



2023

Bond Pre-application Procedures Manual

221 East 11th Street
Austin, Texas 78701

12-2022 Version

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I. Introduction

The Texas Department of Housing and Community Affairs' (the Department) Multifamily Bond Pre-application Submission Procedures Manual sets forth the basic information needed for filing a Private Activity Bond Pre-application. All sections of the manual must be followed when filing a Pre-application. This document is meant to serve only as a complementary guide on how to put the Pre-application together. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the programs for which they are applying and contact staff directly with any questions.

Prior to submitting a Pre-application, the Department will require the submission of the Pre-Inducement Questionnaire. The purpose of the questionnaire is for the Department to get a preliminary understanding of the proposed Development and to communicate with the Applicant the Department's objectives and policies regarding the development of affordable housing throughout the state using tax-exempt bond financing. The acceptance of the questionnaire by the Department does not constitute a pre-application or Application and does not bind the Department to any formal action regarding an inducement resolution. Staff will follow-up to discuss the next steps in the process. The Pre-Inducement Questionnaire can be found on the Department's website at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.

II. 2023 Bond Pre-application Submission Timeline

Pre-applications will be accepted on a monthly basis with deadlines for submission outlined in a timeline found at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>. ***All Pre-applications must be submitted before 5:00 p.m. Austin Local Time on the submission date.*** Pre-applications received each month will be scored and ranked against other Pre-applications for that month and will then be presented to the Department's Governing Board for consideration of an inducement resolution the following month.

III. Pre-application Process

- The Applicant submits the Pre-application and corresponding Pre-application fees to the Department. The Pre-application fees, pursuant to §12.10(a) of the Multifamily Housing Revenue Bond Rules and as further noted in Section IV must be submitted with the Pre-application in order for the Pre-application to be accepted by the Department.
- Department staff will review the Pre-application and request any additional information as applicable through the Administrative Deficiency process. ***The Applicant will have three (3) business days to correct any deficiencies.*** The Pre-application will be scored (according to 2023 scoring criteria) and ranked by highest score. Multiple site Pre-applications will be scored and ranked on their own merits. The Department will determine the final score for these Pre-applications based on an average of all the individual scores for submission to the Texas Bond Review Board (the BRB).
- A summary of the proposed transaction will be presented to the Department's Governing Board for consideration of an Inducement Resolution.
- Upon Board approval, staff will submit an application for private activity bond volume cap to the BRB to await a Certificate of Reservation (in order of descending score if there are multiple Pre-applications in any given month). The BRB will issue reservations on a first come first served basis in the order the Department submits.

IV. Format for Submitting the Multifamily Bond Pre-application and Supplement

The Pre-application consists of two separate files, one in EXCEL format and one in PDF format. Pre-applications must be submitted through electronic transmission using the Multifamily Finance (MF) Serv-U Hypertext Transfer Protocol Secure (HTTPS) System. A completed and fully executed *2023 Electronic Application Filing Agreement* must be completed and submitted in order to have access to the Serv-U portal. The current form can be found at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>. Please complete and submit at least 3-5 business days prior to the anticipated Pre-application submission date to ensure sufficient time for processing. The form should be emailed to jason.burr@tdhca.state.tx.us. A TDHCA Application Number will be assigned at that time. **IMPORTANT:** Identify **ALL** persons who should receive the setup/login information. This information will not be released by the Department to anyone other than the Applicant and those persons identified on this form.

For guidance on using Serv-U, refer to the Electronic Document Upload User Guide (MF Serv-U FTP) posted on the Department’s Multifamily Apply for Funds page; which can be accessed at the link above.

For each Pre-application the Applicant must ensure execution of all necessary forms, supporting documentation, and place them in the appropriate order according to this manual. The submitted Pre-application should be the electronic copy created from the Excel file. Do not print and scan the Excel file. Do not print and scan the PDF file. Convert the Excel form to a PDF, and then insert scanned pages. Scanned copies of the Pre-application are difficult to read, are not searchable and raise questions regarding accuracy.

1. ***The Pre-application consists of completing specific tabs in the 2023 Uniform Application. The tabs that need to be completed, and when taken together constitute the Bond Pre-application, are indicated in this Manual.***
2. ***In addition to completing specific tabs in the 2023 Uniform Application, the Applicant must also submit the 2023 Multifamily Bond Pre-application Supplement which can be found at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>. The Supplement should be completed in its entirety and instructions for completing the Supplement are included at the end of this Manual.***
3. To download the electronic Pre-application file, right-click on the following link <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>, select “Save Target As” and choose the storage location on your computer. The Excel file should be named in the following format -- <TDHCA #_Development Name Pre-application>.xls (e.g. 23601_Austin_Crossing Pre-application.xls).
4. Please do not transfer tabs from one Excel file to another, even if it is for the same Pre-application. If you plan to submit more than one Pre-application, please make additional copies of the 2023 Multifamily Bond Pre-application file **after** completing portions of the Pre-application that are common to all of your Pre-applications and prior to completing any portions that are not common to all of your Pre-applications.
5. Any cell that is highlighted yellow is available to be manipulated by the applicant. All other cells (unless specifically stated) are for Department use only, and have been pre-formatted to automatically calculate information provided, and are locked. Applicants may view any formulas within the cells. Applicants may not add additional columns or rows to the spreadsheets, unless otherwise stated.

6. All questions are intended to elicit a response, so please do not leave out any requested information. If references are made by the Applicant to external spreadsheets those references must be removed prior to submission to the Department as this may hamper the proper functioning of internal evaluation tools and make pertinent information unavailable to TDHCA.
7. When entering phone numbers or ZIP codes, enter numbers only with no blank spaces, parenthesis or hyphens, these cells are pre-formatted. Phone numbers will require area codes.
8. This electronic Pre-application has been designed so that some information and calculations are automatically populated once enough information has been entered. If you see a “#VALUE” or “DIV/0” in a cell these values should disappear upon data entry in other tabs. If they still exist, double check that all required information has been entered into the Pre-application.
9. Be sure to save the file as you fill it out!
10. Multiple site Pre-applications will be required to submit a separate Pre-application for each Site.
11. All Pre-application materials must be submitted via the Department’s secure web transfer server. The Applicant must physically deliver the following items by 5:00 p.m. Austin Local Time on the submission date as outlined in the timeline on the Department’s website (<http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>):
 - One complete hard copy of the 2023 Payment Receipt with check attached for the following fees associated with filing a Pre-application:
 - \$1,000 payable to Texas Department of Housing and Community Affairs;
 - \$5,000 payable to Bracewell, LLP; and
 - \$5,000 payable to the Texas Bond Review Board
12. Support, opposition or neutral letters – If the Applicant has received support, opposition or neutral letters from elected officials, neighborhood organizations and/or members of the public, they can be submitted at the time the Pre-application is submitted. If submitted within the Pre-application they should be bookmarked and labeled identifying them as such.

V. Instructions for Converting the Excel file to PDF


Once the Excel Pre-application file is completed and you are ready to convert the file to PDF, follow these instructions:

Tip – Be sure to check all of the page breaks in the Excel files before you convert to PDF.

Excel 2016 Users:

1. With the file open, click the File menu. Choose Save as Adobe PDF.
2. Choose Sheets or Entire Workbook. If using Sheets, choose each item you would like to convert to PDF by clicking on the item in the Sheets in Excel box and clicking Add. The item will appear in the Sheets in PDF box.
3. Once all items are selected for conversion, click Convert to PDF.
4. Save a copy of the PDF file to your computer.
5. Once files are saved in PDF, click on the Page Thumbnails icon to look through the document.
6. Make sure to insert bookmarks by selecting the Bookmarks icon. Review automatic bookmarks before submitting and edit automatic labels as needed by right clicking and choosing Rename.

Excel 2007 Users:

1. Click the **Microsoft Office Button**  , point to the arrow next to **Save As**, and then click **PDF or XPS**.
2. In the **File Name** list, type or select a name for the workbook.
3. In the **Save as type** list, click **PDF**.
4. If you want to open the file immediately after saving it, select the **Open file after publishing** check box. This check box is available only if you have a PDF reader installed on your computer.
5. Next to **Optimize for**, do one of the following, depending on whether file size or print quality is more important to you:
 - If the workbook requires high print quality, click **Standard (publishing online and printing)**.
 - If the print quality is less important than file size, click **Minimum size (publishing online)**.
6. Click **Options**. Under **Publish What** select **Entire Workbook** and click **OK**.
7. Click **Publish**.

Remember that there are forms that require a signature. Once you have executed all required documents scan them and re-insert the scanned forms back into the order required. Applicants should double check the completeness prior to submission.

VI. Creating Bookmarks

Once the file has been converted to PDF and all executed forms have been re-inserted into its appropriate location within the file, you will need to create Bookmarks. Bookmarks may or may not have already been created as part of the conversion process. You will need to designate or re-set the locations. To correctly set the Bookmark locations you must have the PDF file open in Adobe Acrobat. Click on the Bookmark icon located on the left-hand side of the Adobe Acrobat screen, or go to the task bar and select these options in the following order: **View → Navigation Panels → Bookmarks**.

Optimal bookmark labels are about 15 characters or less, including spaces. This brevity almost completely eliminates scrolling up/down and expanding/collapsing the bookmarks panel. The instructions that follow are suggestions to help achieve this result. Do not indent any bookmark. This means that all bookmarks are to be on the same level and not in an outline format with category and subcategory headings. Set the text size of bookmarks to "small." Name the bookmark Tabs as "1," "2," "3," etc. instead of "Tab 1," "Tab 2," "Tab 3," etc. Do not designate a "Part" of the application or specify any breakdown other than the tab number, e.g. "Part 3 Tab 3" is stated simply as "3." If you desire bookmarks for subdivisions of tabs, such as the individual sections of a "Supporting Documentation" tab, use a one or two word descriptive name. Name the bookmarks associated with the Tabs using the names given by the instructions for completing each tab later in this manual. Do not wrap the text of bookmarks. Set the properties of each bookmark to open the page in "full page view."

If a Bookmark has already been created for each tab within the Excel file, simply re-set the bookmarks to the correct locations. To re-set the location for the Bookmarks, go to the first page of each separately labeled form/exhibit. You will then right-click on the corresponding Bookmark for the form/exhibit you are currently viewing. Select **Set Destination** and a pop-up box will appear asking you the following: "Are you sure you want to set the destination of the selected bookmark to the current location?" Select **Yes**.

If Bookmarks were not already created within the Excel file, then you will need to create these Bookmarks. Go to **Document → Add Bookmark**. Right-click on the first Bookmark and re-name it for the

appropriate form or exhibit. You will then need to set the location of the Bookmark by going to the first page of each form or exhibit, right click on the corresponding Bookmark and select **Set Destination**. A pop-up box will appear asking you the following: "Are you sure you want to set the destination of the selected bookmark to the current location?" Select **Yes**.

Tabs within the Excel Application workbook have been color coded to distinguish between "Parts" of the Application consistent with this manual. Additionally, beside each bulleted item is a label to use for purposes of bookmarking the final PDF Pre-application file is included in parentheses.

If after conversion of the Excel file to PDF you have extra blank pages of any exhibit, you can delete those pages in order to limit the size of the file. To delete any extra, unnecessary pages identify the page number(s) you want deleted. On the Adobe Acrobat Task Bar click on Document and select Delete Pages from the drop down list. A box will appear prompting you to select which page(s) you would like to delete. Enter the page numbers to be deleted and hit OK.

The PDF formatted file must be checked for the following prior to submission:

- ✓ All tabs and/or volumes must be correctly bookmarked
- ✓ Files should average less than 100 kilobytes per page
- ✓ Files must be readable with free PDF file viewers including Adobe Reader and be compatible with Adobe Reader 5.0 and above
- ✓ Files should be saved so that "Fast Web View" (or page at a time downloading) is enabled
- ✓ Text within the PDF file should be searchable using the "Find" command in the PDF viewer

If you have any questions on using or experience difficulties with the Microsoft Excel based application, contact Julie Leung via email at Julie.leung@tdhca.state.tx.us. In some instances a file may have small variations in bookmarks, file sizes, or readability that are not explicitly cited as requirements in the rule. Staff will use a reasonableness standard in determining when such deviations rise to the level of necessitating termination or other remedy.

VII. Required Forms and Exhibits for the Pre-application

Throughout this manual, the names of any forms required are presented in *italics*. Each form must be completed; all questions must be answered and spaces completed. If a question does not pertain to the Development, mark "N/A." The complete PDF Pre-application file must be submitted in the order presented in the Excel file and detailed below. Note that some tabs in the workbook act as a placeholder for purposes of reminding Applicants of the supporting documents that must be provided within the Pre-application (*Applicants are encouraged to print out a blank version of each tab beforehand to be aware of all contents.*)

If you have difficulty downloading the files from the website, contact Jason Burr at (512) 475-3986, or jason.burr@tdhca.state.tx.us.

Pre-application submissions must include a Multifamily Document and Payment Receipt, as further detailed below.

- **Multifamily Document and Payment Receipt**
 - All Applicants must submit a completed and executed hard copy receipt with the Pre-application submission, along with a check for each of the fees noted in Section IV above in order for the Pre-application to be accepted by the Department.
 - Include the TDHCA Application Number as assigned.

- For Applicants claiming a fee reduction based on a Qualified Nonprofit Organization status, evidence must be attached of the organization’s status with the Payment Receipt.
- Insert a scanned copy of the completed Payment Receipt into the final PDF version of the Pre-application.

Part 1 – Certifications & Contact Info (Tabs 2, 3, 5)

The white colored tabs (2, 3, and 5) in this section contain required certifications and contact information for the applicant.

Tab 2: Certification, Acknowledgement, and Consent of Development Owner

- This certification can be found at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.
- This form must be executed by the Development Owner and addresses the specific requirements associated with the Development. The Person executing the certification is responsible for ensuring all individuals referenced therein are in compliance with the certification. Applicants are encouraged to read the certification carefully as it contains certain construction and Development specifications that each Development must meet.
- Note that the certification has been revised to include the Applicant’s understanding that all third party reports (when submitted with the full Application) will be posted on the Department’s website.
- If any disclosures are required and anticipated to be addressed at the time of inducement, provide any relevant documentation pursuant to §11.101(a)(2) and (3) of the QAP behind this tab.
- The form must be signed, dated, and notarized. No hard copy is required, only a legible scanned copy within the final PDF file. The originals must be retained, in the event they are requested by the Department.

❖ Tab 3: Applicant Eligibility Certification

- This certification can be found at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.
- This form must be executed by all individuals included on the organizational chart identified under §12.5(6); §11.204(2), as well as §11.1(d)(30) and who have the ability to exercise control. It identifies the various criteria relating to eligibility requirements associated with multifamily funding from the Department.
- The form must be signed, dated, and notarized for each individual described above must be included. No hard copy is required, only a legible scanned copy within the final PDF file. The originals must be retained, in the event they are requested by the Department.

❖ Tab 5: Applicant Information Page

- This form should include contact information for the person responsible for responding to Administrative Deficiencies. Note that this may not necessarily be the Development Owner or Applicant. The person listed here will be required to submit requested documentation within

a relatively short time period and should be generally available throughout the review process. The person listed here is also expected to be available primarily via email. Contact may include the persons listed in sections 2 and 3 as well.

Part 2 – Development Site and Notification Recipients (Tabs 7, 8, 11 - 15)

The blue colored Development Site tabs (7, 8, 11-15) collect information specific to the physical location of the Development Site and notification recipients.

❖ Tab 7: Site Information Form Part I

- **Only Parts 1, 2, and 9 of this form need to be completed.** Complete the yellow highlighted cells in these parts. Portions of this form may make reference to supporting documents required to be submitted.
- **Part 1 – Development Address:** Enter the information in this section as indicated by the label for each of the boxes present. If there is no mailing address for the site, please only indicate direction from an intersection. Also, avoid the use of all capital letters. Use the drop-down menu to indicate whether the site is within city boundaries, in the ETJ, etc. **Note: Participating jurisdictions are identified in the Application reference material.**
- **Part 2 – Census Tract Information:** Enter the applicable **11-digit** 2020 census tract number with no dashes, commas, decimals, or spaces. Indicate whether the census tract is a Qualified Census Tract (QCT). Each of the subsequent highlighted cells further describing the demographics of the census tract will auto-populate. It is the Applicant’s responsibility to identify the correct census tract. **Remember, if the poverty rate is greater than 40% for individuals (or 55% for Regions 11 and 13), it must be disclosed on the Development Owner Certification and a resolution, as described in 10 TAC §11.101(a)(3)(D)(i) of the QAP should be submitted as acceptable mitigation. Rehabilitation Developments are exempt from this Neighborhood Risk Factor.**
- **Part 9 – School Rating:** Complete the form by listing each type of school and their respective TEA Accountability Rating. The table allows you to identify up to five public schools, the grade levels served at those schools, and their TEA Accountability Ratings. Applicant’s should refer to 10 TAC §11.101(a)(3) of the QAP regarding exemptions for certain types of Developments.

❖ Tab 8: Site Information Form Part I Supporting Documentation

- **Street Map** with the location and approximate shape of the Site clearly outlined.
- **Census Tract Map** must indicate the full 11-digit number and identify the location of the Development Site.
- **School Rating:** Provide attendance zone maps and TEA Accountability Rating Information for each school.

❖ Tab 11: Site Information Form Part III

- Complete the yellow highlighted cells in each part as applicable. Portions of this form may make reference to supporting documents required to be submitted.

- **Part 1 – Site Acreage:** Complete the site acreage as identified in both the Site Control documentation and boundary survey. Both should agree. Any discrepancies in the sizes of the land stated in either of the responses should be explained in the space provided.
- **Part 2 – Site Control:** Complete the yellow highlighted cells identifying the seller, date of sale and any relationship between the seller and the Applicant and/or any member of the Development Team. Provide an explanation regarding any affiliations.
 - Identify all of the sellers of the proposed Property for the 36 months prior to the submission of the Pre-application and their relationship, if any, to members of the Development Team.
 - Indicate what form of Site Control is being provided, e.g. recorded warranty deed, contract for sale, contract for lease, etc. Include information related to the effective date, expiration date, and anticipated closing date in spaces provided, as applicable.
 - If the property was or will be purchased in advance of an Application being submitted or is anticipated to be purchased while an Application is under review by the Department, explain the circumstances that necessitated the purchase in the box provided.
- **Part 3 – Ingress/Egress and Easements:** If land for ingress and/or egress and any easements is held separately from the property described in the site control documents, describe how the land is held. Documentation of the rights of ingress/egress must be included within site control. Select the appropriate response from the drop down menu and if applicable provide a description in the box.
- **Part 4 – Re-platting or Vacating Requirement:** Select the box if the Development Site requires a plat or right of way be vacated. Evidence that the vacation/re-platting process has started must be submitted as part of the HTC application.
- **Part 5 – 30% increase Eligible Basis (“Boost”):** Complete this section if the proposed Development Site is eligible for the 30% increase in eligible basis as further described in §11.4(c)(1) and (2) of the QAP.
 - Developments may be eligible if they are located in a QCT that has less than 20% HTC Units per total households in the tract as reflected in the Department’s current Site Demographic Characteristics Report. If located in a QCT with greater than 20% HTC Units per total households, the Development is only eligible for the boost provided a resolution is submitted acknowledging that the Development is located in a census tract that has more than 20% HTC Units per total households and stating that the Governing Body of the appropriate municipality or county containing the Development has no objection to the construction of the new Development. Such resolution is not required at the time of Pre-application, but is a requirement of the full Application. As a general rule, a QCT designation would have to coincide with the program year the Certificate of Reservation is issued. **OR**
 - The Development is located in a Small Area Difficult Development Area (SADDA) or for Rural areas located in a Difficult Development Area (DDA) as outlined in §11.4(c)(2). Evidence should include a SADDA or non-metro DDA map that clearly identifies the proposed Development located within the boundaries of a SADDA or non-metro DDA.

❖ **Tab 12: Site Information Form Part III Supporting Documentation**

- **Evidence of Site Control** should be provided behind this tab.
 - At Pre-application site control must be valid through the date of the Board meeting at which the inducement resolution is to be considered.

- At full Application, the Applicant must be able to provide evidence that the Development Owner has the ability to compel legal title at any time while the Application is under consideration. It should be noted that the potential expiration of site control does not warrant the full Application being presented to the TDHCA board prior to the scheduled meeting.
- Site control must be in the name of the Development Owner or an Affiliate of the Development Owner and does not expressly preclude an ability to assign the site control to the Development Owner or another party.
- Evidence of site control must be in one of the forms described under §11.204(10) of the QAP.
- In the case of land donations, Applicants must demonstrate that the entity donating the land has Site Control as evidenced through one of the forms described in §11.204(10) of the QAP or other documentation found to be acceptable to the Department.
- If a recorded warranty deed is submitted, the corresponding executed settlement statement or equivalent must be included.
- If a contract for sale is provided as evidence of site control, the closing date must be highlighted or flagged, and be consistent with information provided in Tab 11.
- If the closing date is contingent upon other dates within the purchase contract, provide an outline of these dates that arrive at the current closing date identified.
- Contracts must have an address, legal description, or property description that matches the city, county and/or zip code indicated in the *Site Information Form Part I*.
- Contract must be signed by both seller and buyer.
- Proof of consideration, as specified in contract, must be submitted. (e.g., a completed escrow receipt from the title company signed by the escrow agent).
- For scattered sites, if you are submitting multiple contracts, deeds, etc. each one must meet all of the requirements of §11.204(10) of the QAP. Each must clearly have the address identified and be consistent with the Multiple Site Information Form (e.g. If the Development consists of 3 parcels of land, 3 contracts/deeds, etc. must be provided or one form of site control must clearly identify and cover all 3 parcels).
- **Boundary Survey** or plat must clearly identify the location and boundaries of the subject Property.
 - If the tract of land being purchased is larger than the portion being used for the Development; the survey must depict both the larger tract as well as the site to be developed.
 - The survey must clearly delineate the flood plain boundary lines and show all easements.
 - Site acreage should be provided and be consistent with the *Site Information Form Part III* and any submitted site control documents.
- **Evidence of 30% Increase Eligible Basis (“Boost”)**, if the Development is located in a SADDA or non-metro DDA as further described in §11.4(c)(2). A SADDA or non-metro DDA map that clearly identifies the proposed Development is located within the boundaries of said SADDA or DDA must be provided.

❖ **Tab 13: Multiple Site Information Form**

- The Multiple Site Information Form should be used as an aid to determine how lots and tracts that have separate descriptions fit together to form the complete Development. If the Pre-

application requires the submission of more than one contract for sale, lease contract or deed as evidence of Site Control, then the Applicant should complete a corresponding block on this form for each separate Site. In general, the Pre-application must sufficiently describe the properties in the contracts and deeds so that each property can be identified within the survey(s) of the Development Site(s). The evidence must show that the land delimited by the survey of the Development Site is entirely under the Applicant's Control and any land that is purchased in excess of the Development Site must be described in a way that makes the excess area apparent in both quantity and location. A further explanation of the information requested for multiple site development proposals is provided by the instructions for filling out the Multiple Site Information Form in the Pre-application itself.

- The full Application must include an overlay plat of the Development Site, including any accessible pedestrian routes or private roads that the Development Owner controls, and any public road or similar barrier where the Development Owner has a written agreement with the public entity stating that the accessible route will remain for at least the term of the LURA.

❖ **Tab 14: Elected Officials Form**

- Notifications to elected officials and any neighborhood organizations must be made no later than the date the Pre-application is submitted to the Department.
- List each elected official and their respective District/Precinct.
- Select the box at the top of the form confirming whether or not support, opposition or neutral letter(s) have been included. The Applicant must notify the:
 - State Senator and State Representative of the district(s) that contain the Development,
 - Superintendent and presiding officer of the board of trustees of the school district containing the Development,
 - Presiding officer and all elected members of the Governing Body of the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction) containing the Development,
 - Presiding officer and all elected members of the Governing Body of the county containing the Development, and
 - Neighborhood Organizations on record with state or county whose boundaries include the Development Site.
- In general, the notifications must not be older than three (3) months prior to the submission of the Pre-application.
- The Department is not responsible for notifying Applicants if information contained in the *Elected Officials* form is inaccurate. It is each Applicant's sole responsibility to ensure all information contained in this form is accurate and that any errors identified are corrected and proper re-notifications are made.
- Should the person holding any position or role described change between the submission of the pre-application and the full Application, Applicants must notify the new person no later than the full Application submission date. Please note this form is considered to be part of the *Certification of Notifications* Form.
- Templates for notifications have been provided in the 2023 Uniform Multifamily Application Templates document which can be found at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.

❖ **Tab 15: Neighborhood Organizations Form**

- Complete the form, as applicable, identifying all Neighborhood Organizations, whose boundaries include the entire proposed Development Site and are on record with the county or state as of 30 days prior to the Pre-Application submission date. For this item, “on record with the state” means on record with the Secretary of State.
- The Department is not responsible for notifying Applicants if information contained in the *Neighborhood Organizations* form is inaccurate. It is each Applicant’s sole responsibility to ensure all information contained in this form is accurate and that any errors identified are corrected and proper re-notifications are made.

Part 3 – Development Narrative (Tab 17)

The red colored Development specific tab (17) contains information regarding the construction type and Target Population, and amount of funding requested.

❖ Tab 17: Development Narrative

- Complete the yellow highlighted cells in each part as applicable.
- **Part 1 - Construction Type:** Choose one Construction type from the drop-down menu and answer all appropriate questions. If questions are not relevant, answer with N/A.
- If proposing to be an additional phase to an existing, previously awarded Development, indicate the name of the existing Development and the Application ID associated with that Development.
- **Part 2 – Target Population:** Identify the Target Population from the drop-down menu provided. Refer to §11.1(d)(47) of the QAP for more information on how Elderly Development is defined. If selecting Elderly because the proposed Development receives federal funding that has a requirement for a preference or limitation for elderly persons or households, but must accept qualified households with children, complete the statement in this section by choosing the funding source from the drop-down menu in the space provided and submit supporting documentation for that financing behind the tab. It is the Applicant’s responsibility to identify the correct Target Population.
- **Part 3 – Staff Determinations:** If a staff determination was made pursuant to §11.1(l) of the QAP, mark the box with an “x” and submit a copy of the determination behind this tab. If a waiver was previously approved by the Board, mark the box with an “x” and submit a copy of the Board write-up behind this tab. If not applicable, simply leave the box blank.
- **Part 4 – Narrative:** Applicants are required to provide a brief development narrative and should also use this space as an opportunity to explain any unique circumstances surrounding the proposed Development. Please make sure that any specific information provided here about the development is consistent with information provided in other parts of the application.
- **Part 5 – Funding Request:** Applicants should carefully fill in all applicable cells highlighted in yellow.
 - There is no internal check on funding amounts built in to the Pre-application, so Applicants should also be aware of any funding limit requests before completing this form.
 - Include anticipated bond terms in the spaces provided next to the *Private Activity Mortgage Revenue* line-item.
- **Part 7 – Previously Awarded State and Federal Funding:** All cells highlighted in yellow require data entry by the Applicant. If a particular question is not applicable to the Pre-application, type in “N/A”.

- **Part 8 – Qualified Low Income Housing Development Election:** Select one of the options, as applicable to the Development. Applicants should understand that once an election is made, it is irrevocable. Applicants are encouraged to check this election against the *Rent Schedule* and *Residential Rental Attachment (RRA)* to ensure consistency, or that the average does not exceed 60% AMFI if electing Average Income.

Part 4 – Finance (Tabs 24, 26, 27, 30, 31)

The yellow colored Finance specific tabs (24, 24a, 26, 27, 30, 31) contain information regarding the Development costs and the proposed financing structure.

❖ Tab 24: Rent Schedule

- Gross Rent cannot exceed the HUD maximum rent limits unless documentation of project-based rental assistance is provided.
- If any non-rental income is included, describe the source(s) of the income. “Misc” income or “Etc.” is not an acceptable description.
- If the Development includes loft/efficiency Units, label these Units as “0” bedrooms as provided in the drop-down list.
- If intending to apply for TDHCA Multifamily Direct Loan funds the column titled “MF Direct Loan Units (Rent/Inc)” also includes the Income level required for each MF Direct Loan Unit designation.
- Private Activity Bond Priority:
 - Choose the applicable priority from the drop-down list.
 - Points will be awarded based on the Priority selected and must be consistent with the *Bond Review Board Residential Rental Attachment* behind Tab 7 of the 2023 Multifamily Bond Pre-application Supplement.
 - Priority must be designated, as anticipated to be submitted to the TBRB. The priority designations include the following:
 - Priority 1(a): Set-aside 50% of the Units at 50% AMGI and 50% of the Units at 60% AMGI.
 - Priority 1(b): Set-aside 15% of the Units at 30% AMGI and 85% of the Units at 60% AMGI.
 - Priority 1(c): Set-aside 100% of the Units at 60% AMGI for Developments located in a census tract with a median income that is higher than the median income of the county, MSA or PMSA in which the census tract is located.
 - Priority 2: Set-aside 80% of the Units at 60% AMGI; up to 20% of the Units can be at market rate.
 - Priority 3: Includes any qualified residential rental Development. Market rate Units can be included under this priority.

❖ Tab 24a: Average Income Calculation

- **Average Income Distribution Tool:** the worksheet that was previously included in the space to the right of the Rent Schedule form is now Tab 24a and must be included in the Excel and PDF application if proposing Income Averaging.
 - Enter information in the yellow boxes as applicable. Other boxes will auto-populate.

- A number, even if it is zero, must be entered in the box for “Number of 30% Units used for 30% boost.”
- The average will not calculate unless a number is entered for the boost Units and the table is completed.
- If not proposing Average Income, skip this tab.

❖ **Tab 26: Annual Operating Expenses**

- Fill in all yellow highlighted cells.
- You must describe any “Other” cost included in any of the expense categories; neither “Misc” nor “Etc.” are acceptable. The cells will turn RED and state “please describe” to remind you to enter a description.
- Annual Debt Service should be consistent with information provided in the *Schedule of Sources of Funds and Financing Narrative* form as well as the *15-Year Pro Forma*.
- Expense per Unit, Expense to Income ratio, and Debt Service Ratio will be calculated automatically. Applicants should familiarize themselves with the underwriting rules (contained within the QAP) regarding thresholds for these items.
- If Bond Trustee or bond compliance fees are included elsewhere in the Application, provide an explanation of where and why.

Tab 27: 15-Year Pro Forma

- Refer to §11.302(d) of the QAP regarding the underwriting analysis for a discussion that encompasses the items in the pro forma.
- Any deferred developer’s fee must be shown to be fully repaid by year 15.
- Enter rental concessions as a negative value.
- You must describe any “Other” debt service included in the pro forma.

❖ **Tab 30: Development Cost Schedule**

- All applicable yellow highlighted cells under the Total Development Summary (columns C, D, and E) should be completed. A section for notes regarding the costs is provided as well; this should be used to add any information that could be helpful for the underwriting review, to explain line items that may be particularly low or high costs.
- This form separates contingency from general requirements, overhead and profit Developer fees are at the bottom of the form, after soft costs and financing costs.
- **NOTE:** No syndication costs should be included in the Eligible Basis.
- The “Credits Supported by Eligible Basis” cell is automatically calculated from data reflected in the “Calculated Credits” cell. This figure must be equal to or greater than the annual Housing Tax Credit Funding Request.
- If a 130% High Cost Area Adjustment is included in the *Development Cost Schedule* the Application should meet §11.4(c)(1) or (2) of the QAP and indicate such in Part 5 of the *Site Information Form Part III*.
- You must describe any “Other” costs reflected in the *Development Cost Schedule*. The cells will prompt you when an amount is inserted to “please specify” under a footnote.
- Include the contact name and phone number in the space provided of the person providing the cost estimate for the Hard Costs.

- The bottom of this form includes a calculation for the 50% Test for Bond Financing for 4% Housing Tax Credits. The percentage calculated here will be used for purposes of claiming points (if elected by the Applicant) under §12.6(13) of the Multifamily Housing Revenue Bond Rules.

❖ **Tab 31: Schedule of Sources of Funds and Financing Narrative**

- Applicants should enter the total amount of Bonds to be issued at the top of the form under the Certificate of Reservation Amount column. Applicants should include the breakdown of tax-exempt and taxable bonds, as applicable to the financing.
- Identify the name of each Financing Participant in the left-hand column.
- Note that the Funding Description column under “deferred developer fee” and “other” do not have drop-down menus. Applicants should write in a funding description.
- For each source identified you are required to include the interest rate, amortization, term and syndication rate, where applicable. THE INFORMATION INCLUDED HERE MUST BE CONSISTENT WITH THE FINANCING NARRATIVE, TERM SHEETS (if available), AND DEVELOPMENT COST SCHEDULE.
- The priority of lien must be indicated in the “Lien Position” column for interim and permanent financing.
- Total sources of funds in the “Permanent Period” portion of the form must equal the total uses of funds reflected in the *Development Cost Schedule*.
- Enter a description of the financing plan in the space provided, again ensuring that any information provided here is consistent with other exhibits in the Pre-application. Sources and amounts of funds referenced in this narrative must match the *Schedule of Sources of Funds and Financing Narrative*, term sheets for interim and permanent financing (if available) and term sheets for syndication of tax credits (if available at the time of Pre-application).
- The narrative should identify any non-traditional financing arrangements; use of funds with respect to the Development; funding sources including construction, permanent, bridge loans, rents, operating subsidies, and replacement reserves; and commitment status of funding sources for the Development.
- Submit any supporting documents or terms sheets if available at the time of Pre-application.

Part 5 – Organization Documents (Tabs 37, 38, 41)

The green colored tabs (37, 38, 41) include all information regarding the Development Team members. The Organizational Charts and Nonprofit Participation exhibits are all included in this section.

❖ **Tab 37: Owner and Developer Organization Charts Form**

- This sheet shows a basic format for organizational charts. Be sure that charts follow the example given and that they contain the following information:
 - Correct name and ownership percentage of each entity and person. Avoid nicknames.
 - Clear indication of role, i.e. Member, Member/Manager, Class B, LP, etc. and ability to exercise Control.
 - Trusts must include the trustee and list all beneficiaries that have the legal ability to access, control, or direct activities of the trust and are not just financial beneficiaries.
 - Nonprofit entities, public housing authorities and publicly traded corporations must show name of organization, individual board members and executive director;

- For individual board members, indicate those board members that have the ability to exercise Control. Any other persons with the power to exercise control must also be identified.
- Where there are private equity fund investors who are passive investors in the sponsorship entity, refer to §11.204(13)(B) of the QAP regarding who must be listed on the organization chart.
- In cases of to-be-formed instrumentalities of PHAs where the board members and executive director remain to be determined, the PHA itself is shown;
- Ownership must be illustrated to the level of natural persons, whether owners or board members.
- Developer organization chart shows the structure of the Developer and includes the following:
 - Any Person receiving more than 10% of the Developer Fee;
 - Nonprofit entities, public housing authorities and publicly traded corporations show name of organization, individual board members and executive director;
 - Ownership to the level of natural persons, whether owners or board members;
 - Any other relationships involving the power to control the Applicant directly or indirectly.
- Create separate charts for the Owner and Developer and Guarantor, ensuring that all three are complete representations of the structures of each, and attach them behind this exhibit.

❖ **Tab 38: Data Entry Tab for Tab 38**

- Complete the yellow highlighted cells as applicable.
- The entries made on this tab will auto-populate Tab 38.
- Be sure names match the organizational chart. Avoid nicknames. If a middle name or middle initial is used, it must exactly match the organization chart.
- **NOTE:** The top section of this tab requires data entry that will populate Tab 42 *Development Team Members*. Tab 42 is not required for the pre-application so this section can be left blank. Applicant's should populate the bottom portion of this tab, as it will auto-populate Tab 38 *List of Organizations and Principals Form*, which is required for the pre-application.

❖ **Tab 38: List of Organizations and Principals Form**

- Information for this tab will be auto-populated with the data entered on the Tab 38_42 Data Entry Tab.
- When converting to PDF format, be sure to adjust page breaks as necessary and keep all information legible.

❖ **Tab 41: Nonprofit Supporting Documents**

- **The only document to be included behind this tab is the IRS Determination Letter** which states that the nonprofit organization is a §501(c)(3) or (4) entity. This designation must be in place as of the beginning of the Application Acceptance Period. If the organization is a Qualified Nonprofit Organization as defined in the tax code, notwithstanding any apparent limitations in the QAP about the particular parts of the Code under which a nonprofit may qualify, submit an IRS determination letter.

Part 6 – 2023 Multifamily Bond Pre-application Supplement (Tabs 1-9)

The tabs (1-9) contained in the Supplement require additional documents to be submitted that are specific to the Private Activity Bond program.

❖ **Tab 1: Multifamily Bond Pre-application Certification.**

- Complete all of the yellow highlighted cells. The form must be signed, dated and notarized. A hard copy is not required, only a scanned copy within the PDF file.

❖ **Tab 2: Certification of Notifications at Pre-application Form**

- Complete the yellow highlighted cells in each part as applicable.
- The form must be signed, dated and notarized. The individual signing the certification must be the Applicant or the person that has the authority to sign on behalf of the Applicant.
- Notifications should be made using a form of delivery that can be tracked in order to retain proof of delivery in the event it's requested by the Department.
- A Public Notification template can be found in the 2023 Uniform Multifamily Application Templates on the Department's website at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.

❖ **Tab 3: Public School and Library Contact Information Form.**

- The name of the elementary school and library closest to the Development Site, address and phone number for each must be included on this form for the purposes of scheduling the TEFRA public hearing.

❖ **Tab 4: Development Activities**

- Complete the yellow highlighted cells in each part as applicable.
- **Part 1 – Common Amenities:** Applicants must fill in the number of proposed units consistent with the *Rent Schedule* within the pre-application. Also, applicants must fill in the appropriate number of points associated with amenities according to §12.6(6) of the Multifamily Housing Revenue Bond Rules. All Applicants must mark the box affirming the common amenities to substantiate the points being claimed will be provided.
 - The list of common amenities can be found in §11.101(b)(5) of the QAP.
 - Pre-applications for non-contiguous scattered site housing, excluding non-contiguous single family sites, will have the threshold test applied based on the number of Units per individual site. Selected amenities must be distributed proportionately across all sites and will be identified in the Bond Regulatory Agreement. For Developments composed of non-contiguous single family sites or additional phase Developments, refer to 10 TAC §11.101(b)(5)(B) regarding how the points must be provided.
- **Part 2 – Unit Requirements:**
 - Part A – In order to qualify for points, the Applicant must select the box acknowledging the Development will meet the required unit sizes, OR if Rehabilitation, select the box as applicable.
 - Under Part B, Unit Features, the Applicant must select the box indicating that a minimum of 9 points worth of amenities will be provided.

- The list of unit amenities and corresponding point structure can be found in §11.101(b)(6)(B) of the QAP.
- The amenities must be maintained throughout the Affordability Period.
- Pre-applications for non-contiguous scattered site housing will be required to have a specific amenity located within each Unit to receive points.
- **Part 3 – Resident Supportive Services:** This section must be completed if requesting points. Pursuant to §12.6(7) of the Multifamily Housing Revenue Bond Rules, Applicants have the option to provide sufficient services to substantiate either 8 points or 10 points. NOTE: While the provision of a minimum of 8 points is a mandatory requirement for Tax-Exempt Bond Developments at the time of full Application pursuant to §11.101(b)(7) of the QAP, selection of points at the time of Pre-application is the Applicant’s choice and, for the most part, is usually dependent upon competition for volume cap.
 - The list of services can be found in §11.101(b)(7) and will be included in the Bond Regulatory Agreement.
- **Part 4 – Development Accessibility Requirements:** Select the highlighted cell as acknowledgement of the requirements in §11.101(b)(8) of the QAP and 10 TAC Chapter 1, Subchapter B, §1.207. **Applicants should pay special attention to ensure that the design of the Development is in compliance with the rules found at §10 TAC 11.101(b)(8).**

❖ **Tab 5: Additional Scoring Items Form**

- **Part 1 – Underserved Area:** Select from the options available if requesting the 2 points for this item and provide evidence as indicated below to substantiate the points claimed behind this tab.
- **Part 2 – Tax-Exempt 50% Test:** Select the appropriate box if requesting points based on the amount of the Development financed with Tax-Exempt Bond proceeds relative to the amount necessary to meet the 50% Test. The calculation for this scoring item can be found on the *Development Cost Schedule*.
- **Part 3 – Declared Disaster Area:** Select the box if requesting the 7 points for this item. The 2023 list of eligible counties are posted on the Department website at the following link <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.
- **Part 4 – Extended Affordability:** Select the appropriate box depending on the amount of points being requested, if any, for this item.
- **Part 5 – Preservation Initiative:** Select the yellow highlighted cell if requesting the 3 points. Evidence of the existing affordability must be submitted behind this tab.
- **Part 6 – Assisting Households with Children:** Select the yellow highlighted cell if requesting one (1) point for the scoring item.

❖ **Tab 5: Scoring Items Supporting Documentation**

- **Evidence of Underserved Area** should include one of the following:
- For Sites located within a Colonia, a map must be submitted defining the geographic area that is to be considered a colonia, pursuant to §11.9(c)(6)(A) of the QAP. Evidence of the boundaries of the colonia from the Office of the Attorney General and a map showing the colonia is located within 150 miles of the Rio Grande River border is also required. Information regarding colonias can be found by using the Border Colonia Geography Online tool on the Attorney General’s website at: <https://www.texasattorneygeneral.gov/cpd/colonias>.

- For Sites located within an economically distressed area, provide evidence that the Site is in a location that has both of the following characteristics:
 - A census tract that has a median household income that is 75 percent or less of the statewide median household income, and
 - A municipality or county that has been awarded EDAP funds administered by the Texas Water Development Board (TWDB) within the five (5) years ending at the time of Pre-application submission. Review the “EDAP status report” which can be found on the TWDB website at [Economically Distressed Areas Program | Texas Water Development Board](#)
- For sites located in areas covered in items (C), (D), (E) or (F), the year count will be based on January 1 of the year of **award**. A Development that was awarded 30 or fewer years ago would be one that was awarded in the year 1993 or later, and a Development that was awarded 15 or fewer years ago would be one that was awarded in the year 2008 or later. **Use the year indicated in the “Board Approval Year” column of the Property Inventory tab of the Site Demographic Characteristics Report to find this information.**
- For item (G), the dataset used for this scoring item is called the “Affordable Housing Needs Indicator” and is available in the Site Demographic Characteristics Report for your convenience.
- For item (H), include evidence of the date the Development was placed in service, evidence that the Development is still occupied, and evidence of the source(s) of funds for any rehabilitation that has been performed on the Development.
- **Declared Disaster Area** requires no additional evidence, only to select the points. The 2023 list of eligible counties are posted on the Departments website at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.

❖ **Tab 6: Entity Registration Documents**

- The following documents should be placed behind this tab.
 - Provide the Certificate of Reservation from Texas Secretary of State; or
 - Evidence of Entity Registration from the Texas Secretary of State.
 - Franchise Tax Account Status from the Texas Comptroller of Public Accounts.
 - Evidence of Authority to do business in Texas.

❖ **Tab 7: Bond Review Board Residential Rental Attachment Form**

- This document can be found on the TBRB website.
- If multiple site Applications, a separate Residential Rental Attachment for each Site must be submitted.

❖ **Tab 8: Working Group Distribution List**

- Complete the yellow highlighted cells as applicable and known at the time of the Pre-app submission.

❖ **Tab 9: 2023 Private Activity Bond Pre-application Scoring Form**

- Include the name and application number of proposed development in spaces provided. Form should be signed, does not have to be an original signature. No hard copy is required, only a scanned copy within the PDF file.

VIII. Full Application Process & General Eligibility Information

Once the Inducement Resolution has been approved by the Department's Board, the application will be submitted to the BRB in the order determined by the Department and as outlined in the Multifamily Housing Revenue Bond Rules to await a Certificate of Reservation. The Priority designation selected by the Applicant will trigger the deadlines for submission of the HTC and Bond Application. There is not a cumulative ceiling to these types of Applications; however, to the extent that there is a bond ceiling governed by the TBRB, the quantity of corresponding 4% Housing Tax Credit Applications may be limited.

The complete full Application process for Housing Tax Credits and Private Activity Bonds is outlined in the 4% Housing Tax Credit and Tax-Exempt Bond Process Manual which can be found on the Department's website at the following link: <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>. This document also includes some general information on eligibility criteria.