THE SOUTHEAST TEXAS HOUSING FINANCE CORPORATION

Rules for Financing Multifamily Residential Rental Developments

Effective for Applications Submitted or Bonds Issued After June 1, 2024

ARTICLE I

PURPOSE AND SCOPE

A. General. The Southeast Texas Housing Finance Corporation (the *"Corporation"*) was created as a public nonprofit corporation under the provisions of the Texas Housing Finance Corporations Act, Texas Local Government Code, Chapter 394, as amended (the *"Act"*). The Act authorizes the Corporation to issue its revenue notes and bonds for the purpose, among others, of providing financing for multifamily rental residential developments intended to be occupied substantially (at least 90 percent) by persons of low and moderate income. Developments may be located in the Counties of Austin, Brazoria, Chambers, Galveston (excluding the City of Galveston), Liberty, Matagorda, Walker, Waller and Wharton, Texas and the Cities of Baytown, Deer Park, Dickinson, La Marque, La Porte, Pasadena, Santa Fe, Texas City and Tomball, Texas (collectively, the "*Sponsoring Political Subdivisions*"). The Corporation has adopted these Rules for Financing Multifamily Residential Rental Developments (the *"Rules"*) to set forth the general requirements and procedures applicable to the financing of such residential developments by the Corporation.

B. Application of Rules. These Rules apply to specific multifamily residential rental developments for which an applicant requests the Corporation to issue bonds to provide financing or other types of financing and/or partnerships. Certain portions of these Rules differ depending on the profit/nonprofit classification of the owner. For the purposes of these Rules, "nonprofit corporation" shall mean an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the *"Code"*), and exempt from tax under Section 501(a) of the Code, or a governmental unit, but only if the financing will not constitute an unrelated trade or business under Section 513(a) of the Code. These Rules do not apply to: any bonds issued by the Corporation for the purpose of making or acquiring home mortgages (as defined in the Act); making loans to lending institutions for the purpose of making or acquiring home mortgages.

C. Waiver of Rules. Specific provisions of these Rules may be waived by a majority vote of the Board of Directors of the Corporation (the *"Board"*).

D. Amendment of Rules. These Rules may be amended, revised, repealed or otherwise altered by a majority of the Board at any time and from time to time and with or without notice.

ARTICLE II

GENERAL REQUIREMENTS

The Corporation will not issue bonds to provide financing for any residential development that has not satisfied, as determined by the Corporation, the general requirements set forth in this Article II. The Corporation reserves the right to impose additional specific requirements with respect to any particular residential development. Compliance with these Rules does not and shall not be deemed to constitute a commitment or assurance that financing will be provided by the Corporation.

A. Location. The residential development must be located entirely within the boundaries of one or more of the Sponsoring Political Subdivisions.

B. Public Purpose. Prior to the issuance of bonds, the Board must have made a finding that financing of such residential development will promote the public purposes set forth in Section 394.002 of the Act.

C. Residential Rental Property. The owner of the residential development, if a for profit entity, shall have entered into contractual arrangements that demonstrate, to the satisfaction of the Corporation, that such residential development is to be owned and operated as a qualified residential rental development within the meaning of Section 142(d) of the Code and applicable regulations thereunder, for the longer of the Qualified Project Period (as hereinafter defined) or the period during which such bonds remain outstanding.

For purposes of these Rules, the term "*Qualified Project Period*" means the period beginning on the first day on which ten percent (10%) of the units in such residential development are occupied and ending on the later of **(i)** the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the units in such residential development are first occupied, **(ii)** the first day on which none of the bonds issued to finance or refinance such residential development are outstanding or **(iii)** other land use restriction deed requirements which exceed **(i)** or **(ii)**.

D. Low and Moderate Income Occupancy. The owner of the residential development shall have entered into contractual arrangements that demonstrate, to the satisfaction of the Corporation, that such residential development will be used substantially (at least 90 percent) by or will be occupied substantially (at least 90 percent) by persons of low and moderate income at all times bonds financing such residential development remain outstanding. For purposes of these Rules, persons of low and moderate income shall mean any person whose adjusted gross income, together with the adjusted gross incomes of all persons who intend to reside with such person in one dwelling unit, did not, for the taxable year immediately preceding such person's initial occupancy in such residential development, exceed 160% of the area median income as defined by HUD.

The Board shall make such adjustments as the Corporation, in its sole discretion, shall deem appropriate.

E. Lower-Income Occupancy. The owner of the residential development, if a for profit entity, shall have entered into contractual arrangements that demonstrate, to the satisfaction of the Corporation, that the income requirements regarding tenants of the residential development set forth in Section 142(d) of the Code are and will be satisfied. If the owner is a nonprofit entity, the owner shall have entered into contractual arrangements that demonstrate, to the satisfaction of the Corporation, that the income requirements regarding tenants of the residential development set forth in safe harbor regulations promulgated by the Internal Revenue Service (the *"Service"*) or other arrangements approved by the Service are and will be satisfied.

F. Rehabilitation Requirement. In the case of bonds issued to provide financing for the acquisition of an existing residential development to be owned by a for profit entity, the purchaser and/or the seller of the residential development shall have entered into contractual arrangements that demonstrate, to the satisfaction of the Corporation, that there will be incurred, with respect to such residential development, Rehabilitation Expenditures *(as hereinafter defined)* in an amount that equals or exceeds 15% of the portion of the cost of acquiring the buildings and equipment comprising the residential development financed with the proceeds of such bonds.

The term *"Rehabilitation Expenditures"* shall mean and include any expenditures:
(i) that are properly chargeable to a capital account, **(ii)** that are incurred by the purchaser of the residential development, by a successor to such purchaser, or by the seller of the residential development pursuant to a sales contract with such purchaser, **(iii)** that are incurred after the date on which the Corporation grants preliminary approval with respect to the residential development pursuant to Article III of these Rules and prior to the date that is two years after the later of the date of issuance of the bonds or the date of acquisition of the residential development by the purchaser, and **(iv)** that are incurred to the property (or additions or improvements to the property) in connection with the rehabilitation of a building comprising a part of the residential development, and, in the case of an integrated operation contained in such a building before such acquisition, the rehabilitation of such equipment in such building or the replacement of such equipment with substantially similar equipment; *provided, however,* that the term *"Rehabilitation Expenditures"* shall not include any expenditure described in Section 47(c)(2)(B) of the Code. As used in this definition, the term *"rehabilitation"* shall have the meaning set forth in Treasury Regulation §1.48-11(b), as the same may be amended from time to time, or as may be set forth in any applicable rules, regulations, policies or procedures promulgated or proposed by the Department of the Treasury or the Service with respect to the rehabilitation of existing buildings financed with the proceeds of bonds described in Section 142(a)(7) of the Code.

G. Housing for Elderly. The owner of the residential development shall have entered into contractual arrangements that demonstrate, to the satisfaction of the Corporation, compliance with Section 394.902 of the Act with respect to housing for elderly persons (60 years of age or older).

Specifically, to the extent required by the Act and the Texas Department on Aging, the Corporation shall require **(a)** that at least five percent (5%) of the units in a multifamily residential development containing at least 20 units and financed by bonds issued under the Act be built or renovated and be reserved for the lifetime of the residential development for occupancy by elderly persons of low income or families of low or moderate income in which an elderly person is the head of the household, or **(b)** in lieu of the reservation requirement of the foregoing clause **(a)**, payment to the Corporation of a fee, to be collected on the closing date of the bonds, equal to one-tenth of one percent (0.1%) of the aggregate principal amount of the bonds, which fee will be remitted by the Corporation to the Texas Department of Aging in accordance with the Act. If the Corporation requires a reservation of units under clause **(a)** above, the design engineer for the residential development must certify to the Corporation that the units in the development reserved for the elderly meet standards set by the Texas Department on Aging for elderly persons.

H. Monthly Reports on Occupancy Rate. The owner of the residential development shall have covenanted and agreed in the documents under which the bonds are issued to submit to the Corporation, on a monthly basis, a report setting forth the occupancy rate and other information concerning the residential development and a description of any tenant inducements offered to increase occupancy if vacancies exceed 5%.

I. Rating, Private Placement and Denominations of Bonds. Bonds issued to provide financing for a residential development: **(i)** shall have been rated "A" or higher by Standard and Poor's Rating Services, Moody's Investors Service, Inc., Fitch Investor's Service, L.P. or Duff & Phelps, LLC; **(ii)** shall be sold on a private placement basis to a "Qualified Institutional Buyer" (as such term is defined by Rule 144A promulgated by the Securities and Exchange Commission (the *"SEC"*); or **(iii)** shall be sold via a limited public offering to one or more "Accredited Investors" (as such term is defined in Regulation D promulgated by the SEC). If the bonds are to be sold as set forth in either **(ii)** or **(iii)** above, the bonds must be sold in minimum denominations of $100,000. If the bonds are to be privately placed as set forth in **(ii)** above, the owner of such residential development shall provide the Corporation with an executed Investment Letter from the entity purchasing the bonds substantially to the effect that the purchaser: **(1)** is engaged in the business, among others, of investing in securities like the bonds; **(2)** has made an independent investigation of the financial position and business condition of the owner of the residential development and has received such other information that it desires in order to enable it to make an informed decision regarding investment in such bonds, and waives any right to receive such information from the Corporation and relieves the Corporation and its agents and representatives of any liability for failure to provide such information; **(3)** has received copies of the financing and security documents pursuant to which such bonds are issued and secured and has had the opportunity to review such documents to its satisfaction; and **(4)** is purchasing such bonds for its own account, with the purpose of investment and not with a view to the distribution or resale thereof (subject, however, to its rights to sell, pledge, transfer or otherwise dispose of such bonds at some future date) and the bonds shall bear a legend restricting subsequent transfers to other "Qualified Institutional Buyers" who have executed and delivered an Investor Letter to the Corporation.

J. Trustee. The Corporation, in its sole discretion, shall designate a banking association to act as trustee with respect to the bonds.

K. Bond Counsel. The Corporation, in its sole discretion, shall select a law firm to act as bond counsel with respect to the bonds (*"Bond Counsel"*). Bond Counsel to the Corporation shall provide an opinion addressed to the Corporation to the effect that the requirements of A through H of these Rules have been satisfied in connection with the final approval of any Application for Financing by the Corporation. The fees for Bond Counsel will be included in the cost of issuance of the bonds and will not be included in the Corporation's financing fee described in Article IV herein.

L. Financial Advisor. The Corporation, in its sole discretion, shall designate the Financial Advisor. The fees and expenses of the Financial Advisor shall be the responsibility of the Applicant.

M. Financial Underwriter or Private Placement Agent. The owner/applicant shall select an underwriting firm or placement agent for the structuring, marketing and sale of the bonds; provided, such underwriting firm or placement agent must be approved by the Corporation.

N. Administrative Expenses. Unless otherwise approved by the Corporation, the owner of the residential development shall have entered into satisfactory contractual arrangements to pay the fees and expenses of the trustee and the rebate analyst, to pay the administrative fees and expenses of the Corporation upon submission of a written requisition by the Corporation to the trustee or the owner and to pay the fees of the Texas Bond Review Board and the Texas Attorney General in connection with the issuance of the Bonds.

O. Filing and Procedural Requirements. The owner of the residential development shall have complied in full with the filing and procedural requirements set forth in Article III of these Rules and the requirements of the Texas Bond Review Board.

P. Payment of Fees and Costs. The owner of the residential development shall have paid, or entered into satisfactory contractual arrangements to pay, the fees and costs described in Article IV of these Rules.

ARTICLE III

FILING AND PROCEDURAL REQUIREMENTS

A. Preliminary Applications. Any person desiring that the Corporation provide financing or refinancing for a residential development shall complete and file with the Corporation an Application for Financing attached to these Rules as Exhibit "*A*". Such Application for Financing shall be accompanied by: **(1)** a completed copy of the Residential Development Financing Questionnaire attached to these Rules as Exhibit "*C*"; **(2)** the nonrefundable application fee described in Article IV of these Rules; **(3)** an executed copy of the Indemnity Agreement attached to these Rules as Exhibit "*B*"; and **(4)** if an application for allocation of private activity bond volume cap will be submitted in connection with the residential development, a completed Texas Bond Review Board Residential Rental Attachment (such attachment can be downloaded from the Texas Bond Review Board's website at http://www.brb.state.tx.us). The original application and all attachments shall be filed with the Corporation by Electronic Filing or mailing to:

Executive Director
The Southeast Texas Housing Finance Corporation
11111 South Sam Houston Parkway East
Houston, Texas 77089

A separate Application for Financing shall be filed for each residential development. The Corporation will consider such completed Applications for Financing on scheduled Board meeting dates. Applications will be considered administratively complete when all required items are received by the Corporation.

An Application for Financing will not be considered administratively complete unless and until the applicant can demonstrate control of the residential development site. Such control can be evidenced by proof of ownership or by an executed Purchase Contract or Option Agreement. The instrument should clearly state the time period for which the agreement is effective, the purchase price to be paid and the costs of any extensions in the contact period, if applicable.

B. **Preliminary Approval**. Upon satisfaction of the requirements set forth in Paragraph A above, the Board shall consider such Application for Financing at its next scheduled meeting. The Corporation shall give the applicant reasonable advance notice of such meeting and shall provide the applicant with an opportunity to appear at such meeting for the purpose of making an oral presentation.

If the Board determines to grant preliminary approval of an Application for Financing, the Board shall adopt a resolution declaring the Corporation's intent to issue bonds to provide financing for such residential development. The Corporation reserves the right to include in such resolution any specific requirements pertaining to such residential development that it deems necessary. The Corporation shall provide a copy of such resolution to the applicant at the address shown on the Residential Development Financing Questionnaire.

C. Additional Filing Requirements. Following the adoption of a resolution declaring the Corporation's intent to issue bonds to provide financing for a residential development or developments, the applicant shall file with the Corporation such additional materials as the Corporation may reasonably request in writing.

D. Private Activity Bond Volume Cap. To the extent applicable, the issuance of bonds by the Corporation shall also be subject to receipt by the Corporation of a valid allocation of a portion of the State of Texas' private activity bond volume cap. The Corporation and its counsel shall be responsible for submitting the application to the Texas Bond Review Board for such allocation. The owner of the residential development shall be responsible for paying any fees required in connection with securing an allocation or any addition to or extension thereof. Please note, in the event the Corporation receives notice from the Texas Bond Review Board that an allocation of private activity bond volume cap will be awarded to the Corporation for a residential development, if applicable, Phase I of the Low Income Housing Tax Credit Application must be submitted to TDHCA within three (3) days of the Corporation receiving such notice or the allocation will not be awarded by the Texas Bond Review Board.

E. Preparation of Documents. The law firm acting as Bond Counsel with respect to the bonds shall have primary responsibility for documents to be utilized in connection with the bonds to be issued by the Corporation. All such documents shall be subject to review and approval by the Corporation's general counsel and staff for compliance with these Rules and any other policies and procedures of the Corporation.

F. Approval by Elected Official. To the extent required by the Code, the issuance of bonds by the Corporation shall be subject in each case to the written approval of the County Judge or Mayor or other official, as the case may be, of the Sponsoring Political Subdivision where the residential development is located, in a form and manner which satisfies the requirements of Section 147(f) of the Code and applicable regulations thereunder.

The Corporation's general counsel or Bond Counsel may be responsible for the implementation of the requirements set forth in this Paragraph F, including obtaining such written approval.

G. Public Hearing. The Corporation shall not grant final approval of an Application for Financing until the Corporation holds a public hearing, satisfying the requirements of Section 147(f) of the Code, with respect to such residential development. Such requirements shall include, **(i)** be in accordance with IRS Regulations; **(ii)** such hearing shall be attended by the Executive Director of the Corporation or his designee; **(iii)** such hearing shall provide information about the residential development, including its location; **(iv)** a written report regarding such hearing shall be provided to the Mayor or County Judge, as the case may be, of the Sponsoring Political Subdivision where such residential development is, or will be, located.

The Corporation's general counsel or Bond Counsel may be responsible for implementation of the requirements set forth in this Paragraph G, including the publication of the notice of public hearing and the preparation of the report to the applicable Mayor or County Judge.

The applicant shall cooperate fully with such general counsel or Bond Counsel and shall provide such information as such general counsel or Bond Counsel may reasonably request for such purpose.

H. Final Approval and Closing. If the Board determines to grant final approval of an Application for Financing, the Board shall adopt a resolution authorizing the issuance of bonds to provide the financing described in such Application for Financing. Such final approval shall be conditioned upon compliance with all provisions of these Rules and any additional rules or procedures imposed by the Board with respect to the residential development. Following such final approval, the Corporation, the applicant and other parties involved in the transaction shall proceed to close the financing at a time and place to be determined by the Corporation.

I. Expiration of Application. In any case in which an Application for Financing remains on file with the Corporation for more than 18 months from its date of filing and there has not occurred a successful closing of the financing, such Application for Financing shall be considered expired and any actions taken by the Corporation with respect thereto prior to such expiration shall also expire. An expired Application for Financing may be reinstated for one (1) or more additional one (1) year periods if there have been no material changes to the information provided in the Application for Financing and the applicant pays the Corporation an extension fee in the amount of $1,500 for each such period. If an expired Application for Financing is reinstated as set forth above and an additional application for allocation of private activity bond volume cap must be submitted in connection with the residential development, the applicant must satisfy all of requirements of this Article III with respect to such reinstated Application and pay an additional nonrefundable application fee to the Corporation.

J. Consents to Sale of Residential Developments. The owner of a residential development financed with the proceeds of bonds issued by the Corporation shall not sell, transfer or otherwise convey such residential development without the prior written consent of the Corporation, which shall be conditioned upon receipt by the Corporation of **(i)** evidence satisfactory to the Corporation that the owner's purchaser or transferee has assumed in writing and in full and is capable of performing the owner's duties and obligations under the legal instruments securing such bonds, including any restrictions imposed by Bond Counsel in order to maintain the tax-exempt status of the bonds; **(ii)** a certificate of the owner to the effect that no event of default has occurred and is continuing under the legal instruments securing the bonds; **(iii)** an assumption fee in the amount of $3,000, plus payment of any other amounts due and owing the Corporation in connection with the residential development; and **(iv)** payment of the Corporation's expenses incurred for its general counsel's and Bond Counsel's legal fees in reviewing the proposed transfer, whereupon the owner will be released from its obligations other than its obligations with respect to indemnification of the Corporation and payment of the Corporation's fees and expenses for claims, costs and expenses resulting during the time that the owner was a party to the legal instruments securing the bonds.

ARTICLE IV

FEES AND COSTS

A. Application Fee. (1) Concurrently with the filing of an Application for Financing which will require an allocation of private activity bond volume cap, the applicant shall pay to the Corporation a nonrefundable application fee in the amount of $3,000, plus the application fee to the Texas Bond Review Board; and a non-refundable fee in the amount of $5,000 to the Bond Counsel for the preparation of the Application for submission to the Texas Bond Review Board; or **(2)** For all other Applications for Financing, the applicant shall pay a $4,000 nonrefundable application fee to the Corporation with the filing of the initial Application for Financing.

B. Closing Fees and Costs. Concurrently with the closing of a financing or refinancing for a residential development, the applicant shall pay to or on behalf of the Corporation:

(1) All costs of issuance of the bonds including, but not limited to, fees and expenses of Bond Counsel, the general counsel of the Corporation, the underwriter/placement agent (including fees and expenses of the counsel to the underwriter/placement agent), the Corporation's financial advisor, the bond trustee (including fees and expenses of the counsel to the bond trustee), the rating agency (if applicable) and the credit provider (if applicable);

(2) A financing fee, which is in addition to the application fee, in an amount equal to 1.0% of the principal amount of the bonds issued; and

(3) Arrangements shall have been made in the bond documents to pay the Corporation through the bond trustee an ongoing annual fee equal to 0.10% of the original principal amount of the bonds, but in no case less than $1,000 per year payable on each anniversary of the issuance of the Bonds; and

(4) Any costs paid by the Corporation under Article II (G).

ARTICLE V

MISCELLANEOUS

A. No person shall represent, directly or indirectly, to any potential purchaser of the Corporation's bonds, or to any other person, that the Corporation has irrevocably agreed or is firmly committed to provide financing for any specific residential development unless and until the Corporation has granted final approval with respect to such residential development as provided in Article III of these Rules and the bond issue is closed.

B. Within ninety (90) days after the bond issue is closed, Bond Counsel shall deliver, at no cost to the Corporation or its counsel, one (1) complete transcript of the issuance of the Bonds to the Corporation.

C. All residential developments funded with bonds issued by the Corporation must comply with the United States' Fair Housing Act which prohibits discrimination in the sale, rental and financing of dwellings based on race, color, religion, sex, national origin, familial status and disability.

EXHIBIT "A"

APPLICATION FOR FINANCING

For Use by Corporation Only:

Intake Checklist

Application No.: _____

Signed Application: _____ Date Received: _____

All Fees Received: _____ Date Admin Complete: _____

Questionnaire Complete: _____ Inducement Date: _____

Indemnity Signed: _____ TBRB Docket No: _____

All Exhibits Received: _____ Allocation Received: _____

Contract for Land: _____ Closing Deadline: _____

Admin. Complete: _____ Closing/Withdrawal Date: _____

To: The Southeast Texas Housing Finance Corporation

I, _____, the undersigned duly authorized representative of _____, (the *"Applicant"*), the owner of the proposed residential development described in this Application for Financing, do hereby make application to The Southeast Texas Housing Finance Corporation (the *"Corporation"*) in accordance with the Corporation's Rules for Financing Multifamily Residential Rental Developments (the *"Rules"*). In connection therewith, I do hereby declare and represent as follows:

The Applicant intends to (check all that apply):

(___) develop, construct and operate

(___) acquire, rehabilitate and operate

(___) refund bonds previously issued

(___) utilize the LIHTC

a multifamily rental residential development to be located entirely within one or more of the Sponsoring Political Subdivisions (as defined in the Rules), and desires that the Corporation issue bonds to provide financing or refinancing for such residential development in accordance with the provisions of the Texas Housing Finance Corporations Act, as amended, and the Rules.

1. The Applicant has received a copy of and reviewed the Rules, and hereby agrees to comply with all terms and provisions thereof, except such provisions as may be expressly waived by the Board of Directors of the Corporation or its Management Committee.

2. The Applicant has submitted herewith a completed copy of the Residential Development Financing Questionnaire attached to the Rules as Exhibit *"C",* to the best of my knowledge, the information contained therein is true and correct.

3. The Applicant has submitted herewith an executed copy of the Indemnity Agreement attached to the Rules as Exhibit *"B".*

4. The Applicant has submitted herewith the appropriate Application Fee in the amount of $_____.

Based on the foregoing, the Applicant requests preliminary approval of this Application for Financing in accordance with the Rules.

WITNESSED BY MY HAND THIS ____ day of _____, _____.

(Name of Applicant)

By: _____

Name: _____

Title: _____

EXHIBIT "B"

INDEMNITY AGREEMENT

Board of Directors of The Southeast Texas Housing Finance Corporation located at 11111 South Sam Houston Parkway East, Houston, Texas 77089.

_____ (the *"Applicant"*) has filed or is concurrently filing with The Southeast Texas Housing Finance Corporation (the *"Corporation"*) an Application for Financing in accordance with the Corporation's Rules for Financing Multifamily Residential Rental Developments. For the purpose of inducing the Corporation to accept, review and act upon such Application for Financing and to issue the obligations therein contemplated, the Applicant hereby agrees to indemnify and hold harmless the Corporation, its officers, directors, employees, agents and representatives, from and against all costs, losses, damages, expenses and liabilities of any kind arising from or in connection with the Corporation's acceptance, review, approval or disapproval of such Application for financing, or the issuance, offering, sale or delivery of the obligations of the Corporation therein contemplated, or the design, acquisition, construction, rehabilitation, installation, operation, use, occupancy, maintenance or operation of the residential development described in such Application for Financing. It is expressly agreed that the provisions of the Indemnity Agreement shall survive any approval or disapproval of such Application for Financing and the issuance of or failure to issue any such obligations.

This Indemnity Agreement shall be effective upon its execution by the applicant this ____ day of _____, _____, and its acceptance by the Corporation as indicated by its execution below.

(Name of Applicant)

By: _____

Name: _____

Title: _____

ACCEPTED ON THIS ____ day of _____, _____.

THE SOUTHEAST TEXAS HOUSING FINANCE CORPORATION

By: _____

Name: _____

Title: _____

EXHIBIT "C"

RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

I. INFORMATION RELATING TO THE APPLICANT

1. Owner / Applicant Information:

Full Legal Name _____

Contact Person _____

Mailing Address (street) _____

City _____ State ____ Zip _____

Phone _____ Fax _____

Soc. Sec. # or Fed. I.D. # _____

State of Organization _____

Date of Organization _____

2a. Form of organization of the Applicant (Attach organizational documents).
Does Applicant currently exist or is it to be formed?

___ Exists (attach organizational documents)

___ To Be Formed (Date: _____)

___ Limited Liability Company

___ Limited Partnership

___ General Partnership

___ Sole Proprietorship

___ 501 (c) (3) Corporation

___ Governmental Entity

2b. If the Applicant is a 501 (c) (3) corporation, please attach a copy of the IRS exemption letter for such corporation or the application to the IRS requesting an exemption letter and the articles of incorporation and bylaws of the Applicant.

3. If the Applicant is a corporation or limited liability company identify its officers and directors and indicate their titles. If the Applicant is a partnership, identify all of its general partners.

4. Name and address of all persons who own a 10% or greater interest in the Applicant.

5. Development Team Information:

(a) Tax Credit Investor (Firm) _____

Contact Person _____

Address _____

Phone _____ Fax _____

Email address _____

(b) Tax Credit Counsel (Firm) _____

Contact Person _____

Address _____

Phone _____ Fax _____

Email address _____

(c) Owner's Attorney (Firm) _____

Contact Person _____

Address _____

Phone _____ Fax _____

Email address _____

(d) Contractor (Firm) _____

Contact Person _____

Address _____

Phone _____ Fax _____

Email address _____

(e) Architect (Firm) _____

Contact Person _____

Address _____

Phone _____ Fax _____

Email address _____

(f) Management Entity (Firm) _____

Contact Person _____

Address _____

Phone _____ Fax _____

Email address _____

Attach Resume and/or Financial Statements (if applicable) of each team member (firm) identified above.

6. Summarize prior development, ownership and management experience of the Applicant or its principals, indicating date of construction of the residential development, type of residential development, location of residential development and method of financing.

7. Does the Applicant anticipate entering into a profits participation or joint venture agreement with a financial institution or other party with regard to the residential development? If so, explain and attach any agreements between the parties.

8. Does the Applicant intend to apply for property tax abatement in connection with the residential development? If so, explain the basis of the abatement.

II. INFORMATION RELATING TO THE RESIDENTIAL DEVELOPMENT

1. Street address and description of exact location of the Residential development site. Please attach a legal description of the boundaries of the residential development site and a map of the area with the residential development site highlighted.

Address _____

City _____ Zip Code _____

2. Describe any existing improvements or structures presently located on the residential development site. If none, please write "none."

Existing Improvements

_____

_____

_____

3. Indicate the approximate size (in acres or square feet) of the residential development site.

Approximate Size _____

4. Does the Applicant now own the residential development site?

____ Yes ____ No

5. If the Applicant presently owns the residential development or residential development site, indicate:

Purchase Date: _____

Purchase Price: _____

Balance of Existing Mortgage: _____

Holder of Existing Mortgage: _____

Attach a copy of the deed or other evidence of title in the Applicant as Exhibit "_____" to this Application.

6. If the Applicant presently holds an option to purchase the residential development or residential development site, indicate:

Present Owner: _____

Date of Option Agreement: _____

Purchase Price: _____

Expiration Date of Option Agreement: _____

Attach a copy of such option as Exhibit "_____" to this Application.

7. If the Applicant has executed a contract to purchase the residential development or residential development site, indicate:

Present Owner: _____

Date of Contract: _____

Purchase Price: _____

Settlement Date: _____

Attach a copy of such contract as Exhibit "____" to this Application.

8. If the Applicant does not presently own the residential development or residential development site, please describe any relationship which exists by virtue of common control or ownership between the Applicant and the present owner of the residential development or residential development site.
If none, please write "none." Attach a copy of documents demonstrating such relationship as Exhibit "____" to this Application.

9. Indicate if the cost of the residential development site is to be included in the financing.
____Yes ____No

10. What is the present number and general description of residential units on the residential development site? If none. Please write "none".
Present Resident Units _____

11. Does the residential development consist of additions to and/or renovation and rehabilitation of existing units?
____Yes ____No
If yes, answer the following questions: (Attach separate sheets as necessary.)
(a) Age of units: _____

(b) Describe the proposed additions and improvements to be made. Include a description of the type of improvements and amount to be spent per unit and for common areas. (See Article II.E. for reference to Internal Revenue Service regulations applicable to rehabilitation.)

_____

_____

(c) Provide data on present vacancy rates and rents by unit size.

(d) Attach recent photos of the residential development.

(e) List a breakdown for total residential development improvements by cost and category.

12. Does the Applicant intend to **(a)** reserve at least 5% of the units for occupancy by elderly persons of low income or families of low or moderate income in which an elderly person is head of the household or **(b)** pay a fee equal to one-tenth of one percent (0.1%) of the aggregate principal amount of the bonds issued to finance the residential development? (Selection of option (a) or (b) is required by state law, except in the case of a refunding.)

____ Reservation of Units ____Payment of Fee

13. Describe any additional facilities included or to be included in the residential development, such as parking, laundry, office or recreational facilities. If any of such facilities are expected to generate income, indicate projected amount of such income.

14. Describe the overall style of the residential development (e.g., garden apartments, multi-level, high-rise), exterior construction materials, energy conservation considerations and landscaping design. Attach a site sketch showing proposed location of the units on the residential development site and an architect's rendering if available.

15. Complete supplemental forms (excel file) including:

Exhibit B – 1 Unit Mix
Exhibit B – 2 Operating Expenses
Exhibit B – 3 30-Year Proforma
Exhibit B – 4 Sources and Uses
Exhibit B – 5 Development Costs
Exhibit B – 6 Dwelling Unit Equipment and Utilities

16. State the maximum principal amount of bonds that the Applicant desires that the Corporation issue to provide financing for the Residential development and the amount that the Corporation is requested to apply to the Texas Bond Review Board for allocation of a portion of the state volume cap for tax exempt bonds.

Maximum Principal Amount of Bonds _____

Texas Bond Review Board Allocation Amount _____

17. Indicate the type and amount of costs expended (including orders for any Residential development equipment or furnishings) with respect to the Residential development to the current date. If none, please write "none.

_____

_____

18. Have any costs (including orders for any Residential development equipment or furnishings) been incurred but not paid? If yes, identify and explain, including the date each expenditure was made.

_____

_____

19. Describe any restrictions to be imposed by the Applicant on Resident development tenants, including family size, pets or others.

_____

_____

20. Management Information: Attach as Exhibit "____" information concerning prior management experience including residential developments managed, number of units in each residential development and number of years of residential development management. Estimate the fee to be paid to such managing agent.

21. Indicate number of residences or businesses displaced by construction or rehabilitation of the Residential development, if any. (If none, please write "None.") Describe procedures to be used to minimize impact of any displacement. If relocation is necessary attach Relocation Plan.

_____

_____

III. INFORMATION RELATING TO CONSTRUCTION

1. Has construction of the Residential development begun?

____Yes ____No

If yes, give date construction began: _____
If no, give estimated date for commencement of construction: _____

2. State estimated date of completion: _____

3. State estimated date Residential development will be initially available for occupancy:

_____

4. Contractor Information: Attach information concerning other developments previously completed by the contractor. Include location, year of completion, number of units and approximate construction cost of each residential development.

5. Architect Information: Attach information concerning other developments designed by the architect.

IV. INFORMATION RELATING TO THE FINANCING

1. Please indicate which priority the Applicant chooses as to the resident restrictions which will be imposed upon the Residential development:

____100% of the residential units in the Residential development are under the restriction that the maximum allowable rents are 30% of 50% of the area median family income minus an allowance for utility costs authorized under the federal low-income housing tax credit program.

____100% of the residential units in the Residential development are under the restriction that the maximum allowable rents are 30% of 60% of the area median family income minus an allowance for utility costs authorized under the federal low-income housing tax credit program.

____100% of the resident units in the Residential development will be occupied by individuals/families whose income is ____% or less of area median family income.

____Attached is explanation of other set-asides or restrictions.

_____

_____

2. Has the Applicant made, or does the Applicant intend to make, application for FHA mortgage insurance?

____Yes, for construction advances ____No

____Yes, for insurance upon completion only

Please attach as Exhibit "____", a copy of FHA, SAMA letter, conditional commitment or firm commitment, if any.

3. Indicate any other rent supplement, loan guarantee, grant or mortgage insurance for which the Applicant has made, or intends to make, application with respect to the Residential development. If none, please write "None."

_____

_____

4. If Applicant is a limited partnership, indicate whether it is anticipated there will be a syndicated offering of partnership shares. If applicable, attach the offering document and agreement.

_____

_____

5. Indicate what percentage of the requested financing is to be applied to refinance any existing mortgage or outstanding loan. If none, please write "None". _____

6. Indicate whether any other financing is contemplated with respect to the Residential development. If so, please describe such financing and attach a copy of the commitment(s) from the lender(s) to provide such financing(s).

_____

_____

7. Has any member of the identified Development Team filed/declared bankruptcy or reorganization under bankruptcy regulations? If yes, please explain.

_____

_____