



Multifamily Finance Production Division

P.O. Box 13941, Austin, Texas 78711-3941 Phone: 512.475.3340 Fax: 512.475.0764

Application Procedures for Housing Tax Credits with Tax Exempt Bond Financing

1) Deadlines for Filing an HTC Application

- a) Applicants which receive advance notice of a Program Year 2007 reservation from the Texas Bond Review Board's (TBRB) November 2, 2006 lottery for the private activity volume cap must file a **complete** Application as described below in paragraph 3, per the requirements of the Qualified Allocation Plan and Rules (QAP), no later than **12:00 p.m. cst on Thursday, December 28, 2006**.
- b) Applicants which receive advance notice of a Program Year 2007 reservation after being placed on the waiting list as a result of the TBRB lottery for private activity volume cap must submit:
 - i) The Application fee along with Volume 1 and Volume 2 of the Application **prior to the Applicant's bond reservation date as assigned by the TBRB**. Volume 1 and 2 must be accompanied by all Previous Participation Documents. An additional unbound copy of the Previous Participation Documents, including the organizational chart and volume 2, must be submitted under separate cover to be forwarded to the Portfolio Management Division for review.
 - ii) All outstanding documentation as described below in paragraph 3, required under the QAP, must be submitted to the Department **at least 60 days prior to the TDHCA Board Meeting at which the decision to issue a Determination Notice would be made**. This deadline is tied to the TDHCA Board Meeting dates and the bond closing deadline. Therefore it will vary for each waiting list application. **Determining when the outstanding documentation should be submitted is the responsibility of the applicant**. If the Application is not submitted by the 60 day deadline, the Department can not ensure that the Determination Notice will be included on the originally anticipated/requested Board meeting date or that the Application will be recommended to the TDHCA Board.

2) Governing QAP

The QAP is the document that governs the administration of the HTC program, as well as outlining the application requirements. The threshold requirements of an application, as well as all eligibility criteria and site and Development restrictions, which are required for a bond financed tax credit application, are one part of the QAP. The QAP that governs the HTC applications for all Program Year 2007 reservations is the 2007 QAP that was approved by the Department's Board on November 9 and was subsequently signed by the Governor on December 1, 2006.

3) Application Documentation Requirements

- a) Tabs and binders required to complete the application must be independently purchased by the Applicant and are not provided by the Department. It may be necessary to confirm the number of volumes which must be submitted, since requirements may vary depending on the Issuer of the bonds and if any other funding source is being requested.
- b) An application fee of \$30 per units in the form of a personal or cashier's check must be submitted with the application. Applications in which a CHDO or Qualified Non-Profit Organization intends to serve as the managing General Partner of the Development Owner or Control the managing General Partner of the Development Owner, will receive a discount of 10% off the calculated Application fee. If TDHCA is being utilized as the Issuer of the bonds, the \$10,000 bond application fee must also be submitted.

- c) A TDHCA Uniform Application with all the multifamily worksheets describing the proposed development in detail. All required application and threshold documents in accordance with the applicable QAP. The Environmental Site Assessment and Market Study must be included.
- d) Consistency with the local municipality's consolidated plan or similar planning document must also be demonstrated in those instances where the city or county has a consolidated plan. If no such planning document exists then the Applicant must submit a letter from the local municipal authority stating such and that there is a need for affordable housing.
- e) An executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants.
- f) Note: Bond applications are not subject to the Selection Criteria.

4) Credit Amount

- a) The Department shall issue tax credits only in the amount needed for the financial feasibility and viability of a Development throughout the Compliance Period.
- b) Tax Exempt Bond applications are not subject to the per development and per Applicant credit limitations established in the QAP.

5) Development Size Restrictions

- a) Minimum Development Size
 - i) The minimum Development size will be limited to 16 units.
- b) Maximum Development Size
 - i) Rural Developments involving new construction must not exceed 76 Units.
 - ii) All other Tax Exempt Bond Developments involving new construction will be limited to 252 units. These maximum unit limitations also apply to those Developments which involve a combination of rehabilitation and new construction.
 - iii) Developments that consist solely of acquisition/rehabilitation or rehabilitation only may exceed the maximum unit restrictions.

6) Reference Documents

- a) The HTC Program has a number of documents, including the application; that are available on its web site at <http://www.tdhca.state.tx.us/multifamily/applications.htm> Some helpful reference documents include:
 - i) The *Qualified Allocation Plan and Rules* which are the rules that govern the program. While Tax Exempt Bonds are discussed throughout the body of the document, it does so particularly in §49.12 of the 2007 QAP.
 - ii) The *Application Submission Procedures Manual* which describes the administrative filing requirements in detail.
 - iii) The *Housing Tax Credit Information Guide* found in the 2007 Reference Manual which describes in detail how the credits are calculated.
 - iv) The *2007 Real Estate Analysis Rules and Guidelines* which describes in detail the requirements for Market Studies, Environmental Site Assessments, Appraisals and the Property Condition Assessments.