u>\$148,354,769</u>	
*b. Applicant	_____	
*c. State	_____	
*d. Local	_____	
*e. Other	_____	
*f. Program Income	_____	
*g. TOTAL	<u>\$148,354,769</u>	
*19. Is Application Subject to Review By State Under Executive Order 12372 Process?		
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on _____		
<input checked="" type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.		
<input type="checkbox"/> c. Program is not covered by E. O. 12372		
*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)		
<input checked="" type="checkbox"/> ** I AGREE		
** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions		
Authorized Representative:		
Prefix: <u>Mr.</u>	*First Name: <u>Michael</u>	
Middle Name: _____		
*Last Name: <u>Gerber</u>		
Suffix: _____		
*Title: Executive Director		
*Telephone Number: 512-475-3930	Fax Number: _____	
* Email: michael.gerber@tdhca.state.tx.us		
*Signature of Authorized Representative:	*Date Signed:	

Application for Federal Assistance SF-424

Version 02

***Applicant Federal Debt Delinquency Explanation**

The following should contain an explanation if the Applicant organization is delinquent of any Federal Debt.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

(See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, <i>if known</i> : Congressional District, if known:	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, <i>if applicable</i> : _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$ _____	
10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i>	b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.