

TRAVIS COUNTY HOUSING FINANCE CORPORATION

Application Form for Corporation Financing

I. Instructions

- 1.1 Format: This Form of Application is designed to act as a guideline for the Applicant's use in providing the Housing Finance Corporation (HFC or Corporation) with sufficient information on which to base its decision to consider preliminary approval to the issuance of the proposed bonds. The Corporation requests the Applicant to submit its Application in *searchable* pdf format with bookmarks for each section as well as on 8 ½ x 11 inch paper tabbed for each section. Please restate all of the captions set forth in the proposed Form of Application, including a written restatement of each section, title, and question, or request for information, as well as the Applicant's response or appropriate notations as to the inapplicability of certain items. The Applicant should endeavor to respond to each question or request for information as thoroughly as possible and if the question or request is not applicable to the Applicant to mark "NA." If an entire section of the Application is inapplicable to the Applicant, the Applicant need only type in the number of the section and its title, along with the words "Not Applicable." There is no need to respond to each set of questions in a section that is completely inapplicable.

The HFC reserves the right to request a hard copy(ies) of the Application additionally be submitted in a 3-ring loose-leaf binder facilitating easy insertion and removal of pages. If a binder is requested, please label each binder on the front and side as follows:

[Name of Applicant]
Application for Financing by
Travis County Housing Finance Corporation
In an amount not to exceed \$ _____
[Date]

- 1.2 Place of Filing: All Applications must be delivered via email to Managing Director Andrea Shields at andrea.shields@traviscountytexas.gov. If a physical copy is requested, please send to:

Travis County Housing Finance Corporation
Attention: Managing Director
700 Lavaca, Suite 1560
Austin, TX 78701

All Applications must be submitted no fewer than 30 days prior to the Board meeting at which the Applicant seeks consideration and action by the Board, and must include the application fee delivered at the above address. Please see the fee schedule in the addenda for the required fee.

- 1.3 Board Meetings: Regular meetings of the Corporation Board generally occur on Tuesdays at 1:30 p.m. in the Travis County Commissioner's Courtroom on the first floor at 700 Lavaca in Austin, Texas, or as otherwise noted on the Board's notice or agenda for the meeting.
- 1.4 Applicant's Presentation: A representative of the Applicant must attend the meeting of the Corporation at which the Application is to be considered to provide a brief oral presentation of the proposed Project and to be available to answer questions.
- 1.5 Applicant's Affidavit: The Application must include the Affidavit set forth in this Form of Application and must be signed by an appropriate officer (if the Applicant is a corporation), by a general partner (if the Applicant is a partnership), by an authorized manager or member (if the Applicant is a limited liability company), or by the owner (if the Applicant is a sole proprietorship), and acknowledged before a Notary Public.
- 1.6 Fees and Expenses: The application fee is due when the application is delivered to the HFC. The Applicant is responsible for expenses incurred by the Corporation Counsel and Financial Advisor. Annual fees may be required based on ongoing compliance requirements or other items. Please see the Fee and Expense Addenda for further details.
- 1.7 Further Due Diligence: The HFC reserves the right to make additional information requests outside the information requested in this application.

II. Application Participants

2.1 Identity of Participants and Participant Information

- 2.1.1 Applicant's Legal Name:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):
- 2.1.2 Applicant's Counsel:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):
- 2.1.3 Applicant Contact for Questions and Correspondence:
Business Address:
Principal Contact(s):

Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

2.1.4 Applicant financial consultant or banker advising on the project:

Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

2.1.5 Please provide two banking references:

Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

2.1.6 Market Analyst:

Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

2.1.7 Architect:

Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

2.1.8 Engineer:

Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

2.1.9 Contractor:

Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

III. Executive Summary

- 3.1 Provide a brief description of the Project including:
 - 3.1.1 Name
 - 3.1.2 Location
 - 3.1.3 Number of units
 - 3.1.4 Unit types
 - 3.1.5 Rent and income limits
 - 3.1.6 Target population
 - 3.1.7 Unit amenities
 - 3.1.8 Community amenities
 - 3.1.9 Tenant programs and services
 - 3.1.10 Green energy features and rating (if applicable)
- 3.2 Please describe the type of construction (garden, mid-rise, etc.) and specify whether all improvements will be constructed at once, or if construction will be completed in various phases.
- 3.3 Please provide construction start and completion dates.
- 3.4 Summarize proposed financial structure of the Project including the principal amount of the financing requested and percentage of total funding for the project that is from bond proceeds. Please articulate if HFC or 501c3 participation is requested for General Partner and/or General Contractor functions.
- 3.5 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 that does not create a cost burden of more than 30 percent of household income and (c) preserve affordability where appropriate and encourage mixed-income housing whenever possible.

IV. Financial Information

- 4.1 Please provide a pro forma including rent schedule, utility breakdown and revenue, annual operating expenses, 15 year operating pro forma, off-site and on-site work costs, development cost schedule and sources and uses. This information can be in TDHCA format or can be provided in the developer's own format if the information is as detailed as the TDHCA application or greater.

- 4.2 Will the applicant request a property tax abatement? A sales tax abatement? Please provide an estimate of tax abated by proposed structure and discuss financial need for a property tax exemption.
- 4.3 If the Applicant is proposing one of the Corporations act as General Partner and/or General Contractor, please provide an organizational chart of proposed structure and proposed fee splits. A term sheet, which describes TCHFC's proposed fee splits and includes a fee schedule outlining professional fees for TCHFC's legal counsel and financial advisor is included in the application materials. If the Applicant has a standard MOU, please provide for review. Please also include information on proposed Year 15 disposition/Right of First Refusal structure.
- 4.4 Will any of the funds to be borrowed from the Corporation be used to repay or refinance an existing mortgage or outstanding loan? If so, please provide details.
- 4.5 The proposed Bonds:
 - 4.5.1 Type of sale (public offering and nature and basis for the bonds' rating; private placement).
 - 4.5.2 Anticipated purchaser(s) (i.e., institutional vs. retail):
 - 4.5.3 Anticipated interest rate including whether fixed or variable:
 - 4.5.4 Expected rating if applicable:
 - 4.5.5 Term of bonds to be issued and proposed debt retirement schedule.
- 4.6 Please specify the approximate dates of:
 - 4.6.1 Issuance and sale of the Bonds.
 - 4.6.2 Start of construction of the Project.
 - 4.6.3 Completion of the Project.
- 4.7 If a refinancing of bonds previously issued by the Corporation, please describe the current financial situation of the Project, the refinancing plans, and include expected cash flows in the pro forma attached to the application. Also note whether the Project will be sold by the current owner before or after the bonds are issued.
- 4.8 Note any other rent supplements, loan guarantees, grants or mortgage insurance for which the Applicant has made or intends to make with respect to the Project. This includes any HAP contracts or project-based assistance for the Project.

- 4.9 Has any member of the identified development team filed/declared bankruptcy or reorganization under bankruptcy law and regulation? If yes, please explain.
- 4.10 If the Applicant is not a 501c3, 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.
- 4.11 Please detail all changes or events since the issuance of the most recent audited financial statements that may have a material effect on the Applicant's financial position (including, but not limited to, pending or threatened litigation, claims, assessments, changes in corporate structure, etc.)
- 4.12 Provide a copy 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 comply with equal opportunity standards in its employment practices with respect to such employees.

V. APPLICANT INFORMATION

5.1 Please list the Applicant's form of business (i.e. non-profit corporation, for-profit corporation, general partnership, limited partnership, etc.), date of formation, and state of establishment/incorporation.

5.1.1 For profit-concerns, please: List all persons having a 5% or greater interest, direct or indirect, in any class of the Applicant's securities or ownership interests.

5.1.2 For non-profit concerns, please provide a copy of its IRS exemption letter and its most recently filed IRS form 990.

5.1.3 For non-profit concerns, 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 non-profit exemption status.

5.1.4 For non-profit concerns, briefly describe the Applicant's history of meeting its public purpose/mission. The Applicant may attach past brochures, articles, and other collateral materials.

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

5.1.6 Please provide previous participation information.

5.1.7 Briefly describe the Applicant's management's experience with the ownership and/or operation of facilities similar to the proposed Project, as well as a discussion of any limitations management may have which could adversely impact the operation of the proposed Project.

5.1.8 Please provide an organizational chart demonstrating the structure and relationship between the Applicant and all other participating entities. Please note any entities yet to be formed.

5.2 Provide the names, titles, and addresses of the officers and directors or the partners or managers, and/or members of the Applicant. For each person listed in response to this inquiry, provide a summary statement of such person's experience with the Applicant and the Applicant's industry, as well as any other information that may be germane to such person's ability to perform his or her job for the benefit of the Applicant, *e.g.*, specialized educational background.

5.3 Describe any material litigation or contingent liabilities involving the Applicant or, if the Applicant is a partnership, its general partners or, if the Applicant is a limited liability company, its managers and/or members.

5.4 Describe any material housing code or compliance violations involving the Applicant or Project, with explanation and verification of cure.

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

5.6 If the Applicant or any of the Applicant's officers, directors, general partners, or, if the Applicant is a limited liability company, its managers and/or members, or any person listed in answer to Sections 5.2 or 5.3, has been charged or convicted of a felony or a misdemeanor involving moral turpitude, or is now or has ever been charged with or convicted of any civil or criminal offense relating to the conduct of the business, of the Applicant or any similar person or from the issuance, sale, or solicitation for sale of any type of security, the Application must so state.

5.7 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.

5.8 Is there a relationship or common control or ownership between or among (A) the Applicant and the seller, lessor, or lessee of the Project site; (B) the Corporation's officers, directors, Counsel, or Financial Advisor, and anyone listed in response to Sections 5.2 or 5.3; (C) the County or any member of its governing body and the seller, lessor, or lessee of the Project site; (D) the County or any member of its governing body and the Applicant or anyone listed in response to Sections 5.2 or 5.3; and (E) the Corporation's officers, directors, Counsel, or Review Advisors and the Applicant and/or the seller, lessor, or lessee of the Project site? If yes, describe.

VI. PROJECT INFORMATION

6.1 Project Name.

6.2 Location of Project, including street address and legal description.

6.3 Please attach maps of the site including satellite, flood plain, amenity maps (including the nearest public transportation service) and a map of any designated negative site characteristics within 1 mile (property edge to property edge). Negative site characteristics include the following:

6.3.1 Junkyard

6.3.2 Solid waste or sanitary landfill

6.3.3 Sexually oriented businesses

6.3.4 Line or structural element of high voltage power lines (1/4 mile)

6.3.5 Active railroad tracks

6.3.6 Heavy industrial

6.3.7 Accident or Clear Zones for an airport

6.3.8 Pipelines for volatile liquids (above & below ground)

6.4 Provide detailed information on the Project not included in the Executive Summary. Has construction work on the Project begun? If so, describe work performed to date, the date construction commenced and amounts expended thus far. Is demolition of existing improvements required? Please include demolition costs on the pro forma.

6.5 Please provide site plans indicating major north-south and east-west arterials, dimensions of the site, acreage and the orientation on the site of the proposed and/or current structures.

6.6 Please provide elevations, unit floor plans, etc. that are currently available and information on exterior construction materials, energy conservation considerations and landscape design. Two sets of half-size architect's plans will be required once plans are complete if the Corporation is participating as GP and/or GC.

6.7 Please provide information on additional facilities to be included in the project such as parking, WiFi, laundry, leasing office, recreational facilities, learning center, business center, etc.

6.8 Please provide information on in-unit amenities and any energy conservation features. Also indicate utility structure and whether units have gas utilities.

6.9 Does the Applicant intend to set aside 5% of the units for occupancy by the elderly? Or does the Applicant intend to pay the required fee to the Texas Department of Aging and Disability Services in lieu of the 5% of units?

6.10 Describe current zoning at the proposed site, whether multifamily housing is allowed, any related restrictions, zoning changes, variances or use permits anticipated/required. Please provide the status of any permits and approvals from state, federal and local regulatory bodies. Based on zoning and acreage, does the proposed project maximize site density?

6.11 Please indicate present owner of the Project site. If the Applicant now owns the Project site, indicate the date of purchase, purchase price, balance of existing mortgage, and holder of mortgage(s). Attach a copy of the purchase agreement including legal description. Please also attach an independent 3rd party appraisal demonstrating market value of the land or provide when available.

6.12 If the Applicant is not now the owner of the Project site, does the Applicant have an option or contract to purchase the site and any buildings on the site? If yes, indicate the date of option agreement or contract, purchase price, the expiration date of the option, and/or the closing date. Attach a copy of the option/contract with legal description.

6.13 If the Applicant intends to lease the Project site, indicate the owner of the Project site, the term of the lease, a summary of the renewal provisions and rent payable. Attach a copy of the lease.

6.14 Describe briefly the anticipated arrangements for management of the Project. If a professional management company will be employed, provide a resume and contact person for the firm. If there is a management agreement in place, please provide the agreed upon fees.

6.15 If the Applicant is proposing an acquisition/rehabilitation project, please additionally provide the following:

6.15.1 Please provide the date the property was constructed and provide a scope and budget for rehabilitation of the property as well as an Property Condition Assessment that has been completed. Please note, the Corporation would typically expect to see a minimum rehabilitation budget of \$15,000 per unit.

6.15.2 Does the Project include new construction of additions or new amenities/facilities? If so, please provide a detailed description of the new construction.

6.15.3 Will any tenants require relocations during the renovation? If so, please provide relocation plan and budget.

6.15.4 If the property is currently affordable, will all affordable units be preserved through the acquisition and rehabilitation of the property?

6.15.5 Please provide the last three years financials for the property including vacancy, concessions, rents, and detailed operating expenses.

6.15.6 Please provide independent 3rd party appraisal with “as is” and “as improved restricted” values.

6.15.7 If the property is located within the 100-year flood plain, please discuss if there has been any flooding historically, insurance requirements and if any of the proposed rehabilitation relates to flooding, drainage or other affiliated remediation activities.

6.16 Please provide independent 3rd party market analysis that includes a demand analysis, pipeline analysis, absorption and waitlist information for surrounding recent construction multifamily.

VII. ADDITIONAL INFORMATION REGARDING THE PROPOSED BOND ISSUE

7.1 Has the Applicant or any related person previously been denied financing, whether conventional, tax-exempt, or otherwise, for the proposed or a similar Project? If yes, indicate details.

7.2 Has the Applicant ever defaulted on any debt obligation including, without limitation, any public or private bond, mortgage, note, or debenture? If yes, indicate details.