Application for Inducement of Multifamily Bond Project



The Texas State Affordable Housing Corporation (the “Corporation”) is a public nonprofit corporation that serves the housing needs of low, very low and extremely low-income Texans and other underserved populations who do not have comparable housing options through conventional financial channels. The following application materials are to be used to apply for consideration of an inducement by the Corporation for Multifamily Private Activity Bonds or 501(c)(3) Bonds, or as an application for refunding or restructuring of an existing bond issuance by the Corporation.

The Corporation releases an annual request for proposals (“RFP”) to inform developers and the public of our process and guidelines for selecting qualified Developments for financing with residential rental bonds for the Private Activity Bond Program. The RFP provides greater detail and guidelines about the process of application, review, awards and program administration. Applicants are required to read through the RFP prior to completing this application.

Applications must be submitted at least 35 days prior to Corporation’s next scheduled board meeting in order to be considered for inducement or other action by the Corporation at that meeting. A list of the application deadline dates and other questions can be received by communicating with staff by phone or email. Please contact David Danenfelzer, Senior Director of Development Finance, by phone at: 512.477.3562 or by email at: [ddanenfelzer@tsahc.org](mailto:ddanenfelzer@tsahc.org)

# Summary

This application is to be used by persons or entities (“Developers”) that intend to apply for consideration for an award or restructuring of Private Activity Bonds or 501(c)(3) bonds for affordable rental housing developments (“Developments”). Developers are required to complete and submit all of the information detailed in this application in order for the Corporation to complete its process of underwriting, assessing threshold requirements, issuing inducement resolutions and submitting an application for reservation of an allocation of bonds to the Texas Bond Review Board (the “TBRB”). It is important to note that if the Corporation, the Corporation’s issuer counsel, bond counsel, municipal advisor or other authorized party requires additional information from the Developer, the Developer or the Developer’s representatives will be required to submit such information in a timely manner.

# Submission Requirements

The Corporation prefers that the application be submitted electronically, though printed and mailed submissions will be acceptable. Every submission must:

* Be signed and dated by an authorized representative of the Developer;
* Electronic submissions must be readable using Adobe PDF Reader software and may be submitted by email or on a USB drive;
* Each tab and attachment must be properly bookmarked within electronic versions;
* Scanned documents must be legible and printable on standard 8.5” by 11” paper;
* This symbol sy00871_ identified documents or forms that need to be submitted with you application. Please be sure that attachments are properly labeled and behind the appropriate tab.
* A check made out to Texas State Affordable Housing Corporation for the application submission fee must be mailed or delivered to the Corporation for an application to be complete; and
* Applications must be typewritten or electronically completed on the application materials provided by the Corporation. Handwritten applications will not be accepted.

This application requires fee for Private Activity Bonds is **$2,000.** For 501(c)(3) Bonds the fee is **$2,500**. Applications for refunding or restructuring require an application fee of **$5,000** plus deposit for professional fees of **$7,500**. Please attach the appropriate application fee and deposits to the front page of the application. The Corporation will accept personal, corporate or certified checks for the full amount made out to the Texas State Affordable Housing Corporation. Additional fees for inducements, professional fee deposits and the Corporation must be submitted pursuant to the appropriate RFP or bond policies.

Completed applications and subsequent fees must be sent to:

**Attn: Development Finance Division**

**Texas State Affordable Housing Corporation**

**6701 Shirley Avenue, Austin, Texas 78752**

Tab 1

# Development Information

|  |  |
| --- | --- |
| Name of Development: | |
| Bond Type: | Project Type: |
| Multi Property Pool Transaction | Single Property Transaction |

**Targeted Housing Need.** Each application must meet one of the four Targeted Housing Needs as noted in the RFP. Please select all that apply.

|  |  |
| --- | --- |
| Rural and Smaller Urban Markets | At-Risk Preservation and Rehabilitation |
| Senior and Supportive Housing | Disaster Relief Housing |

# Developer/Borrower Information

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name of Borrower (legal entity): |  | | | | |
| Name of Developer: |  | | | | |
| Developer Address: |  | | | | |
| City: | | State: | | | Zip: |
| Contact Name: | | | | Contact Phone: | |
| Contact Email: | | | | Contact Fax: | |
| Signatory Name: | | | Signatory Phone: | | |
| Signatory Title: | | | Signatory Email: | | |

|  |  |
| --- | --- |
| Does the Developer, or Developer’s principals, have experience in affordable housing development? | Yes /  No |
| Does the Developer, or Developer’s principals, have experience with bond financed development? | Yes /  No |
| How many units of housing have the Developer, or Developer’s principals, completed? |  |

* Please attach a narrative that describes the background and experience of the Developer, and Developer’s affiliates. If the Developer has an annual report they publish, please provide an electronic copy with your application submission.

# Funding Request

|  |  |
| --- | --- |
| Bond Amount: $(input max bond amount needed) | Term of Bonds: (months or years) |
| Total Development Costs: $ | Amortization of Bonds: (years) |
| Unit Set Aside: | Anticipated Closing Date: (Month and Year) |

* Developers must provide a spreadsheet or table that details each source of funding to be used. The spreadsheet may be copied from other funding applications (i.e. LIHTC, FHA, USDA, etc.) or Developers may request a copy of the TSAHC’s sources and uses spreadsheet.
* A narrative description of the bond issuance must also be attached. If there are any special bond structures planned (Government Notes, cross collateralizations, early redemptions, taxable tails, etc…) please provide a thorough explanation of the bond structures to be used. Additionally, attach any term sheets or special proforma from bond purchasers, if available, behind this page. Restructuring and refunding applications must also provide a detailed list of all amendments planned to the indenture, loan agreement or other documents associated with Development.

# Financial Team

Please complete all the following contact information. sy00871_ A distribution/contact list may be attached in place of filling out the following fields. All fields below must be complete, or the application may be delayed for inducement.

|  |  |
| --- | --- |
| Developer’s Counsel: | [Firm Name]  [Primary Contact]  [Email], [Phone} |
| Bond Purchaser/Underwriter: | [Firm Name]  [Primary Contact]  [Email], [Phone} |
| Bond Purchaser/Underwriter’s Counsel: | [Firm Name]  [Primary Contact]  [Email], [Phone} |
| Bond Insurer/Rating Agency: | [Firm Name]  [Primary Contact]  [Email], [Phone} |
| General Partner:  (Only if not related to Developer) | [Firm Name]  [Primary Contact]  [Email], [Phone} |
| General Partner Counsel: | [Firm Name]  [Primary Contact]  [Email], [Phone} |

\* Applicant’s will select a Trustee from the list provided for on TSAHC’s website. The selection of Trustee must be made prior to bond reservation.

Tab 2

# Property Information

The information below is to be used for completing the TBRB application for private activity bond reservation. Developers proposing to develop more than one property location must submit the information separately for each property site. An itemized list of each property including Name, Region, City, # of Units and amount of bonds to be allocated to each property must be included as the first page of this Tab.

Property       of

|  |  |  |  |
| --- | --- | --- | --- |
| Property Name: | | | |
| Address: | | |  |
| County: | City: | | Zip: |
| Census Tract: (use 11 digit code) | | QCT/SDDA Designation: | |

|  |  |  |
| --- | --- | --- |
| Number of Units: | Number of Buildings: | Year Constructed: |

|  |  |  |
| --- | --- | --- |
| Development Type: |  | |
| Choose Minimum Affordability Set-Aside: | |  |

**Current Ownership**

|  |  |
| --- | --- |
| Current Owner of Development/Land: | |
| Owner Address, City, State, Zip: | |
| Owner Phone: | Owner Email: |

**Option on Land (Earnest Money Contract)**

sy00871_ A copy of the site control documentation **must** be submitted behind this page for each property. Options on Land, Earnest Money Contracts, or similar site control documentation must be active for at least 90 days after the date of submission of this package, unless otherwise agreed to by the Corporation. Additionally, contracts must be extendable through the complete 150-day reservation period.

|  |  |
| --- | --- |
| Date of Option Expiration\* (provide page and section): | |
| Can Extend Until\* (provide page and section): |  |

Tab 3

# Previous Experience and Compliance History

**Compliance Threshold**. All Developments must adhere to the Corporation’s Compliance Policies, which can be viewed on our website at [this link](https://www.tsahc.org/public/upload/files/general/Compliance_Policy_2013_FINAL.pdf). Applications for Refunding or Restructuring will be required to adopt the Corporation’s most recent policies and procedures for Compliance and Asset Oversight.

Please print off copies of this form to include information for the Developer’s and/or Principals’ last ten projects. Applicants do not need to have completed ten projects to apply. sy00871_ Applicants must also submit their most recent Previous Participation review and are considered in Category 1 or 2, pursuant to the Texas Department of Housing and Community Affairs multifamily program rules. Please attach the Previous Participation review behind this tab.

|  |  |  |  |
| --- | --- | --- | --- |
| Property Name: | Property City: | | Property State: |
| Legal Name of Borrower/Owner: | | | |
| Does Developer still maintain an ownership interest? | | | |
| Year Placed in Service: | Number of Units: | | Date of funding approval: |
| Primary Funding Source for Compliance: | | | |
| Status of Primary Funding Source: | | Was the project ever in default: | |
| Compliance Agency Contact (email): | | | |
| Last HUD Management and Occupancy Reviews (MORs) Rating and REAC inspection score (if applicable): | | | |
| Last UPCS physical Inspection Score (if applicable):        Please provide a copy of the last TDHCA Monitoring Review, as applicable. | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| Property Name: | Property City: | | Property State: |
| Legal Name of Borrower/Owner: | | | |
| Does Developer still maintain an ownership interest? | | | |
| Year Placed in Service: | Number of Units: | | Date of funding approval: |
| Primary Funding Source for Compliance: | | | |
| Status of Primary Funding Source: | | Was the project ever in default: | |
| Compliance Agency Contact (email): | | | |
| Last HUD Management and Occupancy Reviews (MORs) Rating and REAC inspection score (if applicable): | | | |
| Last UPCS physical Inspection Score (if applicable):        Please provide a copy of the last TDHCA Monitoring Review, as applicable. | | | |

Tab 4

# Threshold Criteria

The Corporation’s Private Activity Bond Program requires Developers to fulfill or meet all the following Threshold Criteria, in order for staff to recommend an application for inducement. Each of the following subsections need to be marked in an appropriate manner and will be reviewed against all the information submitted with the application, including third party documents or reports.

**Affordability.** The Corporation seeks to provide housing to a mix of eligible households, including low, very-low and extremely-low income persons. Developers who are successful at receiving an allocation of PABs must agree to the following minimum terms and conditions through a Regulatory Agreement. At a minimum, all Developments will be required to meet the following income and rent restrictions:

1. At least twenty percent (20%) of the units must have gross rents that are restricted to households with incomes no greater than fifty percent (50%) of the Area Median Income (“AMI”), adjusted for family size, or
2. At least forty percent (40%) of the units in the Development must be affordable to persons and families with incomes at or below sixty percent (60%) of the AMI, adjusted for family size;
3. Gross monthly rent charged on an income restricted unit will not exceed 30% of the applicable AMI; and
4. The length of Affordability Requirements must be maintained for a period of at least 15 years, or as long as the tax-exempt financing is outstanding, whichever is longer.

**Experience Threshold.** All Developers must be able to demonstrate sufficient experience in the development, ownership and/or management of affordable housing developments in order to be considered for an allocation. Developers must submit evidence that they have been involved in the development or ownership of the greater of 75 units or 50% of the total proposed development units.

The information provided in Tab 3 of this application will proivde suffcient information for staff to complete this threshold review.

**Construction Threshold**. All Developments must adhere to all construction, energy efficiency, accessibility and site development standards set by the Corporation’s most recent RFP, 501(c)(3) bond policies. Developments involving housing tax credits must also adhere to the most recent Qualified Allocation Plan adopted by the Governor of Texas.

**Resident Services Threshold.** The Corporation strives to maintain excellent resident services programs in the properties it finances. To meet this goal and better serve low-income tenants, Developers must maintain a sustained resident services program that provides at least six (6) approved services to tenants per quarter. Developers must ensure a dedicated budget for services, free transportation to services if off-site, and preferably on-site staff to direct services. The six (6) services must be listed inshould be taken from the Corporation’s Resident Services Program Guidelines, as identified in “APPENDIX A – TSAHC Resident Services Program Guidelines”, or as approved by the Corporation. available on our website at: <https://www.tsahc.org/property-managers/compliance>

**Energy Efficiency Threshold.** All Developments must adhere to the U.S. Department of Energy’s Energy Star program standards. Developments including new construction and rehabilitation must meet these standards. Developers may obtain additional information regarding these standards directly from the Energy Star website: http://www.energystar.gov. sy00871_ Developer’s must submit a letter from the project architect, consulting engineer, or other third-party energy efficiency consultant, certifying that the project will meet the appropriate Energy Star Standards for rehabilitation or new construction, as proposed in the application. Additional incentives for Green Building methods and energy efficiency are included as scoring items.

**Environmental Review Threshold.** Prior to closing, the Developer is required to conduct a Phase I Environmental Site Assessment. At bond closing, the Developer will be required to provide an environmental indemnity in a form satisfactory to the Corporation.

Check this box if any of the properties associated with this application are located in a Flood Plain with 1-percent annual chance of flooding, as identified by the Federal Emergency Management Agency (FEMA).

sy00871_ Developers must provide a mitigation plan drafted by the Development’s engineer. The mitigation plan must be submitted with the initial application and either 1) state that the project will be built so that all residential and common use buildings are 18 inches or more above the stated flood plain, or 2) that flood risks can be mitigated through automated systems like flood gates or walls.

**Relocation Threshold.** All Developments involving the rehabilitation, reconstruction or demolition of existing housing must adhere to the relocation requirements of the most recent QAP. Developers are encouraged to review these requirements, especially as they may relate to a change in use for commercial or agricultural properties.

**Accessibility Threshold.** All Developments must be designed, built and rehabilitated to adhere with the Fair Housing Accessibility Standards, Title II and III of the Americans with Disabilities Act of 1990, Section 504 Accessibility Standards, and §2306.514 of the Texas Government Code. Developers are encouraged to review these guidelines with their architects and/or construction teams prior to application submission. sy00871_ Developer’s must submit with this application a letter from the project architect, engineer or contractor that the final construction plans and/or rehab plan will meet or exceed the above listed federal and state accessibility standards.

**Community Support Threshold.** Developers are required to collect community input on their Development proposals. Any letter of support or opposition must be provided to the Corporation prior to inducement of an application. sy00871_ Developers must submit **two (2)** of the following documents in order to demonstrate community support for the proposed development:

1. A letter of Support from one or more of the following: Mayor; City Council Member; City Manager; City Administrator; Director of the Local Housing Finance Agency; Director of the Local Public Housing Agency; School District Superintendent; or County Judge, from where the development is located;
2. A resolution of support from the City Council, Local School Board or County Commissioner’s Court. A resolution fulfilling the requirements for housing tax credit allocation pursuant to section 2306.67021 of the Texas Government code will be acceptable for this item;
3. A letter of support from an affected neighborhood association; chamber of commerce or tenant council of a Development to be acquired;
4. Evidence that a local government (city or county) entity is providing funding for the development; and/or
5. A letter of support from the State Representative or Senator representing the district in which the proposed development is located.

If the Developer is in the process of obtaining the resolution (see bullet #2 above) but the resolution will not be voted on until after their desired application date please confirm with Staff that this will be permitted. The Corporation will not submit an application for bond reservation until two (2) letters of support have been received.

**Underwriting Threshold.** The Corporation generally applies the same underwriting standards as required by the Texas Department of Housing and Community Affairs (“TDHCA”) to ensure consistency with the tax credit underwriting process. The Corporation must receive all third-party reports, including but not limited to property condition assessments, environmental reports, market analysis and appraisals, that are required to be submitted to TDHCA. Additional minimum underwriting standards include:

1. All Developments, and each property within a pooled transaction, must maintain a minimum Debt Coverage Ratio (“DCR”) of 1.15 for a period of no less than 15 years as underwritten by the Corporation;
2. The Corporation generally requires an amortization period of not more than 40 years. The Corporation may consider longer amortization schedules for Supportive Housing and extremely low-income housing developments;
3. The Corporation will include a reserve of replacement expense of not less than $250 per unit annually. The Corporation may require a higher reserve amount based on information provided in the Property Condition Assessment (the “PCA”);
4. Compliance fees will be included in the estimate of operating expenses and will include, at a minimum, the Corporation’s Asset Oversight Agent Fee and Compliance Fee, as well as any fees required by TDHCA or other financial sources; and
5. The Corporation will include other reasonable and documented expenses, not including depreciation, interest expense, lender or syndicator’s asset management fees, or other ongoing partnership fees in its underwriting analysis. Lender or syndicator’s asset management fees or other ongoing partnership fees will not be considered in the calculation of debt coverage.

**Property Tax Exemption.** Developers must certify that they will, or will not, apply for a property tax exemption or payment in lieu of taxes (“PILOT”) agreement to reduce the property taxes due to local taxing entities. If a Developer agrees not to apply for a tax exemption or PILOT agreement, the Corporation will require a restriction be added to the financing documents that prohibits any future application for exemption. If a Developer states that they will or may apply for a tax exemption or PILOT agreement, the Corporation will require a notification to the local tax appraisal district and the County Judge where the Development is located that such an exemption or agreement will or may be requested. Developers will also be required to submit confirmation of any exemptions or final agreements to the Corporation.

**Developer agrees not to apply for a tax exemption or PILOT agreement. If the Developer chooses to apply for a tax exemption or PILOT after the submission of this application, the Corporation reserves the right to terminate the application and withdraw as Issuer.**

**Developer wishes to reserve their right to apply for a tax exemption or PILOT agreement, and must adhere to the Corporation’s requirements for notification to public officials and government entities.**

**Readiness to Proceed**. Developers must be able to demonstrate that the proposed Development is ready and able to move forward with the proposed financing. To do so the following documents are required to be submitted with the application.

* A letter from the Developer’s counsel stating that there are no known lawsuits or other legal actions against the Developer, Developer’s affiliates or involving the proposed Development site; and
* A copy of the application, letter of intent or term sheet from the proposed bond purchaser, underwriter, or originator. Letters of intent or term sheets from the proposed tax credit equity purchaser must be submitted prior to submission of an application for reservation of private activity bond volume cap

Developers must certify by signing below, that they have read and understand that the proposed Development must meet or exceed all of the Corporation’s Threshold Criteria. The above criteria will be included in any bond agreements, compliance agreements and the indenture to the financing documents.

|  |  |  |
| --- | --- | --- |
|  |  |  |
| By: (print) | Signature: | Date: |

Tab 5

# Scoring

Pursuant to §2306.565(e) of the Texas Government Code, the Corporation’s Board has adopted the following criteria to score and rank applications to the PAB program. The first three scoring criteria are required by state statute. The remaining criteria support the Corporation’s goals to target specific housing needs and underserved areas in the state. Applicants must achieve a minimum score of 50 points. Developers are requested to check each of the scoring items they intend to request and enter the appropriate score on the line below each item. At the end of this scoring section Developers must calculate their total score and sign the certification. Restructuring and Refunding applications may skip this Tab of the application.

**Cost Per Unit of Housing.** Applications may receive up to 15 points for proposing housing developments with total residential costs within the following ranges:

15 Points for rehabilitation costs that exceed $40,000 per unit in projects that meet the At-Risk Preservation and Rehabilitation Targeted Housing Need.; or

15 points for;

* Acquisition & Rehabilitation equal to or less than $150,000 per unit
* New Construction equal to or less than$160,000 per unit; or

8 points for;

* Acquisition & Rehabilitation equal to or less than $180,000 per unit
* New Construction equal to or less than $190,000 per unit.

Requested Score =

**Proposed Rents.** Applications may receive up to 15 points for proposing Developments that ensure a percentage of rents are affordable to very low and extremely low-income households. Developments supported by project based rental contracts may only include units not supported by contract rents in the calculation of the following set-aside selections:

15 points – at least 5% of units will be reserved for families who earn 30% or less than the area median income without project based rental subsidy; or

10 points – at least 40% of units will be reserved for families who earn 50% or less than the area median income without project based rental subsidy.

Requested Score =

**Income Range for Residents.** The Corporation is interested in promoting mixed income housing as a means to improve the lives of residents and build stronger communities. Applications that propose to ensure the following mixed income guidelines will receive 15 points:

At least 20% of the total number of housing units will be available to person earning **more than** 60% of the area median income; or

At least 15% of the total number of housing units will be reserved for persons **earning between** 80% and 120% of the area median income.

Requested Score =

**Small and Mid-Sized Cities.** Applications will receive 10 points for developments located in communities with populations less than 150,000, but not located adjacent to a PMSA or MSA with a total population of more than 500,000; or within the boundaries of a PMSA or MSA, if the area has a population of 20,000 or less and does not share a boundary with an urban area.

Requested Score =

**At-Risk Preservation.** Applications will receive 10 points for the acquisition and rehabilitation of developments with current affordable housing rental contracts or land use restrictions. Applicants must demonstrate that the current rental voucher contract or land use restriction agreement (“LURA”) will be extended for at least 15 years from the date of closing.

Requested Score =

**Green Building Features**. Applications will receive 10 points for obtaining a certification from a qualified third party that the Development meets either:

1. The minimum certification requirement of the U.S. Green Building Council’s LEED (“LEED”) program: or
2. The Development achieves an Energy Star score for multifamily developments of 70 or higher.

Applications will receive an additional 5 points (maximum of 15 points for this criterion) for meeting the Gold or Platinum certification standards for the LEED program or an Energy Star score for multifamily development of 80 or higher. Certification may be based on the proposed construction plans, and the Development must obtain an official certification after completion of construction or rehabilitation.

Requested Score =

**Accessible Housing Features.** Applications will receive 10 points for certifying that the Development will meet the following housing accessibility standards. Rehabilitation Developments are not exempt from meeting these requirements, if the scoring item is selected:

* All housing units accessible through a ground floor entrance must have at least one no-step entry with a 36” entrance door;
* All housing and community spaces will be accessible via pathways that meet ADA and Fair Housing accessibility standards;
* All doorways in ground floor units (including closets, bathrooms, storage areas, etc…) must have doors with at least a 32-inch clear opening;
* All doors must have lever handles and windows must have accessible release and opening mechanisms;
* All ground floor units must have at least one ground floor bathroom with an accessible bath tub or roll in shower, and at least one ground floor bedroom;
* All electrical outlets, switches and control panels must be no higher than 48 inches and no lower than 15 inches; and
* All ground floor units must have kitchens that are accessible pursuant to the Fair Housing Accessibility Guidelines.

Requested Score =

**Local Public Funding.** Applications will receive 10 points for providing evidence that a commitment of financial support of at least $250 per unit has been made by a unit of government to the proposed development. The only qualifying units of government will be Counties, Cities, Municipal Utility Districts, and Councils of Government. The Corporation considers fee waivers, grants and loans as financial support. sy00871_ A commitment or award letter from the governing body must be submitted behind this page for points.

Requested Score =

**Letters of Local Support.** Applications will receive 15 points for submitting at least four letters of support from any combination of the following persons: Mayor; City Manager; County Judge; School District Superintendent; State Representative; or State Senator, whose district includes the Development site. sy00871_ Attach a copy of two or more additional letters behind this page of the application.

Requested Score =

**Developer Experience.** Applications will receive 5 points for providing evidence that the Developer currently owns, and maintains in compliance, a number of multifamily housing units at least twice the amount proposed in the Application. Developers must be sure that they have provided sufficient evidence of previous experience in the Threshold Criteria, Tab 5 of this application to receive points.

Requested Score =

**Resident Services.** Applications will receive 10 points for agreeing to provide at least four (4) approved services to tenants on a monthly basis. This scoring criterion is a higher standard than the Corporation’s threshold criteria for resident services.

Requested Score =

**Tie Breaker.** The Corporation will break all scoring ties by dividing the estimated per unit cost by the number of very-low and extremely-low income units. The application with the lowest ratio will be determined the winner of the tie break. The Corporation will only calculate the tie breaker in the event that a tie occurs between two eligible applications.

Total Score Requested =

Developers must certify by signing below, that they have only selected points for scoring items that they can fulfill and understand that they will be required to fulfill the requirements of all scoring items they have commitment to in this section.

|  |  |  |
| --- | --- | --- |
|  |  |  |
| By: (print) | Signature: | Date: |

|  |  |  |
| --- | --- | --- |
|  |  |  |

# Tab 6

# Certifications

## The Developer and Developer’s principal(s) will be held to all representations made in this application, future document submissions and any statements made at public hearings.

## Developer and Developer’s principal(s) agree that after the reservation of volume cap has been obtained, the Corporation will hold a public hearing (the “TEFRA”) with the participation of the Developer and Developer’s principal(s). Before the closing of the bonds or other obligations to be issued by the Corporation in connection with the financing, staff will prepare final evaluations and recommendations to the Corporation’s Board of Directors, which will include any public comments received at the TEFRA. Based on those recommendations, the Corporation’s Board of Directors may choose to consider and adopt a Bond Resolution and to make a final decision on allocating the bonds for the Development(s).

## Developer and Developer’s principal(s) agree that the Corporation must approve the initial selection of a management company and all subsequent changes in management during the term while the financing is outstanding.

## Developer and Developer’s principal(s) certify to the best of their knowledge that all previously owned and/or developed affordable housing properties are compliant with all applicable bond, tax credit, HOME, or other federal, state, or local affordable housing program(s) from which the Developments receive funding. Furthermore, the Developer and Developer’s principals certify that they are able to receive confirmation from the Texas Department of Housing and Community Affairs that they are considered in Category 1 or 2 for their Previous Participation review process.

## Developer and Developer’s principal(s) certify that all affordable housing Developments for which the Developer and/or the Developer’s principal(s) or related entities were involved or were requested to be financed and which were financed with affordable housing program assistance have not been and are not currently involved in litigation regarding the Development and/or financing of any of the properties, are not the subject of any IRS actions and are current with all local property taxes. Any change in this status or failure to inform the Corporation of any changes to this status may result in termination of the application and loss of any fees or deposits already paid.

## Developer and Developer’s principal(s) certify that all affordable housing units developed as a result of this preliminary award of tax-exempt financing will meet all federal, state and local development standards. This includes all minimum property and development standards detailed in the 2010 State of Texas Qualified Allocation Plan [Chapter 10 Texas Administrative Code [TAC] §50], Section 504 of the 1973 Rehabilitation Act, Federal Fair Housing Accessibility Standards, and, if applicable, the Texas Minimum Construction Standards and State Accessibility Standards at §2306.514 of the Texas Government Code. These requirements may supersede any additional federal, state or local housing standards that may be required by local development codes, or additional federal, state or local financing.

## Developer and Developer’s principal(s) certify that all affordable housing units developed as a result of this preliminary award of tax-exempt financing will meet or exceed, as represented in their response to the RFP, the statewide energy code adopted by the State Energy Conservation Office.

## Developer and Developer’s principal(s) certify that they have not violated any standard of conduct or conflict of interest statute, including §2306.6733, Texas Government Code, or any section of Chapter 572, Texas Government Code.

## Developer and Developer’s principal(s) certify, to the best of their knowledge, that no issues of environmental safety or negative impacts are present at the proposed Development(s) location. The Developer will contract and have completed a Phase I Environmental Site Assessment (ESA) at its own expense and submit it with the Reservation Detail Package. If the Phase I ESA identifies environmental risks the Developer will contract and have completed prior to bond closing a Phase II ESA. The Developer at its own cost will meet all other federal, state or local environmental regulations required of them.

## Developer and Developer’s principal(s) certify that all properties will comply with the Texas Department of Housing and Community Affairs (TDHCA) Qualified Allocation Plan (QAP) and Rules pertaining to the Low-Income Housing Tax Credit Program in effect at the time of the response to the RFP in order to apply for 4% tax credits.

## Developer and Developer’s principal(s) certify that (1) a minimum of twenty percent (20%) of the units in a Qualified Residential Rental Project (as defined by the TBRB and also referred to herein as a “Development”) must be reserved for households with incomes no greater than fifty percent (50%) of the area median income (“AMI”), adjusted for family size, or at least forty percent (40%) of the units in the Development(s) must be reserved for households with incomes at or below sixty percent (60%) of the AMI, adjusted for family size; (2) Gross monthly rent charged on an income restricted unit will not exceed 30% of the applicable AMI; and (3) Income and rent restrictions must be maintained for a qualified project period to be determined in accordance with federal and state law.

## Developer and Developer’s principal(s) certify that it will be responsible for all fees and expenses in connection with all tax-exempt financing issued on its behalf. Such expenses, where eligible under the Internal Revenue Code (the “Code”), may be financed through bond proceeds and will be considered part of the obligations authorized for issuance by the Corporation. All fees required by the Corporation are noted in the Corporation’s Request for Proposals.

## Developer and Developer’s principal(s) agree that the preliminary award may be terminated by the Corporation or the Developer by written notice at any time. The Developer is encouraged to act in good faith and fair dealing to terminate this agreement if it becomes aware of any reason that the proposed developments will not move forward or if it has found alternative financial resources so that the Corporation may allocate its private activity bond allocation to other qualified applicants.

## Developer and Developer’s principal(s) agree that the Corporation reserves the right to retract an award if a Developer is unable to receive a reservation of private activity bond cap within 90 days from the date of Inducement. The Corporation reserves this right in order to allow alternate Developers, or other applications to proceed with an inducement and reservation, and to ensure the maximum utilization of the Corporation’s volume cap.

## Developer and Developer’s principal(s) agree that any preliminary official action of the Corporation should not be construed as an indication as to the marketability of obligations or as the final approval of the Development by the Corporation, its municipal advisor or bond counsel. Rather, it is an indication that the Corporation will attempt to issue its obligation to provide financing to a portion of the proposed Development(s) subject to, (I) the Corporation’s approval of financial structure of the tax-exempt financing, bond purchaser and/or underwriter, and the Developer’s readiness to proceed, (II) the Developer’s continuing compliance with these regulations and cooperation in providing any and all requested information to the Corporation, (III) approval by the Texas Bond Review Board (the “TBRB”) of the sale of obligations, (IV) market conditions and terms acceptable to the Corporation and to its staff and consultants, and (V) approval by the Texas Attorney General of the issuance of the obligations.

## Developer and Developer’s principal(s) agree that this Application and all materials submitted to the Corporation constitute public records of the Corporation subject to Tex. Gov’t Code, Chapter 552. Any person signing the certification acknowledges that they have the authority to release all materials for publication on the Corporation’s website and release them in response to a request for public information, and make other use of the information as authorized by law. This includes all Third Party reports, which will be posted in their entirety on the Department’s website, as they constitute a part of the Application.

|  |  |  |
| --- | --- | --- |
|  |  |  |
| By: (print) | Signature: | Date: |

# Tab 6

# Tax Credit Submission Requirements

Because most Private Activity Bond Developments will be financed with a combination of tax-exempt financing and housing tax credits, the Corporation is attempting to reduce the amount of duplicative information that the Developer must submit.

* Developers must submit the following tabs from the Texas Department of Housing and Community Affairs Multifamily Uniform Application Excel worksheet.
  + Building/Unit Type Configuration
  + Rent Schedule
  + Annual Operating Expenses
  + Proforma
  + Development Cost Schedule
  + Sources and Uses

**The TDHCA application materials and manual are located at:**

<http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>

# Fees

* Don’t forget to attach your check for the application and deposit fees on the front page of the application:
* **$2,000** for Private Activity Bonds;
* **$2,500** for 501(c)(3) Bonds; or
* **$12,500** for Restructuring and Refunding applications (includes legal deposit).