

TSAHC 2004 Private Activity Bond Program Questions and Answers

1. The City [of San Antonio] appears to be requiring no more than 10% one-bedroom units however, the Texas Dept. of Housing and Community Affairs 2004 QAP requires a minimum 20% one-bedroom units for any project developed using Low Income Housing Tax credits (Section 50.3 (47)g - Ineligible Building Types). On page 4 of the RFP, it is the Respondents Role to "prepare and submit a Low Income Housing Tax Credit application to TDHCA for 4 percent tax credits." Will my application to the RFP be disqualified with more than 10% one-bedroom units?

TSAHC has determined that the San Antonio RFP requirement for no more than 10 percent one-bedroom units is inconsistent with the QAP requirement of at least 20 percent one-bedroom units. Because the RFP requires a Respondent to apply for Low Income Housing Tax Credits from TDHCA, the San Antonio RFP should be interpreted to have a minimum and maximum requirement of 20 percent one-bedroom units.

2. The RFP states, "To receive the maximum points, the City has requested that at least 60 percent of the units be set aside for market rate residents." Will the bond allocation issued by TSAHC be required to meet the Bond Review Boards rent and income guidelines of Priority 1, Priority 2 and Priority 3? If so, how can a development with market rate units be allocated reservation?

The Legislature by statute has exempted the TSAHC Private Activity Bond program from the restrictions set forth in Section 1372.0321, which is the section of legislation that creates the Bond Review Board priority system. See Government Code Section 2306.565(j).

3. If tax credits are not received, does TSAHC plan to continue with this project?

TSAHC has determined that to make the developments financially feasible 4% tax credits will be necessary. As a result, the Requests for Proposals require that the Respondent secure 4% tax credits through TDHCA. A Response that does not contemplate using the 4% tax credits would not be considered.

If the Respondent applies for tax credits and does not receive them, we would only give final approval for the Development if the Respondent could provide sufficient evidence to show that the financial feasibility of the Development could be maintained without the tax credits. TSAHC could not give final approval on a transaction that is not financially feasible.

4. In my review of the four RFP's there was no mention of the proposed housing being limited to person age 55 or older. Am I correct that the four proposed developments are intended for young families, not for senior citizens?

It is true that none of the four RFPs specifically request a multifamily housing complex for seniors; however, the only RFP that would exclude a proposed senior development is the Corpus Christi RFP. In the Detailed Development Description of the RFP, Corpus Christi specifically requests a “large family” multifamily housing complex that would be inconsistent with a senior housing complex. On the other hand, the Detailed Development Description in the San Antonio RFP states that no more than 10 percent of the units should be one bedroom units (unless a Development for seniors),” clearly contemplating that a proposed senior multifamily complex could meet the other requirements of the RFP. [See the answer to Number 1 above regarding the 10 percent requirement]

5. In reading the Detailed Development Description [for the RFP for San Antonio], I see things like "The Development MUST be located on a bus route". So if this is not on a bus route, I need not apply?

The Detailed Development Description for the RFP for San Antonio states that “the Development must be located on a bus route with direct access not more than 500 feet from the main entrance to the Development.” If the proposed Development did not meet this RFP requirement, TSHAC would not score the Response.

6. With regards to the RFP for San Antonio, will the development be owned by the Respondent, the Corporation (TSAHC), or the City of San Antonio?

Although this question was specific to the RFP for San Antonio, the response is applicable to all four of the RFPs. The RFP does not dictate who will be the owner of the Development, although the Corporation (TSAHC) will **not** be the owner of the Development.