



**Travis County Commissioners Court Agenda Request
TRAVIS COUNTY HOUSING FINANCE CORPORATION**

Meeting Date: March 20, 2012

Prepared By/Phone Number: Andrea Shields, Manager/854-9116

Elected/Appointed Official/Dept. Head: Leslie Browder, County Executive, Planning and Budget/854-9106

Commissioners Court Sponsor: Samuel T. Biscoe, President

AGENDA LANGUAGE:

1. Consider and take appropriate action to approve revised versions of the Travis County Housing Finance Corporation's Residential Development Questionnaire, Application for Financial Participation and Policy Guidelines.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS: See attached backup.

STAFF RECOMMENDATIONS: Staff recommends approval.

ISSUES AND OPPORTUNITIES: None.

FISCAL IMPACT AND SOURCE OF FUNDING: None.

REQUIRED AUTHORIZATIONS: Andrea Shields, Manager/854-9116; Leroy Nellis, Budget Manager/854-9066

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.

THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

INSTRUCTIONS

Please provide the requested information in the following tabs related to the Applicant, Project and Financing. In general, the spreadsheet offers check boxes or text boxes for answers unless separate or additional information is requested. Please expand text boxes as necessary or provide additional information in separate word, excel and pdf files as necessary. For questions, please contact Corporations staff as listed below.

Corporations Manager

Andrea Shields

512-854-9116

andrea.shields@co.travis.tx.us

Assistant Corporations Manager

Karen Thigpen

512-854-4743

karen.thigpen@co.travis.tx.us

THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

APPLICANT INFORMATION

PLEASE PROVIDE THE FOLLOWING INFORMATION ON THE APPLICANT

i.e. the entity that will own the residential development for which financing is requested
(referred to hereinafter as the "Project")

1. Name: [Redacted]
Address: [Redacted]
City, ST Zip [Redacted]
Phone #: [Redacted]

2. Jurisdiction under whose law Applicant was organized.
[Redacted]

3. Form of organization of the Applicant.

For Profit Corporation	<input type="checkbox"/>
Limited Partnership	<input type="checkbox"/>
General Partnership	<input type="checkbox"/>
Sole Proprietorship	<input type="checkbox"/>
501 (c) (3) Corporation	<input type="checkbox"/>
Governmental Entity	<input type="checkbox"/>
Limited Liability Company	<input type="checkbox"/>

4. Does Applicant currently exist or is it to be formed?

Exists	<input type="checkbox"/>
To be formed	<input type="checkbox"/>

5. If the Applicant is a corporation, identify its directors, officers, and indicate their titles. If the Applicant is a Partnership, identify all of its general partners. If the Applicant is a limited liability company, identify all managers. Provide resumes of all persons identified to completed application.

[Redacted]

6. Registered agent of Applicant for service of process.

Name: [Redacted]
Address: [Redacted]
City, ST Zip [Redacted]
Phone #: [Redacted]
Email: [Redacted]

7. Information for contact regarding questions and correspondence.

Name: [Redacted]
Address: [Redacted]
City, ST Zip [Redacted]
Phone #: [Redacted]
Email: [Redacted]

8. Name, address, phone # and email address for legal counsel for the Applicant (note: NOT bond counsel)

Name: [Redacted]
Address: [Redacted]
City, ST Zip [Redacted]
Phone #: [Redacted]
Email: [Redacted]

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9. Name, address phone # and email for any and all financial consultant(s), investment banker(s), or mortgage banker(s) advising the Applicant in connection with the Project.

[Redacted]

10. List banking references (minimum of 2) with contacts.

Name: [Redacted]
Address: [Redacted]
City, ST Zip [Redacted]
Phone #: [Redacted]
Email: [Redacted]

Name: [Redacted]
Address: [Redacted]
City, ST Zip [Redacted]
Phone #: [Redacted]
Email: [Redacted]

11. If the Applicant or any proposed or existing member of partner of the Applicant has applied for an exemption as a Community Housing Development Organization (CHDO), please provide a copy of the certification.

12. If the Applicant is a 501(c)(3) corporation, please provide a copy of its IRS exemption letter and its most recently filed IRS form 990.

13. If the Applicant is a 501(c)(3) corporation, the Corporation will require the Applicant to furnish at the closing an opinion of nationally recognized tax counsel satisfactory to the Corporation confirming the Applicant's 501(c)(3) exemption status.

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

[Redacted]

15. Is the principal owner related to any other organization by more than 50% common ownership? If so, indicate name or related organization and relationship.

[Redacted]

16. Identify all persons/entities that own a 10% or greater interest in the Applicant.

[Redacted]

17. If any of the above persons own more than 50% of the principal owner, list all other organizations which are related to the principal owner as they have more than a 50% interest in the organizations.

[Redacted]

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18. Describe all previous experience with multifamily housing projects.

19. Has the Applicant, any of its officers or directors, or any person who owns a 10% or greater interest in the Applicant ever been found in violation of any rules or regulations of HUD or any other federal or state agency or been subject to an investigation by HUD or any other federal or state agency? If yes, attach a full explanation.

Yes
No

20. Is the Applicant or the Project in violation (or ever have been) with any housing code, laws, rules or regulations? If yes, please provide an explanation and verification of cure.

21. Does the Applicant or the Project have any tax liens filed against it with the county or other taxing jurisdiction? If yes, please specify.

22. Please explain to what extent, if any, the Applicant plans to promote the Corporation's goals, particularly (a) providing for efficient and well-planned growth and development including the limitation and prevention of potential urban blight and the proper coordination with surrounding uses including mass transit (if applicable), (b) assisting persons of low and moderate income in obtaining decent, safe and sanitary housing which they can afford.

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23. Please submit copies of the Applicant's current affirmative action program, if any, and a written undertaking executed by a duly authorized officer of the Applicant that the Applicant will not discriminate on the basis of race, sex or age in the employment, promotion and termination of employment of employees who work in Travis County, Texas; that the Applicant will abide by the Affirmative Action Plan as included in the Application for Financing; and the Applicant will otherwise comply with equal opportunity standards in its employment practices with respect to such employees.



24. Please provide an organizational chart demonstrating the structure and relationship between the Applicant and other participating entities.

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RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

PROJECT INFORMATION

PLEASE PROVIDE THE FOLLOWING INFORMATION ON THE PROJECT.

Note that questions in **green** relate to rehabilitation projects only.

1. Provide the following information on the project:

New Construction; or
Rehabilitation

Address:
City, Zip

Description of location of the site, and provide a map with the location marked.

2. Number of acres comprised by the Project site.

3. Is the Project site currently zoned for multifamily housing?

Yes
No

Zoning:

4. Have all necessary approvals (including zoning, building and special use permits) been obtained from State, federal or local regulatory bodies? If no, please provide information on the status of permits/approvals.

5. Describe any existing improvements or structures on the site. Please indicate whether structures will be demolished.

6. Provide a legal description and the prior year's ad valorem tax statement.

7. Describe anticipated traffic impact in terms of vehicles per day, peak traffic hours and anticipated total volume.

8. Does the Applicant currently own the Project site?

Yes
No

9. If the Applicant presently owns the Project site, please provide evidence of ownership and complete the following information.

Purchase Date

Purchase Price

Balance of Existing Mortgage:

Holder of Existing Mortgage:

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10. If the Applicant presently holds an option to purchase the Project or Project site, please provide a copy of the executed Option Agreement. If option has been assigned, provide a detailed written description of the assignment including copies of all contracts and agreements relating to the assignment. Also, please provide the following:

11. Present Owner [redacted]
Purchase Price [redacted]
Date of Option Agreement [redacted]
Expiration Date of Option Agreement [redacted]

12. If the Applicant has an executed contract to purchase the Project or Project site, please provide a copy of the executed purchase contract between the Applicant and the Present Owner. If date acquired by the Present Owner is within 1 year of the date of this application, also provide a copy of the purchase contract between the seller and the Present Owner. Also, please provide the following:

Present Owner [redacted]
Date of Contract [redacted]
Purchase Price [redacted]
Settlement Date [redacted]
Date Present Owner Acquired Project or Project Site [redacted]

13. If the Applicant does not presently own the Project or Project site, please describe any relationship that exists by virtue of of common control or ownership between the Applicant and the Present Owner of the Project or Project site. Please provide copies of any documents demonstrating such a relationship exists.

[redacted]

14. Please indicate whether the cost of the Project site is to be included in the financing.

Yes
No

15. What is the present number and general description of residential units on the Project site?

[redacted]

16. Does the Project consist of additions to and/or renovation and rehabilitation of existing units?

Yes
No

17. If a rehabilitation, what is the age of the units?

[redacted]

18. If a rehabilitation, generally describe the proposed additions/improvements to be made. Include descriptions of the type of improvements, and amount to be spent per unit and for common areas. Please provide a list of total project improvements by cost and category.

[redacted]

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19. If a rehabilitation/existing property, please provide financial statements (YE balance sheets and profit and loss statements preferred) for the last three years.

20. Will any tenants require relocation due to the expected renovation and rehabilitation?

Yes

No

If yes, please provide a detailed relocation plan and budget.

21. Describe the overall style of the Project (e.g. garden apartments, midrise, high-rise, etc.), exterior construction materials, energy conservation considerations and landscaping design. Provide a site sketch showing proposed location of the units on the site and an architect's rendering if available.

22. Describe any additional facilities included or to be included in the Project, such as parking, WiFi, laundry, office, recreational facilities, computer lab/business center, etc. If any of the facilities are anticipated to generate income, indicate projected amount.

23. Please see tab II.a. to provide information on current and proposed rents and vacancy for the Project.

24. Please see tab II.b. to provide information on amenities planned for the Project as well as utility structure.

25. Describe any restrictions the Applicant intends to impose on project tenants (i.e. family size, no children, no pets, etc.)

26. Does the Applicant intend to set aside 5% of the units for occupancy by the elderly?

Yes

No

27. Does the Applicant intend to pay the required fee to the Texas Department of Aging and Disability Services at closing in lieu of offering 5% of units to the elderly?

Yes

No

28. Please see tab II.c. to provide estimated costs of developing, constructing and equipping, or acquiring and rehabilitating the Project. Provide additional information as necessary.

29. Has construction or rehabilitation work on the Project begun?

Yes

No

30. Please indicate construction start and completion date, and date units will be available for occupancy.

Start

Completion

Initial Occupancy

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31. Please provide the contact information for the contractor for the Project. Provide any information concerning projects previously completed by this contractor, including location, date of completion, # of units and approximate construction costs for each project.

Name: [Redacted]
Address: [Redacted]
City, ST Zip: [Redacted]
Phone #: [Redacted]
Email: [Redacted]

32. Please provide the following information on the architect for the Project.

Name: [Redacted]
Address: [Redacted]
City, ST Zip: [Redacted]
Phone #: [Redacted]
Email: [Redacted]

33. If work has begun, indicate the type and amount of costs expended or incurred to date with respect to the Project.

[Redacted]

34. Describe briefly the anticipated arrangements for management of the Project. If a professional management company will be employed, provide a resume for the company and an estimate of the management fee either monthly or annually.

[Redacted]

35. If a professional management company will be employed, please provide the name, address, phone # and email for the company.

Name: [Redacted]
Address: [Redacted]
City, ST Zip: [Redacted]
Phone #: [Redacted]
Email: [Redacted]

36. Make a statement regarding the demand and market need for the Project and provide proof, if any (i.e. market survey, feasibility analysis, etc.)

[Redacted]

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37. State the best estimates as to the minimum family income levels of the expected tenants required in order to pay anticipated monthly rental amounts.



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CURRENT AND PROPOSED RENTS

If the Project is a rehab of an existing property, please provide the following information on the current rents and vacancy.

CURRENT RENTS

Unit Type	Sq. Ft.	# of Units	Set-aside*	# Vacant	Current Rent	Rent Per SF
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
						#DIV/0!
Total/Avg	#DIV/0!	0		0	#DIV/0!	

*Or other affordability restriction if applicable

Indicate the unit mix, rents, and affordability restrictions for the Project.

PROPOSED RENTS

Unit Type	Sq. Ft.	# of Units	Set-aside*	Proposed Rent	Rent Per SF
					#DIV/0!
Total/Avg	#DIV/0!	0		#DIV/0!	

*Or other affordability restriction if applicable

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AMENITIES AND UTILITIES

Please indicate which of the following equipment, if any, will be included in the Project's dwelling units:

<input type="checkbox"/> Range	<input type="checkbox"/> Garbage Disposal	<input type="checkbox"/> Dishwasher
<input type="checkbox"/> Refrigerator	<input type="checkbox"/> Carpet	<input type="checkbox"/> Fireplace
<input type="checkbox"/> Central A/C	<input type="checkbox"/> Ceramic Tile	<input type="checkbox"/> Cable TV
<input type="checkbox"/> Ceiling Fans	<input type="checkbox"/> Drapes/Blinds	<input type="checkbox"/> High Speed Internet Access
<input type="checkbox"/> Washer/Dryer	<input type="checkbox"/> W/D Connections	<input type="checkbox"/> Other:

Please provide whether utilities are gas or electric and if they will be paid by the tenant:

Utility	Gas/Electric	Paid by Tenant or Owner
Heating		
A/C		
Cooking		
Other Electric		
Hot Water		
Water		
Sewer		
Trash		
Basic Cable		

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DEVELOPMENT COSTS

ITEM	COST
Land	
Existing Improvements	
Demolition	
Site Work	
Relocation	
New Construction Hard Costs	
Rehabilitation Hard Costs	
Contractor Overhead	
Contractor Profit	
Construction Contingency	
Architect Fee - Design	
Architect Fee - Supervision	
Permits	
Construction Insurance	
Construction Interest	
Loan Origination - Construction	
Loan Origination - Permanent	
Credit Enhancement Fees	
Taxes	
Title and Recording	
Property Appraisal	
Market Study	
Environmental Study	
Start Up - Marketing	
Surveys & Soil Testing	
Organizational	
Bridge Loan Fees	
Tax Opinion	
Developer's Overhead	
Developer's Fee	
Rent-up Reserve	
Operating Reserve	
Cost of Issuance	
Other	
TOTAL DEVELOPMENT COSTS	\$0

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FINANCING INFORMATION

PLEASE PROVIDE THE FOLLOWING INFORMATION ON THE FINANCING FOR THE PROJECT

1. Please provide an appraisal of the Project no less than 30 days prior to anticipated final approval by the Corporation's Board of Directors. The Appraisal should be dated within 120 days of the anticipated final approval date. If the site is vacant, please provide a land appraisal. Please note, multifamily land sales should be utilized to determine value for multifamily land. If the Project is an existing multifamily property, please provide an appraisal that includes a land and "as is" value. If the property is currently market rate and the regulatory agreement will restrict rents/cash flow, please also provide "as proposed" stabilized and unstabilized values, and a value of the favorable financing.

Total Development Costs (will populate from tab 11.c.)

2. Of total development costs, please indicate the percentage of the Project costs for the Applicant desires financing and the amount of equity investment in the Project which the Applicant proposes to make.

Percentage
Equity Investment

3. Briefly describe the nature of the equity investment.

4. State the maximum principal amount of bonds that the Applicant desires that the Corporation issue to provide financing or refinancing for the Project.

5. If a refinancing of bonds previously issued by the Corporation, please describe the current financial situation of the Project, the refinancing plans, and the future cash flow expectations in detail. Also describe whether the Project will be sold by the current owner before or after the bonds are issued.

6. Indicate any other rent supplement, loan guarantee, grant or mortgage insurance for which the Applicant has made, or intends to make, application for with respect to the Project.

7. Has the Applicant made application to HUD for housing assistance payments under Section 8 of the U.S. Housing Act of 1937? If so, on what percentage of the Project's units?

Yes, on 100% of the units

Yes, on 20% of the units

No

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

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8. Please describe all sources of financing.

10. Please provide a detailed statement of sources and uses for funds through completion of the acquisition/rehab and/or construction of the Project. If construction is in progress, please additionally provide a sources and uses for what has been spent to date.

11. Please describe the status of obtaining the sources of funds listed in the statements and describe plans for obtaining financing if it is not obtained from the original source of funds:

12. Will any of the funds be used to repay or refinance an existing mortgage or outstanding loan?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

13. What percentage of the requested financing is working capital?

14. Describe any other important aspects of the proposed financing, including the nature of the security and required reserve funds. Include a detailed description of any existing or proposed ground leases relating to the Project site, existing deed restrictions, subordinate debt, taxable financing, sale-leaseback arrangements and rights to repurchase the Project or Project site

15. Name and contact information of the financial institution (bank, investment banking firm, etc.), if determined, which may be interested in purchasing the bonds if and when such bonds may be approved for sale. It is the responsibility of the Applicant to arrange for the marketing of the bonds if the financing is approved, with the Corporation's concurrence.

Institution:	
Contact Name:	
Address:	
City, ST, ZIP	
Phone #	
Email	

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16. If the Applicant has a credit rating, please state the rating and agency:

Agency: [REDACTED]

Rating: [REDACTED]

17. If the Applicant is a limited partnership, indicate whether it is anticipated that there will be a syndicated offering of partnership interests.

[REDACTED]

18. Explain how the Project will be financed if all or a portion of the amount of the financing applied for herein is denied:

[REDACTED]

19. Has any member of the identified development team filed/declared bankruptcy or reorganization under bankruptcy law and regulations? If yes, please explain.

[REDACTED]

20. Will the bonds be sold to the public or sold in a private placement to institutional investors? Additional documentation, including an offering memorandum or other disclosure document, may be required in the future, depending on the nature of the proposed offering.

[REDACTED]

21. If the applicant is not a 501 (c) (3), please provide a balance sheet, profit and loss statement, and statement of financial position OR an annual report to stockholders and an annual report and Form 10-K to the Securities and Exchange Commission for the Applicant.

22. Please provide financial statement of the Applicant for the most recent fiscal quarter which ended at least 45 days prior to this Application.

23. Please detail all changes or events known to management subsequent to the date of the most recent audited balance sheet (including, but not limited to, pending or threatened litigation, claims, assessments, commitments, subsequent information regarding uncollectability of receivables, valuation of assets, changes in corporate structure or statements or prior period financial statements) which may have a material effect on the Applicant's financial position (provide data separately if necessary to provide more detailed information):

[REDACTED]

24. List the face amount of all tax-exempt financing previously arranged by or for the benefit of the principal owner in

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the County.

Date of Issue	Original Face Amount	Current Outstanding Amount

25. Please provide a 15 year pro forma cash flow statement for the Project. Include line items for administrative, operating and maintenance costs, taxes, insurance, payroll and management at a minimum.

**TCHFC POLICY GUIDELINES
TRAVIS COUNTY HOUSING FINANCE CORPORATION
(A nonprofit corporation created under the
Texas Housing Finance Corporations Act)**

**Policy Guidelines for Receiving and Approving
Applications for Financial Participation in
Residential Developments**

I.

GENERAL PURPOSE AND SCOPE OF POLICY GUIDELINES

(A) The TRAVIS COUNTY HOUSING FINANCE CORPORATION (the "Corporation") was created as a duly constituted authority of TRAVIS COUNTY, TEXAS (the "County") pursuant to the Texas Housing Finance Corporations Act (the "Act"), for the public purpose of financing the cost of residential development, as defined in the Act, determined by the Corporation to be needed for the purposes of (i) providing for and promoting the public health, safety, morals, and welfare, (ii) relieving conditions of unemployment and encouraging the increase of industry and commercial activity and economic development so as to reduce the evils attendant upon unemployment, (iii) providing for efficient and well-planned urban growth and development including the limitation and prevention of potential urban blight and the proper coordination of industrial facilities with public services, mass transportation, and residential development, (iv) assisting persons of low and moderate income in obtaining decent, safe, and sanitary housing which they can afford, and (v) preserving and increasing ad valorem tax bases of local governmental units. The activities of the Corporation shall be limited solely to the accomplishment of such public purposes, and no plan of financing of any Residential Development ("Development"), as defined in the Act and in the applicable portions of these policy guidelines (the "Guidelines"), will be approved by the Board of Directors (the "Board") of the Corporation unless and until the Board shall first affirmatively find that such financing and its related Development will be in furtherance of such public purpose, to be determined in accordance with the procedures set forth in these Guidelines.

(B) These Guidelines relate solely to the requirements and procedures of the Board and the Corporation, and, notwithstanding full compliance with all of the requirements hereof, the Corporation will not issue any obligations pertaining to any Development unless the approval of the Commissioners' Court of the County has been obtained by written resolution adopted prior to the date of delivery of the obligations specifically approving the resolution of the Corporation providing for the issuance of the obligations.

II.

APPLICATIONS, APPROVAL STANDARDS

(A) Preliminary Filing Requirements.

(1) All persons (the "Applicant") desiring financial participation by Corporation in a Development shall file with the Corporation seven (7) copies of an Application for Financial

Participation, inclusive of the Residential Development Financing Questionnaire, (the "Application") as hereinafter provided and in the form accompanying these Guidelines.

(2) Along with the Application, the Applicant shall file with the Corporation seven (7) executed original copies of an Agreement to Issue Bonds substantially in the form and substance accompanying these Guidelines.

(3) The Applicant shall file with the Application the processing fee required elsewhere in these Guidelines.

(4) If the Applicant desires the Board to take preliminary official action pertaining to the issuance of obligations in accordance with relevant provisions of the Internal Revenue Code of 1986 and applicable Regulations and Revenue Rulings issued in connection therewith, then the Applicant shall also file a statement requesting such action, along with a description of the facts relating to such request.

(5) The documents and fee required by this paragraph shall be filed with the Corporation by mailing or delivering the same to the Travis County Housing Finance Corporation, Box 1748, 5th Floor, 314 West 11th Street, Travis County Administration Building, Austin, Texas 78767, Attention: Samuel T. Biscoe, President.

(B) Preliminary Official Action.

(1) Upon compliance with the preliminary filing requirements of paragraph II (A) of these Guidelines, if preliminary official action is requested pursuant to subparagraph II (A)(4), the Corporation will conduct an expedited preliminary review of such request, and such action will be scheduled for a regular meeting of the Board. The Board normally meets each Tuesday if there are agenda items to consider. Standard review time for submitted materials is four weeks.

(2) The Board will take the requested preliminary official action, expressing its present intention to issue the obligations requested if such preliminary review of the Application demonstrates with reasonable certainty:

(a) that the Application, the obligations and the Development qualify for final approval of the Board in accordance with these Guidelines; and

(b) that all governmental approvals with respect to the obligations and the Development, including those requirements specified in paragraph I (B) of these Guidelines, will be obtained.

(3) Taking the requested preliminary official action will not obligate the Corporation to ultimately issue the obligations.

(C) Subsequent Filing Requirements.

(1) Prior to review of the Application for final approval by the Board, the Applicant may file such additional documents or statements in support thereof as the Application shall consider relevant and appropriate and shall file the following:

(a) such additional information as requested by the Residential Development Financing Questionnaire;

(b) such additional information as shall be requested of the Applicant by the Board;

(c) such additional information as may be necessary to demonstrate the Applicant's ability to comply with the approval requirements of the Commissioners' Court of the County;

(d) a pro-forma copy of any official statement, prospectus or other offering memoranda, through the use of which the proposed obligations are to be offered, sold or placed with any lender, purchaser or investor. Any offering, sales or placement material shall contain prominent disclosure substantially to the effect (i) that neither the Corporation nor the County has undertaken to review or has assumed any responsibility for the matters contained therein except solely as to matters relating to the Corporation; (ii) that all findings and determinations by the Corporation and the County, respectively, are and have been made by each of its own internal uses and purposes in performing its duties under the Act, under the Articles of Incorporation and Bylaws of the Corporation and under these Guidelines; (iii) that notwithstanding its approval of the obligations and the Facility, the County does not endorse or in any manner, directly or indirectly, guarantee or promise to pay such obligations from any source of funds of the County or guarantee, warrant or endorse the creditworthiness or credit standing of the Applicant or of any guarantor of such obligations, or in any manner guarantee, warrant or endorse the investment quality or value of such obligations; (iv) that such obligations are payable solely from the funds and secured solely by property furnished and to be furnished by the Applicant or any guarantor and are not in any manner payable from any funds or properties otherwise belonging to the Corporation; and (v) that by its issuance thereof, the Corporation does not in any manner, directly or indirectly, guarantee, warrant or endorse the creditworthiness or credit standing of the Applicant or of any guarantor of such obligations or the investment quality or value of the same; and

(e) proposed final legal instruments and documents authorizing and relating to the issuance of the obligations proposed and all leases, loan agreements, purchase agreements or other documents related thereto.

(f) an appraisal as described in the Residential Development Questionnaire (Tab III. (1.)) provided no less than 30 days prior to the anticipated final approval by the Board of Directors. Upon review by the Corporations staff and a determination that the opinions are satisfactory, the Corporations will recommend final approval to the Board of Directors.

(D) Final Approval, Standards and Requirements.

(1) The Board will take up and consider its final action pertaining to an Application filed hereunder when requested to do so by the Applicant and upon receipt by it of the following:

(a) evidence satisfactory to the Board that the Applicant has complied with these Guidelines in all material respects not otherwise waived by the Board;

(b) evidence satisfactory to the Board that the Development which is the subject of the obligations has been approved or is reasonably expected to be approved by all applicable local, state or federal regulatory authorities or agencies, including compliance with all applicable local zoning, building and other codes.

(2) Applications will be finally approved by the Board if it first affirmatively determines:

(a) that all requirements for and prerequisites to final approval under these Guidelines have been met and are in form and substance satisfactory to the Board;

(b) that the operation of the Development will constitute a lawful activity, is qualified for approval by the County and complies with and promotes the purposes and satisfies the requirements of the Act and the statement of policy contained in paragraph I(A) of these Guidelines.

(3) After final approval by the Board, the Corporation will seek approval by the County, and will proceed to close the delivery of such obligations upon receipt of such approval in accordance with the documents approved by the Board and when finally approved by Bond Counsel in accordance with the terms of sale or placement. Final approval by Bond Counsel must include opinions addressed to the Corporation indicating compliance with the Act, with applicable federal and Texas securities laws, and the provisions of the Internal Revenue Code of 1986 permitting income from the obligations issued by the Corporation to be excluded from gross income by the holder thereof.

III.

FEES, OTHER COSTS

(A) Processing, Closing Fees and Costs.

(1) Concurrently with the filing of an Application, the Applicant shall pay to the Corporation a processing fee in the amount of \$3,000 (of which \$1,500 is for the preliminary services of the Corporation's issuer counsel which shall be remitted directly to Naman, Howell, Smith and Lee L.L.P., Attention: Cliff Blount, 8310 Capital of Texas Highway, Suite 490, Austin, Texas 78731), which amount is not refundable, whether or not the Application is approved or the financing of the Development is accomplished. If the Development obtains an allocation of state volume cap from the state, the Applicant will pay the following amounts to the Corporation upon receipt of such allocation of volume cap (if the Development does not require such allocation, the following fees will be paid with the Application):

(a) a nonrefundable retainer fee of \$5,500 for the services of the Corporation to evaluate the feasibility of the Development, services of the Corporation's engineering or other consulting firm, to make an environmental, traffic or other study related to the Residential Development covered by the Application, and other costs prior to closing.

(b) a nonrefundable fee of \$2,500 for the services of the Corporation's financial advisor and a fee of \$1,000 for estimated actual fees and out-of-pocket expenses of the Corporation's financial consulting firm. In the event that actual fees and expenses are less than \$1,000, the difference will be refunded to the Applicant. In the event actual fees and expenses exceed \$1,000, Applicant will be notified and requested to pay an additional estimated amount to cover such fees.

(2) Concurrently with the closing of any financing pursuant to an approved Application or immediately upon receipt of an invoice for the following if the closing does not occur in the time required by law or in a reasonable amount of time after commencement of services by professionals involved, the Applicant shall pay or cause to be paid the following professional fees and other costs, to-wit:

(a) the fees and out-of-pocket expenses of the Bond Counsel and the Corporation general counsel (with a reduction of \$1,500 for the prepayment provided in Paragraph III (A) (1) hereof;

(b) the actual amount of any closing or acceptance fees of any trustee for the obligations, any fees or premiums for casualty and title insurance, any security filing costs, any fees for placing the obligations, and any other costs and expenses relating to the obligations, their security, the Development, or the closing thereof, including any fees and expenses of any attorneys, consultants and other advisors employed by the Applicant or the Corporation payable at that time from that source.

(c) an issuance fee equal to 0.5% of the principal amount of the obligations to be issued if the obligations are a new issue and 0.25% of the principal amount if the obligations are a refunding or reissuance.

(3) In the event of a sale or transfer of the development or project (including the sale or transfer of the controlling interest of a general partner of a limited partnership or other controlling interest in the owner of the development or project), the Applicant (and, in any succeeding sale, the then owner) shall pay to the Corporation a refundable deposit of \$5,500. From such deposit, the Corporation shall pay the expenses of its legal counsel and other expenses associated with such sale or transfer and the consent of the Corporation with respect thereto. If the deposit is not sufficient to pay such expenses, the Applicant shall pay such additional expenses of the Corporation's legal counsel and other expenses in excess of the \$5,500 deposit.

(B) Continuing Costs.

Each Applicant shall pay to the Corporation, within ten (10) days after receipt of a bill or statement therefor, the following amounts, to-wit:

(1) any amounts payable pursuant to the Agreement to Issue Bonds and any other indemnity contract or agreement executed in connection with any financing hereunder;

(2) an annual fee equal to 0.10% of the outstanding principal amount of the Bonds. The first year of the annual fee is payable to the Corporation at closing, with the remaining annual fees payable on a monthly basis (1/12th each month) beginning on the first anniversary of the closing and continuing as long as any of the bonds are outstanding, or as otherwise agreed by the Corporation.

(3) an annual compliance fee equal to \$10 per residential unit for properties that are monitored by the Texas Department of Housing and Community Affairs for tax credit compliance; and \$25 per residential unit for properties that are not so monitored.

(4) the amount of legal and other administrative costs paid or incurred by the Corporation

(C) Changes in Fees.

The Corporation reserves the right at any time to change, increase or reduce the fees payable under paragraph III (A), and to make the same effective as to any Applicant whose Application is filed subsequent to the date of such change. The Corporation reserves the right at any time to change the method of allocation described in clause III (B)(2), if it should, in its sole discretion, determine such change to be reasonable and more equitable, such change to be effective upon the date specified by the Corporation.

IV.

MISCELLANEOUS

(A) Unauthorized Representations and Bond Marketing Practices.

(1) No Applicant, or any representative of Applicant or the Corporation shall represent, directly or indirectly, to any lender, interim or otherwise, supplier, contractor or other person, firm or entity that the Corporation has agreed or is firmly committed to issue any obligations in relation to any Development or Application until the Board has finally approved the same under these Guidelines, and then subject to the governmental approval of the County required by these Guidelines and the Corporation's Bylaws.

(2) No Applicant, or any representative of the Applicant or the Corporation, shall ever make any representation, directly or indirectly, express or implied, on any fact or facts contrary to the disclosures required to be made by clause II (C)(1)(c) of these Guidelines.

(3) Neither the Applicant nor any securities firm, underwriter, broker, dealer, salesman or other person, firm or entity shall offer, sell, distribute or place any obligations authorized by the Corporation by any process, method or technique or in any manner, transaction or circumstances or to any person or persons, the effect of which would be to require such obligations to be registered or would require filings to be made with regard thereto under the laws of the State or jurisdiction where such offer, sale, distribution or placement is made without first registering the same or making the filings regarding the same required by such laws.

(B) Amendments, Waivers, Effective Date.

(1) The Corporation reserves the right at any time to amend these Guidelines effective as to any Applications filed subsequent to the effective date of any such amendment.

(2) The Board reserves the right to waive any portion of these Guidelines as to any Applicant, Application or Development upon written request seeking such waiver and stating the reasons therefor.

(3) These Guidelines are and shall be effective from and after their adoption by the Commissioners' Court of the County, and shall continue in effect until and unless amended, modified or repealed and shall be effective as to any Application pending at the time of their adoption and approval.

V.

ISSUER AND ANNUAL FEE COLLECTION POLICY

The purpose of this Policy is to give direction to the Corporation's staff for collecting the issuer and annual fees and steps to follow when a fee is not paid in a timely manner. It is the policy of the Travis County Housing Finance Corporation to charge two fees for issuing private activity bonds for multifamily housing projects:

(1) (a) If the financing is a new financing, an issuer fee at the time the bonds close equal to .50% (50 basis points) of the amount of bonds issued;

(b) If the financing is a refunding or a refinancing (where the 50 basis point fee has previously been paid), an issuer fee at the time the bonds close equal to .25% (25 basis points) of the amount of bonds issued; and

(2) An annual fee equal to .10% (10 basis points) of the outstanding principal amount of the Bonds.

Issuer Fee

The Corporation manager is to issue an invoice in coordination with the Corporation attorney before the bonds are issued. The Issuer Fee is to be paid as part of the closing costs of the bonds. Since payment of the Issuer Fee is required to close the bonds, payment of the fee has not been an issue.

Annual Fee

The Trust Indenture, Loan Agreement and/or Promissory Note normally address when and how the annual fee is to be paid. Typically, however, 1/12th of the annual fee will be required monthly. The Corporation manager is to take the following steps to collect the annual fee:

If the fee, or any monthly or other installment thereof, is not paid within ten days of the due date, the manager is to send an invoice requesting payment of the invoice and/or an explanation in writing of the reasons why the invoice cannot be paid within the next twenty days. A copy of the request should be sent to the Board of Directors, apartment owner, and other appropriate parties involved in the project. If the trustee does not have funds to pay the invoice, the manager should also request payment from the apartment owner.

If the invoice is not paid within 30 days of the due date, the manager is to inform the Board via an agenda item. The manager must inform the trustee and apartment owner that the matter is being taken to the Board. The Board might grant an extension of time to pay the invoice, seek to declare an Event of Default, or take other appropriate measures after consultation with the corporation attorney.

Application Number _____

TRAVIS COUNTY HOUSING FINANCE CORPORATION
700 Lavaca, Suite 1560
Austin, Texas 78701
Attention: Samuel T. Biscoe, President

**APPLICATION FOR FINANCIAL PARTICIPATION
AND INDEMNIFICATION AGREEMENT**

TO: The Board of Directors of the Travis County Housing Finance Corporation:

The undersigned, on behalf of the entity named as Applicant, hereby applies to the Travis County Housing Finance Corporation (the "Corporation") for Residential Development Financing, pursuant to the Texas Housing Finance Corporations Act, and pursuant to the Policy Guidelines for Receiving and Approving Applications for Financial Participation in Residential Developments of the Corporation.

We have reviewed the Corporation's Policy Guidelines presented to us and in effect on the date hereof, and we agree to and accept the terms hereof.

The Residential Development Financing Questionnaire has been completed to the best of our ability, and submitted to the Corporation's staff, and the information contained therein and on any attachments thereto, represent a reasonable comprehensive outline of the Residential Development and the financing requested in connection therewith.

We submit herewith the Processing Fees required by subparagraph III(A)(1) of your Policy Guidelines, together with two copies of the executed Agreement to Issue Bonds required by Subparagraph II(A)(2) of the Policy Guidelines.

Preliminary Official Action, pursuant to paragraph II(B) of the Policy Guidelines is (is not) requested. (If such action is requested, attach separate statement of facts related to the request.)

The undersigned warrants that he is authorized to submit this application on behalf of the Applicant.

[Name of Applicant]

By: _____
Its: _____

Presently Estimated Amount of
Project Financing Requested:

\$ _____

As an inducement to the Corporation and the Commissioners' Court of Travis County, Texas, to accept, review and favorably consider and approve said application and to issue the obligations therein contemplated, and whether or not all or any part thereof are ever actually approved or issued, Applicant agrees to (a) pay all facility costs which are not or cannot be paid or reimbursed from the proceeds of obligations issued by the Corporation, and (b) at all times indemnify and hold harmless the Corporation, the Commissioners' Court, their members, directors, officers, agents, contractors, and employees against all losses, costs, damages, expenses and liabilities of whatsoever nature or kind (including, but not limited to, attorney's fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgment) direct or indirectly resulting from, arising out of or related to the acceptance, consideration and approval or disapproval of such Application or the issuance, offering, sale, delivery or payment of any such obligations and interest thereon, or the design, construction, installation, operation, use, occupancy, maintenance or ownership of the Facility.

It is understood and agreed that this undertaking shall be continuing and shall survive and continue to be effective after any approval or disapproval of this Application and the issuance or failure to issue any such obligations and the construction and operation of the Facility. It is also understood that additional indemnity agreements may be required by the Corporation from the applicant or others, such as guarantors, prior to the final approval of such Application.

The undersigned officer of Applicant hereby certifies that he or she is duly authorized to submit the foregoing Application on behalf of the Applicant and that the foregoing information is true and correct to the best of his or her knowledge and belief submitted on the ____ day of _____.

Applicant

By: _____
Title: _____

**Form of
Affirmative Action Plan**

TRAVIS COUNTY HOUSING FINANCE CORPORATION

In the construction and operation of a residential development to be financed in whole or in part with the proceeds of bonds to be issued by the Travis County Housing Finance Corporation, the applicant should conform to the following provisions:

- I. Housing Standards. The applicant should comply with all provisions of the City of Austin Fair Housing Ordinance.

- II. Minority Business Enterprise. Applicants should set obtainable goals and objectives as it relates to the utilization to Minority Business in construction as well as contracted services used by the Applicant once it is in operation. More specifically, it should include:
 - a. Use of minority subcontractors in construction of the facility.
 - b. Use of minority general contractors in the construction of the facility where usable.
 - c. Care should be taken to be sure that Minority Businesses have the opportunity to participate in all phases of construction.
 - d. Measures should also be taken that those Minority Businesses submitting competitive quotations be assured that they will be given reasonable opportunity, if qualified, for consideration.
 - e. Monitoring mechanisms should be included to assure minority participation in the overall construction process.

- III. Minority Vendor Program. Minority Vendors in the areas of goods and services should be afforded the opportunity to bid on maintenance service and commodity contracts with the Applicant during its operational phase. This should include notification of Minority Business of the contract requirements of the Applicant and setting of annual goals for the participation of minority vendors in the Applicant's operational phase as it relates to the procurement of goods and services.
- IV. Planning Phase. The Applicant shall obtain a listing of Travis County Minority Businesses to assess the types of Minority Businesses in Travis County. Also, the Applicant should list the procurement requirements of the Applicant past and present, and indicate the areas in which it feels Minority Businesses may best be utilized in its procurement activities.

