

## 2019 Application Webinar Q&A

- When do you anticipate having the elderly limits calculated?
  - Staff expects to release the official elderly funding limitations for the applicable subregions in late January or early February. The dataset upon which these limitations are based is typically not released until the end of December or early January. For the time being, the elderly limitation percentages used in 2018 should roughly approximate the percentages that are to be used in 2019.
- How many buildings are considered blight for “multiple buildings”?
  - Technically, “multiple buildings” is two or more, but there is no set number in this rule.
- Can you confirm that Elderly Developments do not need to identify Schools as Neighborhood Risk Factors?
  - The QAP reads, in part, in 10 TAC §11.101(a)(3)(B)(iv), “Elderly Developments are considered exempt and do not have to disclose the presence of this characteristic.” However, they do have to complete the application section on the schools and provide supporting documentation.
- When do you expect to post the CRP packet to the website?
  - The CRP packet is posted at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>
- Is there a way to have the [check] receipt populated with the information entered into the pre-application?
  - This would require additional time and resources from the Department’s Information Systems Division, so it is not feasible for 2019.
- [In the pre-application] Do we really still need to submit maps and addresses of the amenities now that the specific locations are not being scored in the same way they used to be? It is a lot of work and really not useful information to other applications anymore.
  - The requirement for lists and maps of amenities will be removed from the pre-application form.
- Are CRP packets only required for Urban CRP?
  - Both Urban and Rural CRP Applications will submit the packet.
- At what point in time do GP and LP entities need to be active and in good standing? Is this needed for the Full Application at 03/01/2019?

- Per 10 TAC 10.402(d), documentation regarding the status of Texas entities and entities formed outside of Texas are due no later than the expiration date of the Commitment or Determination Notice.
- Once we submit the pre-app, can we change the pre-app up until the deadline once submitted?
  - Even after an Applicant clicks “submit,” the Applicant has until the pre-application deadline of 5:00 p.m. Austin Local Time on January 9, 2019 to make revisions to that submitted pre-application.
- Will we be able to start/partially complete the preapp and then log back in and finish/upload documents at a later time?
  - Yes. You will have to go to the last page and revoke the submission. You will then be able to make edits then re-submit the pre-application. When you revoke the submission, the pre-application no longer appears as submitted in the system. **You must re-submit the pre-application by the deadline!**
- So, a private nonprofit with expanded services can get a 100% fee [waiver] whether they layer with tax credits OR are just MFDL only?
  - 10 TAC §11.901(3)(A) provides a 10% fee discount for tax credit Applications from certain nonprofits. The 100% fee waiver is only available for MFDL-only Applications under 10 TAC §11.901(3)(B).
- Are there any waivers that are required to be submitted with the pre-application?
  - There are no requirements for waivers to be submitted at pre-application instead of full Application. Per the requirements of 10 TAC 11.207, an Applicant may submit a waiver request in writing at or prior to the submission of the pre-application, *if* submitting a pre-application, or the Application. For the 9% HTC program, waivers may not be submitted between submission of the Application and any award for the Application.
- I assume that the CHDO and Direct Loan application is due on March 1 with the HTC application.
  - If the Direct Loan will be layered with a HTC Application, then the Applicant must include the necessary components of the Direct Loan Application, including the CHDO application, in its HTC Application. This is true for applications for 4% and 9% credits. If the Direct Loan Application is not layered with HTC, submission of the Application will be in accordance with the 2019 NOFA, which will open in mid-January.
- Will the webinar PowerPoint be made available to the public?

- The PowerPoint will not be posted, but a copy can be requested. A PDF version of the webinar slides has been posted at: <https://www.tdhca.state.tx.us/multifamily/docs/19-HTC-WebinarSlides.pdf>
- Jim Wells County is included in the FEMA list, along with Hidalgo and Cameron counties, but the Department only mentions the latter two. Can you please advise?
  - FEMA has posted a list that includes Jim Wells County and one that does not. The Department has contacted FEMA regarding this discrepancy, and received verbal confirmation that Jim Wells County was added to the declaration. We will be adding Jim Wells county to the list of counties eligible for the readiness to proceed in disaster impacted counties scoring item, at 10 TAC 11.9(c)(8).
- Regarding underserved points and assuming a census tract has one project. If that project board approval year is 2004, then the census tract is eligible for 0 underserved points and if the board approval year is 2003 the census tract is eligible for 2 underserved points. Is that right?
  - To identify whether or not a census tract qualifies for either subparagraph (C) or (D) of 10 TAC 11.9(c)(5), Underserved Area, count back either 30 years or 15 years, respectively, from January 1, 2019. Therefore, any awards made **in or after** the year 2004 make a census tract **ineligible** for subparagraphs (D) and (E); any awards made in or after the year 1989 make a census tract **ineligible** for subparagraph (C).
- For underserved date, if the Board Approval column says 8/1/2004, then you would use the year 2004. So, for the upcoming 2019 cycle, that census tract with the "2004" Board Approval date would count as meeting the 15 year requirement?
  - No, it would not because January 1 of 2014 to January 1 of 2019 is exactly 15 years. Any approval date in 2003 or earlier would qualify, however.
- If direct loan match is "donated services" should it be treated the same as a reduction of impact fees on the Development Cost Schedule, and left off the Sources and Uses tab?
  - For Direct Loan, if the donated services (e.g. general contractor, architect) or fee waivers are listed in the S&U in the match section, then the costs *before* the donated services or fee waivers should be listed in the Development Cost Schedule.
- If access is through an easement tract, must the fee of the easement tract be subjected to the LURA?
  - 10 TAC 11.204(10)(D), regarding Site Control requirements, reads as follows: "If ingress and egress to a public right of way are not part of the Property described in the site control

documentation, the Applicant must provide evidence of an easement, leasehold, or similar documented access, along with **evidence that the fee title owner of the property agrees that the LURA may extend to the access easement**” (emphasis added).

- Ingress/Egress implies that the access easement will be included in the LURA. Is that now required?
  - Yes. Please see staff’s response above.
- If qualifying for At-Risk via expiring HAP Contract, but property has a LIHTC ROFR, does the ROFR need to be complied with, if the purchaser will be newly-formed limited partnership for purpose of re-syndication?
  - The specific details and context regarding an individual Development should be should be discussed with the Asset Manager for the Development. You can find Asset Manager assignments and contact information at <https://www.tdhca.state.tx.us/asset-management/contacts.htm>
- Will there be an opportunity for you to go over all of the options to qualify for "At Risk" in more detail?
  - 10 TAC 11.5(3) of the QAP carefully explains the various means by which a Development qualifies for the At-Risk Set-Aside. Staff is always ready to provide answers to specific questions you may have.
- Am I just seeing things or did the Two Mile Same Year slide just reference 2 1/2 miles away?
  - 10 TAC 11.3(b), Two Mile Same Year Rule, is two miles. The application will reflect the two mile requirement.
- When you say "have your financing partners sign it" for the Sources of Funds - can you clarify who needs to sign (i.e. does an owner need to sign if owner equity, does a foundation need to sign if they have committed a grant - even if a small amount, does a City need to sign if allocating funds to the project?
  - 10 TAC 11.204(7)(A)(ii)(VII) requires that lending institutions and mortgage companies that are “actively and regularly engaged in the business of lending money” must acknowledge all anticipated sources of funds. Those institutions may reference and sign this form or provide a separate acknowledgement.
- I did not see a 2019 Experience Certificate Request Form posted? The existing form references the 2018 cycle.
  - An updated form has been posted at

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

- If Match [dollar] amount per supporting documents is greater than the maximum match allowed, do we input the maximum match number or the [dollar] amount per the letter?
  - There is no maximum amount of match. To the extent that the match being provided exceeds the minimum 5% required match, Applicants can enter the actual amount of match being provided in Tab 33 and in the letter from the match provider.
- Will you be discussing local government support/non-objection resolutions in this webinar? (Are they still required with the final application? Are the requirements still the same?)
  - Resolutions from local government entities are described in the QAP at 10 TAC §11.3. Resolutions are due with the full Application on March 1, 2019. There have been no statutory changes regarding the necessity of the resolutions. All interested parties are encouraged to carefully review 10 TAC §11.3. Local government entities are encouraged to discuss any questions regarding the provision of resolutions with legal counsel. Please contact staff with any specific questions.
- Also, you may be discussing this, but has the date been determined that the final QAP will be posted? Also, are you expecting any changes to the Program Calendar in section 11.2 with the final QAP?
  - The finalized QAP has been posted at
  - <http://www.tdhca.state.tx.us/multifamily/nofas-rules.htm>. No changes were made to the timeline.
- Can you also discuss in more detail the Requirements for the Resolutions section of Tab 8 - Supporting Docs for Site Info Part I? (Twice the State Average of Units Per Capita Resolution, One Mile Three Year Resolution or evidence of other exception, Housing Tax Credit Units per Total Household Resolution) Thank you.
  - The rule-based requirements for this particular Tab can be found in 10 TAC 11.3, Housing De-Concentration Factors. Staff will post an application templates document that will include templates for the resolutions. Please contact staff with any specific questions.
- Can the next draft of the application allow insertion of Word Art so that "N/A" can be entered as appropriate?
  - No, word art should not be inserted in the Excel version of the Application. Word art can be inserted once the Excel document is converted to PDF.

- Under 811, if existing developments were [exempted] from 811 participation in the 2018 round, does a full 2019 package need to be submitted, or may a previous determination of ineligibility from 2018 be relied upon?
  - A full 2019 package would need to be submitted; we do not honor previous lender (or similar) letters. An eligible entity that withheld permission in a previous year could allow participation in a subsequent year.
  - If a property was found to be ineligible due to a rule requirement, such as being located in a floodplain, then previous ineligibility evidence would be relied upon.
- Who is responsible for conducting the environmental site assessment and clearance listed on Tab 47 - Third Party?
  - For Section 1 of that form, the Applicant is responsible for hiring the third-party firm that will provide the environmental site assessment report. Rules and guidelines can be found at 10 TAC §11.305.
  - For Section 2, environmental *clearance* is a HUD requirement that is the responsibility of the Applicant.
- A Superintendent is required to be notified. If the Superintendent changes between pre-app and app does he have to be re-notified? Is it only elected officials?
  - The notification is not limited to elected officials. 10 TAC §11.8(b)(2)(B) reads, in part, “If there is a change between pre-application and the Full Application Delivery Date, additional notifications must be made at full Application to **any person or entity** that has not been previously notified by the Applicant. Meetings and discussions do not constitute notification.” (emphasis added)
- Are there changes proposed from Compliance that are significant for the UA for app purposes?
  - There are no significant changes for HTC-only Applications.
  - For the Application is for MFDL funds, the Applicant will be allowed to select from any of the methods, except for the PHA method.
- If there is a disaster in counties that are not currently declared disasters is the last date that can happen at preapp or at full application
  - Under 10 TAC 11.9(c)(8) related to readiness to proceed, because of a modification made by the Governor, the date counts from two years preceding December 1, 2018.

- Under 10 TAC 11.9(d)(3) related to declared disaster areas, the date counts from two years preceding the date of Application submission.
- Why do the income averaging units need to be distributed across the development when the 40/60 units do not?
  - The requirement to disperse Units under the income averaging election is included in the Compliance rules at 10 TAC §10.605(c). The requirement is to distribute the Units across all Unit types, rather than Units across the Development:
 

“Owners that elect the average income test under IRC §42(g) must disperse 20%, 30%, 40%, 50%, 60%, 70% and 80% Unit designations across all Unit Types in a manner that does not violate fair housing laws.”
- Is this income averaging example properly distributed among the unit types and indicated on the site plan? Can all the 30% units be studios?
  - Staff did not consider the distribution of the Units across all Unit types when the example was created.
  - No, the 30% units cannot be limited to studios. Per 10 TAC §10.605(c), “Owners that elect the average income test under IRC §42(g) must disperse 20%, 30%, 40%, 50%, 60%, 70% and 80% Unit designations across all Unit Types in a manner that does not violate fair housing laws.”
- Tiebreaker form needs to be revised with higher poverty rate in regions 11 and 13. shows 15.629
  - The full Application will automatically add the amount necessary for the higher rate, for those applicable regions.
- This year for the posted PDF full applications, can you please indicate a revised date (or something) when an application has been reuploaded with staff documentation?
  - Staff will investigate this suggestion and if we can find a way to manage it consistently, we will.
- [Do the market rate Units] get included in the [average] income calculation [because] it says average of "Development"
  - Market rate Units are not used in the calculation of the Average Income for a Development. Only rent-restricted Units, which range from 20% to 80% AMFI, are used.
- [The second] Tie breaker only includes closest [Developments awarded] within last 15 years?
  - Correct. Please reference 10 TAC §11.7(2) for the rule.

- If you are not doing anything other than what has been identified in the application (i.e. # units, type of building, etc..) is there really a need to fill out the development narrative?
  - Yes. We require a narrative description of the Development in order to identify Development activity as well as any activity that may not be captured elsewhere in the Application.