

**HOME PROGRAM DIVISION**

**BOARD ACTION REQUEST**

**March 11, 2010**

**Recommended Action**

Approve a Round 3 application cycle for the Tax Credit Assistance Program (“TCAP”) funds remaining after allocation to Round 1 and Round 2 applicants.

WHEREAS, the Board approved the TCAP Plan, Policy and Policy Supplement on May 21, 2009 and clarified the Policy on October 15, 2009 to allow for the allocation and award of \$148,354,769 in TCAP funds, and

WHEREAS, all of the applicants from two previous rounds have withdrawn or been satisfied and there remains a balance of funds that could be awarded by the state so long as they can be disbursed by February 16, 2012 and there remains a pool of eligible applicants that have not completed their cost certification or previously requested either TCAP or Exchange Program funds

RESOLVED, that the Executive Director and his designees and each of them be and they hereby are authorized and empowered, for and on behalf of this Department, to publish and hold a Round 3 application cycle for the allocation of TCAP Funds remaining after allocation to Round 1 and Round 2 applicants as presented in this meeting.

**Background**

The American Recovery and Reinvestment Act of 2009 provides 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 were issued through the U.S. Department of Housing and Urban Development (HUD). HUD provided the State of Texas, through the Department, \$148,354,769 in TCAP funds. 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 of the funds must be expended or returned to HUD by February 16, 2012. The Department must also disburse 75% of the entire allocation by February 16, 2011. The Department has already met the February 16, 2010 75% commitment deadline.

The TCAP Policy and Policy Supplement provided for two application rounds. Round 1 Applications for developments with Award of LIHTC’s made in 2007 or 2008 were accepted from June 15, 2009 through July 17, 2009 and Round 2 Applications for developments with Award of LIHTC’s made in 2009 were accepted from August 3, 2009 through October 1, 2009. The following provides a summary of the results from both rounds.

**Table 1. TCAP Round 1 and Round 2 Funding Status as of March 4, 2010**

	<b>Round 1</b>	<b>Round 2</b>	<b>Total</b>
<b>Submitted Applications</b>	57	46	103
<b>Total Requested</b>	\$211,828,645	\$154,503,894	\$366,332,539
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<b>Active Applications</b>	26	23	49
<b>Total Awards</b>	\$73,938,595	\$65,590,410	\$139,529,005

As the table reflects, the TCAP was initially over-subscribed. However, subsequent withdrawals of applications and resizing of some remaining TCAP Awards based on the Department's program policy and underwriting criteria resulted in the current status of an under-subscribed TCAP. There remains approximately \$8.8M in uncommitted TCAP funds. This figure may continue to increase as applications drop-out or TCAP awards are resized based on outside investor and lender requirements. To date \$118M (79%) has been committed and five (5) transactions have closed with \$2.5M drawn and disbursed.

The existing TCAP Policy (Board Resolution 09-043) outlines eligibility, priority, affordability, repayment, ownership and asset management. An existing Policy Supplement outlines threshold criteria, selection criteria, details regarding application submission, review process, and guidelines for contract administration and asset management. Round 3 TCAP Applicants will be required to adhere to both the Governing Board Policy and Policy Supplement. In order to ensure timely delivery of the funds and prevent delays caused in the first rounds by applicants applying for multiple but exclusive sources of funds, staff would emphasize and request the board affirm and make clear that:

- Developments with an Exchange Program award may not apply for TCAP Funds;
- Developments with a Round 1 or Round 2 TCAP Award may not apply for Round 3 TCAP Funds;
- Developments that have submitted a cost certification to the Department may not apply for Round 3 TCAP Funds;
- The Round 3 application cycle will use the same application materials as the prior rounds and be an open first come first serve cycle starting on March 25, 2010 and closing on April 26, 2010.
- All applications received on the same day will be prioritized: first, to regions of the state that did not received applications in the prior rounds; then, to regions of the state that were undersubscribed based upon the original RAF and the allocations to date; and, finally, to all regions of the state.
- Where ties exist based upon the submission date and locational priority, the scoring criteria included in the Policy and Policy Supplement will be implemented.

As of October 15, 2009, sixty-one (61) developments meet the requirements listed above. Attached is a list of developments that may qualify for a Round 3 TCAP application cycle. At this time, staff does not anticipate a Round 4. However, if a fourth application round becomes necessary, a roundtable to provide for stakeholder input will convene prior to any further substantive recommendations to the Board regarding this policy.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
**Low Income Housing Tax Credit Developments**  
**DRAFT Potential Round 3 TCAP Applicants**

TDHCA #	Program Type	Board Approval	Development Name	Project City	Project County	LIHTC Amt Awarded	Total Units	LIHTC Units	Population Served
07114	9% HTC	07/30/07	Washington Village Apartments	Wichita Falls	Wichita	\$877,338	96	96	General
07149	9% HTC	07/30/07	Residences at Eastland	Fort Worth	Tarrant	\$1,200,000	146	140	General
07164	9% HTC	10/11/07	Covington Townhomes	Texarkana	Bowie	\$1,200,000	126	126	General
07166	9% HTC	07/30/07	Jeremiah Seniors	Hurst	Tarrant	\$989,447	135	135	Elderly
07192	9% HTC	10/11/07	Historic Lofts of Waco High	Waco	McLennan	\$1,031,581	104	104	General
07204	9% HTC	07/30/07	Notting Hill Gate Apartments	Missouri City	Harris	\$1,093,000	108	108	Elderly
07210	9% HTC	07/30/07	New Hope Housing at Bray's Crossing	Houston	Harris	\$680,321	149	149	General
07223	9% HTC	07/30/07	Shady Oaks Apartments	Georgetown	Williamson	\$369,110	60	60	General
07234	9% HTC	07/30/07	Tuscany Park at Buda	Buda	Hays	\$1,200,000	176	170	General
07249	9% HTC	07/30/07	Bluffs Landing Senior Village	Round Rock	Williamson	\$1,189,481	144	144	Elderly
07257	9% HTC	10/11/07	Orange Palm Garden Apt Homes	Orange	Orange	\$809,338	76	76	Elderly
07282	9% HTC	07/30/07	Palermo	Midland	Midland	\$904,473	136	130	General
07291	9% HTC	07/30/07	Cypress Creek at Reed Road	Houston	Harris	\$1,199,797	132	126	General
07309	9% HTC	07/30/07	Glenwood Trails	Deer Park	Harris	\$942,176	114	114	General
07403	4% HTC	03/20/07	Amelia Parc Senior Apartments	Fort Worth	Tarrant	\$738,472	196	196	Elderly
07409	4% HTC	04/12/07	Home Towne at Matador Ranch	Fort Worth	Tarrant	\$575,046	198	198	Elderly
07412	4% HTC	06/28/07	Mansions at Hastings Green	Houston	Harris	\$937,247	230	230	General
07413	4% HTC	05/10/07	Mansions at Hastings Green Seniors	Houston	Harris	\$940,796	252	252	Elderly
07415	4% HTC	07/12/07	Costa Vizcaya	Houston	Harris	\$1,087,975	252	252	General
07444	4% HTC	08/23/07	HomeTowne on Bellfort	Houston	Fort Bend	\$781,100	210	210	Elderly
07452	4% HTC	10/11/07	Enclave Gardens Apartments	San Antonio	Bexar	\$601,737	228	228	General
07457	4% HTC	12/20/07	Wyndham Park Apartments	Baytown	Harris	\$740,829	184	184	Elderly
07602	4% HTC	03/20/07	Villas of Mesquite Creek	Mesquite	Dallas	\$715,386	252	252	General
07619	4% HTC	07/12/07	Costa Rialto	Houston	Harris	\$942,498	216	216	General
08092	9% HTC	08/23/07	Key West Village Phase II	Odessa	Ector	\$237,938	36	36	Elderly
08093	9% HTC	08/23/07	San Juan Square II	San Antonio	Bexar	\$1,200,000	144	138	General
08106	9% HTC	7/31/08	Brookhollow Manor	Brookshire	Waller	\$204,759	48	48	General
08128	9% HTC	7/31/08	Mid-Towne Apartments	Tomball	Harris	\$280,619	54	54	General
08145	9% HTC	11/13/08	Oasis at the Park	Corpus Christi	Nueces	\$291,222	80	80	General
08161	9% HTC	11/13/08	Canutillo Palms	El Paso	El Paso	\$1,200,000	172	172	General
08163	9% HTC	7/31/08	San Elizario Palms	San Elizario	El Paso	\$748,456	80	80	General
08185	9% HTC	11/13/08	Historic Lofts of Palestine	Palestine	Anderson	\$647,682	65	65	General
08195	9% HTC	7/31/08	Chateau Village Apartments	Houston	Harris	\$1,093,892	150	150	General
08200	9% HTC	7/31/08	Ingram Square Apartments	San Antonio	Bexar	\$752,115	120	120	General

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08216	9% HTC	7/31/08	Chisum Trail Apartments	Sanger	Denton	\$133,940	40	40	General
08223	9% HTC	7/31/08	Evergreen at The Colony	The Colony	Denton	\$1,200,000	145	145	Elderly
08232	9% HTC	7/31/08	Sakowitz Apartments	Houston	Harris	\$740,419	166	166	General
08251	9% HTC	7/31/08	HomeTowne on Wayside	Houston	Harris	\$950,000	128	123	Elderly
08262	9% HTC	7/31/08	Towne Center Apartment Homes	Tyler	Smith	\$1,150,000	140	134	Elderly
08269	9% HTC	11/13/08	Darson Marie Terrace	San Antonio	Bexar	\$571,824	57	54	Elderly
08401	4% HTC	01/31/08	Artisan At San Pedro Creek	San Antonio	Bexar	\$1,149,825	252	252	General
08402	4% HTC	05/08/08	Mansions at Moses Lake	Texas City	Galveston	\$838,687	240	240	Elderly
08413	4% HTC	9/4/08	City View Apartment Homes	San Antonio	Bexar	\$318,785	245	61	General
08417	4% HTC	9/4/08	Seville Row Apartments	Beaumont	Jefferson	\$288,807	90	90	Elderly
08602	4% HTC	06/26/08	Costa Ibiza	Houston	Harris	\$879,252	216	216	General
08613	4% HTC	06/26/08	Addison Park Apartments	Arlington	Tarrant	\$620,571	224	224	General
09007	9% HTC	11/26/2008	Mill Stone Apts	Fort Worth	Tarrant	\$1,410,399	144	144	General
09015	9% HTC	11/26/2008	Sutton Homes	San Antonio	Bexar	\$1,650,000	194	186	General
09025	9% HTC	11/26/2008	Ysleta del Sur Pueblo Homes I	Socorro	El Paso	\$781,794	60	60	General
09127	9% HTC	7 /30/2009	Sage Brush Village	Odessa	Ector	\$1,252,049	112	112	General
09131	9% HTC	7 /30/2009	Presidio Palms	San Elizario	El Paso	\$930,115	80	80	General
09161	9% HTC	7 /30/2009	Sterling Court Senior Residences	Houston	Harris	\$1,818,532	140	140	Elderly
09170	9% HTC	7 /30/2009	South Acres Ranch II	Houston	Harris	\$1,008,077	49	48	General
09177	9% HTC	7 /30/2009	Orchard at Oak Forest	Houston	Harris	\$1,497,001	118	118	Elderly
09198	9% HTC	7 /30/2009	Montabella Pointe	San Antonio	Bexar	\$1,731,393	144	144	General
09254	9% HTC	7 /30/2009	Irvington Court	Houston	Harris	\$1,208,125	144	115	General
09270	9% HTC	7 /30/2009	Northline Apartment Homes	Houston	Harris	\$1,976,427	172	172	General
09312	9% HTC	7 /30/2009	Villas at El Dorado Apts	Houston	Harris	\$1,995,181	159	159	Elderly
09316	9% HTC	7 /30/2009	Champion Homes at Bay Walk	Galveston	Galveston	\$1,426,915	192	192	General
060440	4% HTC	02/01/07	Town Square Apartments	Converse	Bexar	\$730,219	252	252	General
060627	4% HTC	10/12/06	Aspen Park Apartments	Houston	Harris	\$435,465	256	231	General

<sup>247</sup> LIHTC Awards made from October 1, 2006 to September 30, 2009

<sup>61</sup> LIHTC Awards made from October 1, 2006 to September 30, 2009 that have not received a TCAP or Exchange Program Award and have not submitted Cost Certification