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**TENNESSEE HOUSING DEVELOPMENT
AGENCY**

**2007 MULTIFAMILY TAX-EXEMPT
BOND AUTHORITY PROGRAM DESCRIPTION**

This package includes:

- Program Summary**
- Program Description**
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Tennessee Housing Development Agency Multifamily Tax-Exempt Bond Authority 2007 Summary

- **THDA has authorized the allocation of Multifamily Tax-Exempt Bond Authority to local issuers for multifamily developments:**
 - \$150 million in Multifamily Tax-Exempt Bond Authority** for developments which will close permanent financing by the date specified in the Commitment Letter. \$50,000,000 will be available in East Tennessee, \$50,000,000 will be available for Middle Tennessee, and \$50,000,000 for West Tennessee. Any unused, recaptured or released amounts after July 2, 2007 will be available first to any remaining eligible applications from that same Grand Division. If there are no remaining eligible applications from that same Grand Division, then the Multifamily Tax-Exempt Bond Authority will be available to the next highest ranking application regardless of Grand Divisions until the end of the application submission period as defined in Part IV.
- **Bonds must be issued by a local board or other issuing entity with jurisdiction in the area of the proposed development.**
- **Some units must be occupied low-income households:** twenty percent (20%) of the units must be occupied by households with incomes no greater than fifty percent (50%) of area median income, or forty percent (40%) of the units must be occupied by households with incomes no greater than sixty percent (60%) of area median income. Seventy-five percent (75%) of the units must be occupied by households with incomes no greater than one hundred and fifteen percent (115%) of the area median income.
- For developments involving new construction, THDA will allocate **a maximum of eleven million five hundred thousand dollars (\$11,500,000)** in Multifamily Tax-Exempt Bond Authority per development.
- For developments involving conversion and/or acquisition, THDA will allocate **a maximum of seventeen million two hundred and fifty thousand dollars (\$17,250,000)** in Multifamily Tax-Exempt Bond Authority per development.
- The application submission period extends until the earlier of (i) the date upon which all Multifamily Tax-Exempt Bond Authority made available hereunder is fully committed or (ii) the first date applications will be accepted under a Multifamily Tax-Exempt Bond Authority Program Description as may be adopted by THDA for 2008.
- Multifamily Tax-Exempt Bond Authority will be allocated only to **eligible applications** on a first come, first served basis. If THDA receives multiple applications on the same day that, in the aggregate, request more Multifamily Tax-Exempt Bond Authority than is available, those applications will be ranked according to Part VI-E.
- **Applicants must meet THDA and federal tax requirements and all other applicable federal, State, and local laws or ordinances.**
- **A non-refundable \$1,500 application fee is required with each application.** If a Commitment Letter is issued, the applicant must submit **a commitment fee of one percent (1%) of the amount of Multifamily Tax-Exempt Bond Authority allocated and separate incentive fee equal to twenty percent (20%) of the commitment fee.** Subject to the requirements of the Program Description, part of these fees may be returned.

This is only a brief description of some elements of the program. For a complete Program Description, contact Judith Smith at (615) 253-5318.

Tennessee Housing Development Agency Multifamily Tax-Exempt Bond Authority for 2007

Program Description

Part I: Background, Eligibility, and Requirements

The Tennessee Housing Development Agency (THDA) is making Multifamily Tax-Exempt Bond Authority available to local issuers for permanent financing for multifamily housing units in Tennessee. Part of this Multifamily Tax-Exempt Bond Authority is available in each of the three Grand Divisions of the State. The Multifamily Tax-Exempt Bond Authority can be used only to provide permanent financing for new construction of affordable rental housing units, for conversion of existing properties through adaptive reuse, or for acquisition and rehabilitation of rental units, subject to the conditions and requirements described below, and subject to Internal Revenue Service requirements.

A. Use of Multifamily Tax-Exempt Bond Authority:

1. Any Multifamily Tax-Exempt Bond Authority allocated pursuant to this Program Description must be used to provide permanent financing for the development. The Multifamily Tax-Exempt Bond Authority is not intended for short-term financing, construction financing, "bridge" financing, or any other financing which is not the permanent financing for the development.
2. Applicants for and Recipients (as defined in Part II-D) of Multifamily Tax-Exempt Bond Authority must issue bonds no later than 1:00 PM Central Time on the date specified in the Commitment Letter.
3. To the extent not otherwise specified herein, all federal tax requirements for private activity bonds must be met.

B. Eligible Developments:

The development must be:

1. New construction;
2. A conversion of an existing property not being used for housing; or
3. Acquisition and rehabilitation, with rehabilitation hard costs equal to at least twenty percent (20%) of building acquisition costs.

C. Identity of Interests

If a development involves acquisition of land or buildings, there can be no more than a ten percent (10%) identity of interest between buyer and seller.

D. Tenants to be Served

1. Seventy five percent (75%) of the units in the development must be occupied by households with incomes no greater than one hundred fifteen percent (115%) of the area median income and
2. a. Twenty percent (20%) of the units in the development must be occupied by households with incomes no greater than fifty percent (50%) of the area median income; or

- b. Forty percent (40%) of the units in the development must be occupied by households with incomes no greater than sixty percent (60%) of the area median income.

E. Limit on Cost per Unit

The total cost per unit (Total Development Costs; line item #12 on page 7 of the application; divided by total number of units in the proposed development) must not exceed \$126,500.

F. Maximum Amount of Bonds per Development

1. A development involving new construction may not receive more than eleven million five hundred thousand dollars (\$11,500,000) of Multifamily Tax-Exempt Bond Authority.
2. A development involving conversion and/or acquisition and rehabilitation may not receive more than seventeen million two hundred and fifty thousand dollars (\$17,250,000) of Multifamily Tax-Exempt Bond Authority according to the following:

<u>Major components replaced</u>	<u>max. Multifamily Tax-Exempt Bond Authority</u>
Less than 2	\$11,500,000
2	\$14,950,000
3 or more	\$17,250,000

Certification from the design architect will be required on developments of 11 units or more, from contractor on 10 units or fewer. Confirmation from the design architect or contractor, as appropriate, will be required prior to refund of the Commitment Fee or Incentive Fee in accordance with Part X-D-1.

For purposes of this 2007 Multifamily Tax-Exempt Bond Authority Program Description, major building components are roof structures, wall structures, floor structures, foundations, plumbing systems, central heating and air conditioning systems, and electrical systems. “Major” refers to the importance of the building component and the extent of replacement. The building component must be significant to the building and its use, normally expected to last the useful life of the structure, and not be minor or cosmetic (e.g. major – roof sheathing, rafters, framing members; minor – shingles, built-up roofing). Total replacement of a building component is not required, however a minimum of fifty percent (50%) of the building component must be replaced.

G. Maximum Amount of Multifamily Tax-Exempt Bond Authority per Developer or Related Parties

The maximum amount of Multifamily Tax-Exempt Bond Authority that may be committed to a single applicant, developer, owner, or related parties shall not exceed twenty million dollars (**\$20,000,000**). If 2006 Multifamily Tax-Exempt Bond Authority was exchanged for 2007 Multifamily Tax-Exempt Bond Authority pursuant to Part IX-C of the 2006 Multifamily Tax-Exempt Bond Authority Program Description, any amount of 2007 Multifamily Tax-Exempt Bond Authority shall count against the maximum amount of Multifamily Tax-Exempt Bond Authority that may be committed to a single applicant, developer, owner, or related parties pursuant to this Part I-G. THDA reserves the right, in its sole discretion, to determine whether related parties are involved for the purpose of applying this limitation.

H. Limit on Developer's Fee

1. The developer and consultant fees cannot exceed five percent (5%) on the portion of the basis attributable to acquisition (before the addition of the fees), and cannot exceed fifteen percent (15%) of the portion of the basis attributable to new construction or to rehabilitation (before the addition of the fees).
2. If the developer and contractor are related parties, then the combined fees for contractor's profit, overhead, and general requirements plus the developer's and consultant's fees, cannot exceed fifteen percent (15%) of the portion of the basis attributable to acquisition (before the addition of the fees), and cannot exceed twenty-five percent (25%) of the portion of the basis attributable to new construction or to rehabilitation (before the addition of the fees).

I. Limits on Costs of Issuance

As provided in Section 147 (g), the costs of issuance financed by the proceeds of private activity bonds issued to finance multifamily housing may not exceed two percent (2%) of the proceeds of the issue.

J. Market Study Required

1. The application must include a market study performed by an **independent third party**. The market study must contain current information (less than six months old) at the time of submission. "Comparables" as used in property appraisals are not acceptable. THDA will determine, in its sole discretion, whether the market study and other information available to THDA support the proposed development.
2. A market study must include, without limitation, all of the following:
 - a. Name and telephone number of person performing the study, their qualifications to perform this market study, and a statement indicating the person and/or entity performing the study has no identity of interest with any person or entity involved in the development, including, without limitation, the ownership entity and any of its partners, any other member of the development team, or any individuals involved in any such entities;
 - b. On-site field study by the person performing the market study;
 - c. Data identifying and describing the market areas, neighborhood and site, including geographic and demographic information;
 - d. Data identifying existing units and rent types, as well as any existing tax credit developments, tax-exempt bond developments, or proposed tax credit or proposed tax-exempt bond developments which have reservations or commitments and are proposed to be built or renovated in the market area or neighborhood;
 - e. Data to support a proposed rent structure lower than the maximum rents allowed by this program, if such a rent structure was proposed in the application;
 - f. Data identifying vacancies of rental units in the market area and neighborhood;
 - g. Data identifying income qualified households at income levels required by this program in the market area;

- h. Current and projected need based on market conditions supported by data from various market sources including waiting list information from all Section 8 and local public housing authorities serving that market area;
- i. Projected absorption time (rent up) of the proposed units by the market; and
- j. Color photos of the proposed site and surrounding neighborhood.

K. Appraisal Required

The application must include an appraisal of the proposed development performed in accordance with industry standards, by an appraiser licensed in Tennessee. The appraisal cannot be based solely or largely on a “cost” approach to value, but must also consider market and income approaches to value. If the application is proposing acquisition of an existing structure, an “as is” appraisal must also be included.

L. Minimum Score Required

The application must receive at least 70 points under Part VII.

M. Program Requirements and IRS Requirements

All program description requirements, application requirements, and IRS requirements must be met. If there is any inconsistency or conflict among the requirements, the most stringent of the requirements will apply, as determined by THDA.

Part II: Multifamily Tax-Exempt Authority Available

- A. One hundred and fifty million dollars (\$150,000,000) of Multifamily Tax-Exempt Bond Authority is available during the application submission period described in Part IV.**
- B. A total of fifty million dollars (\$50,000,000) of Multifamily Tax-Exempt Bond Authority will be available initially in each of the three Grand Divisions (East, Middle, and West), then subsequently as provided in Part VI.
- C. An amount of 2008 Multifamily Tax-Exempt Bond Authority equal to the amount of 2007 Multifamily Tax-Exempt Bond Authority, if any, that remains uncommitted as of December 31, 2007 will be available, subject to this program description and subject to an allocation of 2008 tax-exempt bond authority to THDA.
- D. Recipients are eligible for commitments for Multifamily Tax-Exempt Bond Authority, provided that they meet all of the other requirements of this Program Description.

Part III: Receipt of Applications

The applicant must submit an original application and **ONE COPY** with content, formatting, and pagination identical to the attached application. Only complete applications will be accepted and they will be accepted only at the Tennessee Housing Development Agency, 404 James Robertson Parkway, Suite 1114, Nashville, Tennessee, 37243-0900. (applications by express delivery services should be sent to the same address, but at Zip Code 37219-1522). Applications submitted prior to the beginning of the application period indicated in Part IV will be reviewed following the beginning of the application period as indicated in Part V. No application or parts of applications will be accepted at any other location and no application or parts of

applications will be accepted via facsimile transmission. All documents submitted to THDA must bear original signatures.

Part IV: Application Submission Period

No application will be accepted after 1:00 PM Central Time on the earlier of (i) the date upon which the amount of Multifamily Tax-Exempt Bond Authority made available hereunder is fully committed pursuant to Commitment Letters issued under Part IX of this Program Description or (ii) the day prior to the first date applications will be accepted under a Multifamily Tax-Exempt Bond Authority Program Description as may be adopted by THDA for 2008 (the "2008 Effective Date"). Applications resubmitted under Part VIII-B will be treated as new applications. No applications submitted under this program description will have priority or be considered under any Multifamily Tax-Exempt Bond Authority Program Description THDA may develop for 2008. New applications must be submitted for allocations of 2008 Multifamily Tax-Exempt Bond Authority following the 2008 Effective Date and such new applications will be subject to all requirements of any Multifamily Tax-Exempt Bond Authority Program Description THDA may develop for 2008, except for applications submitted within the application submission period described herein and for which Commitment Letters are issued under Part IX-C and D. Any application received on the 2008 Effective Date will be handled and evaluated under the 2008 Multifamily Tax-Exempt Bond Authority Program Description.

Part V: Review of Applications for Completeness

A. Applications must be complete.

An application must be complete, as determined by THDA in its sole discretion, based on the requirements in this Program Description and the attached application. Incomplete applications will be returned to the applicant. THDA may request additional documentation and/or information for purposes of clarification. An applicant may request a determination from THDA's Executive Director or Deputy Executive Director regarding the reasonableness of such a request.

B. Information must be current.

1. Appraisal and market information older than six months, as determined by the date prepared and information contained therein will not be considered current or complete. Supplemental documentation, including any commitments, should not have expired if they contain an expiration date, or the application will not be considered complete. Documents indicating approval dates that have passed will not meet application requirements. Applications with such documents will be considered incomplete.
2. A resolution authorizing the issuance of bonds passed by the relevant issuing entity must be current and valid at the time of application. The applicant should coordinate any updates that may be required for the resolution to remain in effect. Information submitted that is not current will not be accepted by THDA and will cause the application to be deemed incomplete. Any information or documentation, which is not current or complete, will impair an applicant's chances of receiving Multifamily Tax-Exempt Bond Authority.

C. Responsibility for complete and current information

It is the sole responsibility of the applicant to submit a complete application with current information.

D. Multiple Applications for a Single Development

1. Multiple applications submitted as separate phases of one development will be considered as one development and reviewed as one application. THDA reserves the right to request additional information or documentation, if necessary, to determine if applications submitted will be considered and reviewed as one or more developments.
2. Only one application may be submitted and be considered for a development. THDA reserves the right to request additional information or documentation to determine if applications submitted will be considered and reviewed as one or more developments.

Part VI: Scoring Process and Allocation Per Grand Division

- A. All applications will be scored according to the criteria described below. An application must receive at least 70 points to be eligible to receive Multifamily Tax-Exempt Bond Authority.
- B. Multifamily Tax-Exempt Bond Authority will be allocated on a first come, first served basis to eligible applicants by Grand Division until the total amount of Multifamily Tax-Exempt Bond Authority available in each Grand Division is allocated. If THDA receives multiple eligible applications on the same day that, in the aggregate, request more Multifamily Tax-Exempt Bond Authority than is available, those applications will be ranked according to Part VI E. The process of allocating Multifamily Tax-Exempt Bond Authority within Grand Divisions will end with the last complete eligible application that can be allocated in any Grand Division.
- C. If there is any Multifamily Tax-Exempt Bond Authority remaining in any Grand Division, or if any additional Multifamily Tax-Exempt Bond Authority is recaptured or released, any such amounts shall remain available first to qualified applicants in that same Grand Division until July 2, 2007. THDA will issue a commitment of Multifamily Tax-Exempt Bond Authority to each eligible application in each Grand Division until the final amount of available Multifamily Tax-Exempt Bond Authority is exhausted.
- D. Following July 2, 2007, any remaining Multifamily Tax-Exempt Bond Authority will be available statewide on a first come, first served basis to eligible applicants until the end of the application period specified in Part IV above and subject to all other requirements of this Program Description. The limits specified in Part I-G will not apply.

E. Multiple Applications Received on the Same Day

1. If, on or before July 2, 2007, THDA receives multiple eligible applications for the same Grand Division on the same day that, in the aggregate, request more Multifamily Tax-Exempt Bond Authority than is available in that Grand Division, the eligible applications will be ranked in ascending order by Multifamily Tax-Exempt Bond Authority requested per unit and priority will be given to the eligible application(s) with the lowest Multifamily Tax-Exempt Bond Authority requested per unit. If two or more eligible applications request the same amount of Multifamily Tax-Exempt Bond Authority per unit, the eligible applications will be ranked in ascending order by Multifamily Tax-Exempt Bond Authority requested per square foot of heated, residential floor space reserved for low-income tenants and priority will be given to the eligible application(s)

with the lowest Multifamily Tax-Exempt Bond Authority requested per square foot of heated, residential floor space reserved for low-income tenants.

2. If, after July 2, 2007, THDA receives multiple eligible applications on the same day that, in the aggregate, request more Multifamily Tax-Exempt Bond Authority than is available, the eligible applications will be ranked in ascending order by Multifamily Tax-Exempt Bond Authority requested per unit and priority will be given to the eligible application(s) with the lowest Multifamily Tax-Exempt Bond Authority requested per unit. If two or more eligible applications request the same amount of Multifamily Tax-Exempt Bond Authority per unit, the eligible applications will be ranked in ascending order by Multifamily Tax-Exempt Bond Authority requested per square foot of heated, residential floor space reserved for low-income tenants and priority will be given to the eligible application(s) with the lowest Multifamily Tax-Exempt Bond Authority requested per square foot of heated, residential floor space reserved for low-income tenants.

Part VII: Scoring Criteria

Points will be awarded, as indicated below, to applications demonstrating that they meet the following conditions:

A. Meeting Housing Needs: (Maximum 50 points)

1. Developments located in counties where the annual median income is less than eighty percent (80%) of the state median (**Exhibit 1**). (25 points)
2. Developments in counties with the greatest rental housing need (**Exhibit 2**). (Maximum 20 points)
3. Developments located wholly and completely in a Qualified Census Tract or a Difficult to Develop Area as designated by HUD (**Exhibit 4**): (5 points)

B. Development Characteristics: (Maximum 35 points)

1. Developments designed and built to promote energy conservation by meeting the standards of the Council of American Building Officials Model Energy Code. Certification from the design architect will be required on developments of 11 units or more, from contractor on 10 units or fewer, as specified in the Commitment Letter. Confirmation from the supervising architect or contractor, as appropriate, will be required prior to any partial refund of the Commitment Fee pursuant to Part X D: (10 points)
2. Developments designed and built using brick, stone, cement fiber siding, or vinyl to meet a 15-year maintenance-free exterior standard. Certification from the design architect will be required on developments of 11 units or more, from contractor on 10 units or fewer, as specified in the Commitment Letter. Confirmation from the supervising architect or contractor, as appropriate, will be required prior to any partial refund of the Commitment Fee pursuant to Part X D: (10 points)
3. Developments designed and built with a minimum of 85% of the exterior wall surfaces below the plate line covered with brick, stone, or cement fiber siding. Certification from the design architect will be required on developments of 11 units or more, from contractor on 10 units or fewer, as specified in the Commitment Letter. Confirmation from the supervising architect or contractor, as appropriate, will be required prior to any partial refund of the Commitment Fee pursuant to Part X D: (15 points)

4. Rehabilitation Only

- a. Developments involving addition or replacement of one or more major building components as identified in the physical needs assessment. Certification from the design architect will be required on developments of 11 units or more, from contractor on 10 units or fewer, following the issuance of the Reservation Notice. Confirmation from the supervising architect or contractor, as appropriate, will be required prior to issuing the IRS Form 8609.

For purposes of this QAP, major building components are:

- roof structures;
- wall structures;
- floor structures;
- foundations;
- plumbing systems;
- central heating and air conditioning systems;
- electrical systems;
- doors and windows;
- kitchen cabinets and kitchen countertops and all existing kitchen appliances;
- parking lots;
- elevators; and
- fire/safety systems.

“Major” refers to the importance of the building component and the extent of replacement. The building component must be significant to the building and its use, normally expected to last the useful life of the structure, and not be minor or cosmetic (e.g. major – roof sheathing, rafters, framing members; minor – shingles, built-up roofing). Total replacement of a building component is not required, however a minimum of fifty percent (50%) of the building component must be replaced.

<u>Number of systems added or replaced</u>	<u>Points</u>
1	10 points
2	25 points
3 or more	35 points

- b. Developments involving rehabilitation hard costs expressed as a percentage of total development costs (for developments not involving tax-exempt financing) or building acquisition cost (for developments involving tax-exempt financing):

Percentage	Points
30% up to 40%	15 points
Greater than 40% up to 50%	25 points
Greater than 50%	35 points

- c. A development may receive points under Part VII-B- 4-a above OR under Part VII-B-4-b above, but not both.

3. Combination of New Construction and Rehabilitation
 - a. For developments involving a combination of new construction and rehabilitation, points will be prorated based on the percentage of units in each category.

C. Serving Special Populations: (Maximum 50 points)

1. One hundred percent (100%) of the units designed, built and occupied by the elderly. All tenants must be age 62 or older or at least one person in each unit must be 55 or older and policies and procedures must be in place that demonstrate an intent to make units available to persons who are 55 or older. Certification from the design architect will be required on developments of 11 units or more, from contractor on 10 units or fewer, following the issuance of the Commitment Letter. Confirmation from the supervising architect or contractor, as appropriate, will be required prior to any partial refund of the Commitment Fee pursuant to Part X D: (5 points)
2. The greater of one unit or at least five percent (5%) of the total number of units in the development (which number shall be rounded up) must fully meet accessibility requirements for persons with disabilities. Certification from the design architect will be required on developments of 11 units or more, from contractor on 10 units or fewer, following the issuance of the Commitment Letter. Confirmation from the supervising architect or contractor, as appropriate, will be required prior to any partial refund of the Commitment Fee pursuant to Part X D: (5 points)
3. Election to set aside a minimum of twenty percent (20%) of the units for households with incomes no higher than fifty percent (50%) of the area median income: (40 points) NOTE: Election of points under this Part VII-C-3 shall constitute an election of points under Part VII-B-5-b of the 2007 Low-Income Housing Tax Credit Qualified Allocation Plan with regard to an application for noncompetitive Low-Income Housing Tax Credit.

D. Increasing Housing Stock: (25 points)

Developments which are new construction or are conversions of buildings not being used for housing which make them usable as housing: (25 points)

Part VIII: Eligibility Determination and Completeness Notification

A. Notice to Applicants Meeting Eligibility Requirements

1. THDA will notify each applicant when the eligibility determination and scoring of the application is complete.
2. If THDA determines that an application meets all of the eligibility requirements of this Program Description, the notice will include information about the number of eligible applicants received before this applicant and the status of the allocations per Part VI. A Commitment Letter (see Part IX) may be issued in lieu of this information.

B. Notice to Applicants Not Meeting Eligibility Requirements or Incomplete

1. If THDA determines that an application does not meet one or more of the eligibility requirements of this Program Description or is incomplete, THDA will return the application with notice to the applicant describing items that were erroneous, missing, incomplete, or inconsistent. THDA will also notify applicants if THDA determines that (a) any two or more developments proposed in two or

more applications constitute a single development for purposes of applying the development limits specified in Part I F or (b) developers or related parties reflected in two or more applications constitute a single entity for purposes of applying the developer or related party limitation specified in Part I G.

2. Applicants may cure the deficiencies and resubmit the application, in accordance with Part IV. The resubmitted application will be treated as a new application in accordance with Part IV. A resubmission fee may be due as described in Part X B.

Part IX: THDA Commitment for Volume Cap

A. Issuance of Commitments

1. a. All commitments, as described in this Part IX, will be issued in the form of a letter only to the relevant local issuing authority, and will be valid only to provide permanent financing for a specific applicant, for a specific development, on a specific site (the "Commitment Letter"). Any change in the applicant entity, the ownership entity, or in the size, nature, or other characteristics of the development; may, in THDA's sole discretion, invalidate the commitment. Under no condition may the site proposed for the development be changed to another site. The applicant and the local issuing authority are obligated to report any such changes to THDA regardless of whether such changes occur prior to or after the issuance of a Commitment Letter.
 - b. For the commitment to be valid, the applicant and the issuer must comply with all of the terms stated in the Commitment Letter, which might include compliance with performance requirements related to any other development for which tax-exempt bonds have been issued.
2. For successful applications for Multifamily Tax-Exempt Bond Authority pursuant to this Program Description, THDA will issue a Commitment Letter stating the terms of the commitment.
3. Commitment Letters will not be issued if the amount of Multifamily Tax-Exempt Bond Authority made available hereunder is fully committed.

B. Expiration of Commitment

1. Once a THDA Commitment Letter is issued, it is valid for a maximum of 90 days from the date specified in the Commitment Letter. The bonds must be used to provide the permanent financing for the development, the local issuer must issue and sell the bonds, and the sale must be closed on or before the date specified in the Commitment Letter, otherwise the commitment expires and the Multifamily Tax-Exempt Bond Authority allocated automatically reverts to THDA.
2. **THDA, in its sole discretion, may extend the date and time for closing the sale of the bonds beyond 1:00 PM Central Time on the date specified in the Commitment Letter. A written request for an extension must be received by THDA a minimum of five (5) business days prior to the expiration of the Commitment Letter in order for the request to be considered. THDA will not approve requests for extensions of more than ten (10) business days. If an extension is granted, the Incentive Fee WILL NOT be refunded.**

3. Closings in escrow, or any form of contingent closing are not considered "closed" for purposes of expiration of the commitment.

C. Commitment Letters Issued Between October 3, 2007 and December 31, 2007

1. The 90 day period specified in the Commitment Letter will extend beyond December 31, 2007, however, no carryforward of 2007 Multifamily Tax-Exempt Bond Authority will be permitted for bond closings that occur after December 31, 2007.
2. THDA will extend the 90 day period specified in the Commitment Letter for a number of days equal to the number of days between January 1, 2008 and the date upon which THDA receives an allocation of tax-exempt bond authority for 2008. This extension will not affect the Incentive Fee, however, Part IX-B-2 will apply to any other extensions requested.
3. The Commitment Letter will specify the procedure by which 2007 Multifamily Tax-Exempt Bond Authority may be exchanged for 2008 Multifamily Tax-Exempt Bond Authority, subject to THDA's receipt of 2008 tax-exempt bond authority. Such an exchange will not extend the 90 day period specified in the Commitment Letter, except as specified in Part IX-C-2 above.
4. Any failure to meet the requirements specified in the Commitment Letter to exchange 2007 Multifamily Tax-Exempt Bond Authority for 2008 Multifamily Tax-Exempt Bond Authority will result in the recapture of the 2007 Multifamily Tax-Exempt Bond Authority referenced in the Commitment Letter by THDA and no subsequent eligibility for 2008 Multifamily Tax-Exempt Bond Authority.

D. Commitment Letters Issued Between January 1, 2008 and the 2008 Effective Date

1. No Commitment Letters will be issued for applications submitted between January 1, 2008 and the 2008 Effective Date if no 2007 Multifamily Tax-Exempt Bond Authority was uncommitted as of December 31, 2007.
2. Commitment Letters issued between January 1, 2008 and the 2008 Effective Date will reflect a commitment of 2008 tax-exempt bond authority, subject to the availability of 2008 tax-exempt bond authority by THDA and limited to a maximum collective amount of 2008 tax-exempt bond authority equal to the amount of 2007 tax-exempt bond authority uncommitted as of December 31, 2007.
3. No Commitment Letters will be issued under the 2007 Multifamily Tax-Exempt Bond Authority Program Description on or after the 2008 Effective Date.

Part X: Fees, Partial Refunds of Fees, and Fees Retained by THDA

A. Application Fee

An Application Fee of one thousand five hundred dollars (\$1,500) must be submitted to THDA at the time an application is submitted. THIS FEE IS NOT REFUNDABLE. If the fee is not submitted at the time an application is submitted, the application is incomplete and will be returned. Applications returned for this reason must submit the full one thousand five hundred dollar (\$1,500) Application Fee if resubmitted.

B. Resubmission Fee

A Resubmission Fee of seven hundred and fifty dollars (\$750) must be submitted to THDA if an application is resubmitted following the resubmission deadline specified in the notice described in Part VIII B.

C. Commitment Fee and Incentive Fee

1. Applications receiving a commitment from THDA for a specific amount of Multifamily Tax-Exempt Bond Authority must submit a Commitment Fee and an Incentive Fee prior to the commitment being valid.
2. The Commitment Fee will be an amount equal to one percent (1%) of the Multifamily Tax-Exempt Bond Authority allocated to the local issuer.
3. The Incentive Fee will be equal to twenty percent (20%) of the Commitment Fee.

D. Refund of Commitment Fee and Incentive Fee

1. One half (1/2) of the Commitment Fee will be refunded when: (1) documentation from the issuing authority's bond counsel (including, without limitation, a Closing Confirmation Letter in the form of **Exhibit 6**) is provided to THDA that the bonds have been issued and sold; and (2) acceptable proof is furnished to THDA that all units are constructed and the facility is placed in service; and (3) all THDA requirements, including, if applicable, the certification required in Part I-F-2, have been satisfied; and (4) all forms to be filed by the issuing authority have been completed and filed to THDA's satisfaction.
2. If all the conditions of Part X D 1 have been met and the bonds were issued and sold on or before 1:00 PM Central Time on the date specified in the Commitment Letter, THDA will refund the Incentive Fee.
3. If 2007 Multifamily Tax-Exempt Bond Authority is exchanged for 2008 Multifamily Tax-Exempt Bond Authority in accordance with the provisions of Part IX-C-3 above, the Commitment Fee will be refunded in the event that THDA does not receive 2008 tax-exempt bond authority.

E. Release of Commitments and Partial Refund of Commitment Fee

1. Commitments may be released by notifying THDA, in writing, prior to the expiration of the commitment, that the bonds will not be issued.
2. A commitment which is released according to these requirements will receive a refund of seventy-five percent (75%) of the Commitment Fee. THDA will retain twenty-five percent (25%) of the Commitment Fee.

F. Commitment Fee and Incentive Fee Retained by THDA

1. If the bonds are not issued by the expiration date of the commitment, and the commitment has not been released according to Part X D, THDA will retain the full amount of the Commitment Fee and the full amount of the Incentive Fee. **NONE** of the Commitment Fee and **NONE** of the Incentive Fee will be refunded to the applicant.
2. If the bonds are issued and sold, but the development is not placed in service, THDA will retain the full amount of the Commitment Fee and the full amount of the Incentive Fee. **NONE** of the Commitment Fee and **NONE** of the Incentive Fee will be refunded to the applicant.

3. If a request for an extension to the deadline for closing the sale of the bonds beyond 1:00 PM Central Time on the date specified in the Commitment Letter is approved in accordance with Part IX B. 2., **NONE** of the Incentive Fee will be refunded to the applicant.

Part XI: Application for Low-Income Housing Tax Credits

If the development also seeks non-competitive Low-Income Housing Tax Credit (“non-competitive Tax Credit”), a separate application must be submitted to Tennessee Housing Development Agency to request the non-competitive Tax Credit. Receipt of authority to issue tax-exempt bonds does not guarantee receipt of non-competitive Tax Credit. THDA retains the authority to determine eligibility to receive non-competitive Tax Credit and the amount of non-competitive Tax Credit to be allocated to the development, up to the maximum amount eligible with tax-exempt financing. Any development seeking non-competitive Tax Credit must apply for non-competitive Tax Credit in the same calendar year in which the tax-exempt bonds are issued. THDA will conduct an eligibility and scoring review with regard to a non-competitive Tax Credit application submitted in conjunction with an application for Multifamily Tax-Exempt Bond Authority within forty-five (45) days of THDA’s receipt of such non-competitive Tax Credit application. Any applicant for non-competitive Tax Credit will be subject to all fees and requirements stated in the applicable Tax Credit Qualified Allocation Plan, including monitoring fees.

If a development is the subject of a pending **competitive** 2007 or 2008 Tax Credit application and is the subject of an application under the 2007 Multifamily Tax-Exempt Bond Authority Program Description, the issuance of a Commitment Letter in accordance with Part IX-A of this Program Description shall constitute the withdrawal of the **competitive** Tax Credit application.

The maximum obtainable rents supported by the market study will be expected to support reasonable operating expenses and maximum mortgage debt service prior to Tax Credits filling any financial “gaps”. This may require that the development obtain additional financing from other sources over and above the maximum amount of Multifamily Tax-Exempt Bond Authority or non-competitive Tax Credit committed to the development by THDA.

Part XII: Information and Applications

THDA staff will attempt to assist with information in completing an application, however if clarification or interpretation is required, an interested party should submit their specific request in writing to THDA.

For more information call:
Judith Smith at (615) 253-5318
Information is available on the THDA web site at: www.tennessee.gov/thda



Tennessee Housing Development Agency Multifamily Tax-Exempt Bond Authority Application Requirements Checklist

An Application must meet all of the requirements specified in the Program Description, must meet all federal tax requirements, and must provide complete information and all documents required in the Application. Original documents are required, as are original signatures where signatures are required. **No copies or faxes will be accepted.**

- 1. **A complete Application** with all required original supporting documents and information and **one complete copy**;
- 2. **An Inducement Resolution** from the issuer of the bonds signifying the issuer's commitment to issue the bonds in the amount specified in the Application;
- 3. **A current independent market study**, acceptable to THDA, including, but not limited to, all requirements indicated in Part I-J of the 2007 Multifamily Tax-Exempt Bond Authority Program Description;
- 4. **A current appraisal** of the proposed development performed in accordance with industry standards, by an appraiser licensed in Tennessee, and meeting the requirements of Part I-K of this Program Description. If the Application is proposing acquisition of an existing structure, an "as is" appraisal must also be included;
- 5. **An opinion of bond counsel**, addressed to the Tennessee Housing Development Agency, stating that all of the requirements of this Program Description and the Application have been met, and that all federal tax requirements for the bonds will be met;
- 6. A fully completed **Exhibit 3**;
- 7. A commitment for the purchase of the bonds in the form of **Exhibit 5**;
- 8. A fully completed **Exhibit 7**;
- 9. A copy of the **notice of public hearing** of the bond issue as required by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA); the hearing must have been held prior to submitting a 2007 application; and
- 10. **A certified check**, payable to the Tennessee Housing Development Agency, for the Application Fee or Resubmission Fee. (A Commitment Fee and Incentive Fee will also be required and collected at the time a Commitment Letter is issued).
- Submit this "Application Requirements Checklist" and the "Self-Check and Scoring Summary Sheet" with your Application**

**TENNESSEE HOUSING DEVELOPMENT AGENCY
APPLICATION FOR 2007 MULTIFAMILY TAX-EXEMPT BOND AUTHORITY**

ISSUER

Board Name: _____

Board Chairman: _____

Address: _____

Issuer's Counsel: _____

Telephone: _____ Fax: _____

E-mail: _____

BORROWER / USER

Company Name: _____

Contact Person: _____

Address: _____

Telephone: _____ Fax: _____

E-mail: _____

BOND COUNSEL

Firm Name: _____

Contact Person: _____

Address: _____

Telephone: _____ Fax: _____

E-mail: _____

2007 MULTIFAMILY TAX-EXEMPT BOND AUTHORITY REQUESTED FROM THDA

\$ _____

TYPE OF BOND (Check one)

Small Issue IDB Exempt Facility Other (specify: _____)

IS THIS A REFUNDING BOND? YES NO

TOTAL UNITS: _____ **TOTAL LOW-INCOME UNITS:** _____

TOTAL SQUARE FEET OF HEATED, RESIDENTIAL FLOOR SPACE RESERVED FOR LOW-INCOME TENANTS: _____

PROJECT NAME: _____

PROJECT ADDRESS:

Street Address: _____

City: _____ County: _____ Zip Code: _____

DESCRIBE THE PHYSICAL CHARACTERISTICS OF THE PROJECT:

Number of units: _____

Commercial space: _____

Common area: _____

Bedroom mix: _____

Number of buildings: _____

Site acreage, etc.: _____

Please provide details if tenants will be displaced: _____

DESCRIBE THE PRODUCT OR SERVICE TO BE PROVIDED:

DESCRIBE THE CUSTOMERS OR CLIENTELE:

WILL ANY UNITS BE INTENDED FOR OCCUPANCY BY *ELDERLY* OR *DISABLED* PERSONS? IF SO, INDICATE WHAT PERCENT OF TOTAL UNITS, AND DESCRIBE ANY SPECIAL FEATURES TO ACCOMMODATE THESE PERSONS.

PROVIDE THE PERCENTAGE OF LOW-INCOME UNITS SET ASIDE FOR MULTI-FAMILY HOUSING AND THE OCCUPANCY REQUIREMENT ELECTION.

ACQUISITION INFORMATION:

Is property being purchased through foreclosure? YES NO

If yes, provide the name of the financial institution and date of foreclosure:

Is there **ANY** direct, indirect or other identity of interest between buyer and seller?

YES NO

If the project involves acquisition of land or buildings, is there **MORE THAN** a ten percent (10.00%) identity of interest between the buyer and seller?

YES NO

THIS APPLICATION MUST INCLUDE A FULLY COMPLETED EXHIBIT 3.

ARE YOU AN APPLICANT, DEVELOPER, OWNER, OR RELATED PARTY IN ANY OTHER APPLICATIONS THAT HAVE BEEN SUBMITTED TO THDA FOR MULTIFAMILY TAX-EXEMPT BOND AUTHORITY IN 2007?

YES NO

If yes, explain: _____

BOND USES (Check all that apply)

- New Construction Land Purchase Rehabilitation
 Equipment Site Development

HOW WILL THE BONDS BE PLACED?

- Publicly Privately Underwriter Purchase

Company Name: _____

Address: _____

Contact Person: _____

Telephone: _____ Fax: _____ E-mail: _____

DEVELOPMENT TEAM INFORMATION:

List any direct, indirect, or other identity of interest a member of the development team (see **Exhibit 7**) may have with another member of the development team. Any ownership or employment with more than one of these companies must be noted. List "none" if there are no identities of interest:

DATE OF INDUCEMENT RESOLUTION: _____

DATE OF TEFRA PUBLIC HEARING: _____

PREVIOUS APPLICATION FOR TAX-EXEMPT BOND AUTHORITY FOR THIS PROJECT:

Allocation Number: _____
Date of Submittal: _____
Borrower/User: _____
Closing Date: _____

SUMMARY PROJECT FINANCING:

Tax-Exempt Bond Financing	\$ _____
Taxable Bond Financing	\$ _____
Low Income Housing Tax Credit Equity	\$ _____
Other Loans (explain)	\$ _____
Other Grants (explain)	\$ _____
Borrower's Equity	\$ _____
Total Project Financing	\$ _____

SUBSIDIES:

List any existing or proposed subsidies for this development:

DEVELOPMENT COSTS
2007 THDA MULTIFAMILY TAX-EXEMPT BOND AUTHORITY PROGRAM

A. LIST DEVELOPMENT COSTS (IF DEVELOPMENT CONTAINS NON-RESIDENTIAL, PLEASE INDICATE.)

All costs to be listed in the first column. All items under "other" must be satisfactorily explained to be considered.

	<u>A</u>	<u>B</u>	<u>C</u>
	<u>TOTAL COSTS</u>	<u>ACQUISITION</u>	<u>REHAB/ NEW CONST.</u>
1. <u>To Purchase Land and Buildings</u>			
Land	_____	_____	_____
Existing Structures	_____	_____	_____
Demolition	_____	_____	_____
Subtotal	_____	_____	_____
2. <u>Site Work</u>			
Site Work	_____	_____	_____
Subtotal	_____	_____	_____
3. <u>Rehabilitation and New Construction</u>			
New Building Hard Costs	_____	_____	_____
Rehabilitation Hard Costs	_____	_____	_____
Accessory Building	_____	_____	_____
General Requirements	_____	_____	_____
Building Permits	_____	_____	_____
Payment and Performance Bonds	_____	_____	_____
Tap Fees	_____	_____	_____
Contractor Overhead	_____	_____	_____
Contractor Profit	_____	_____	_____
Impact Fees	_____	_____	_____
Subtotal	_____	_____	_____
4. <u>Contingency</u>			
Construction Contingency	_____	_____	_____
Subtotal	_____	_____	_____
5. <u>Professional Fees</u>			
Architect Fee-Design	_____	_____	_____
Architect Fee-Supervision	_____	_____	_____
Real Estate Attorney	_____	_____	_____
Survey	_____	_____	_____
Soil Borings	_____	_____	_____
Engineering Fees	_____	_____	_____
Cost Certification Fees	_____	_____	_____
Subtotal	_____	_____	_____

	<u>A</u>	<u>B</u>	<u>C</u>
	<u>TOTAL COSTS</u>	<u>ACQUISITION</u>	<u>REHAB/ NEW CONST.</u>
6. <u>Interim Costs</u>			
Construction Interest	_____	_____	_____
Construction Loan Origin Fee	_____	_____	_____
Construction Loan Credit Enhance.	_____	_____	_____
Property Taxes During Construction	_____	_____	_____
Subtotal	_____	_____	_____
7. <u>Financing Fees and Expenses</u>			
Credit Report	_____	_____	_____
Permanent Loan Origin Fee	_____	_____	_____
Perm Loan Credit Enhancement	_____	_____	_____
Cost of Issuance / Underwriter	_____	_____	_____
Title and Recording	_____	_____	_____
Counsel's Fee	_____	_____	_____
Subtotal	_____	_____	_____
8. <u>Soft Costs</u>			
Property Appraisal	_____	_____	_____
Market Study	_____	_____	_____
Environmental Study	_____	_____	_____
Tax Credit & Multifamily Bond Fees	_____	_____	_____
Monitoring Fees	_____	_____	_____
Rent-Up	_____	_____	_____
Subtotal	_____	_____	_____
9. <u>Syndication Costs</u>			
Organizational (Partnership)	_____	_____	_____
Bridge Loan Fees & Expenses	_____	_____	_____
Tax Opinion	_____	_____	_____
Subtotal	_____	_____	_____
10. <u>Developer's Costs</u>			
Developer's Overhead	_____	_____	_____
Developer's Fee	_____	_____	_____
Consultants	_____	_____	_____
Subtotal	_____	_____	_____
11. <u>Project Reserves</u>			
Rent-up Reserve	_____	_____	_____
Operating Reserve	_____	_____	_____
Subtotal	_____	_____	_____
12. <u>Total</u>	=====	=====	=====

BORROWER/ISSUER CERTIFICATION

The information contained in this Application for Multifamily Tax-Exempt Bond Authority and related attachments is, to the best of our knowledge, true and accurate.

I acknowledge that Tennessee Code Annotated, Section 13-23-133, makes it a Class E felony for any person to knowingly make, utter or publish a false statement of substance for the purpose of influencing THDA to allow participation in any of its programs, including the Multifamily Tax-Exempt Bond Authority Program. I further acknowledge that the statements contained in this Application, all relevant Attachments and this Statement are statements of substance made for the purpose of influencing THDA to allocate Multifamily Tax-Exempt Bond Authority to the Application of which this Statement is a part.

BORROWER:

ISSUER:

BY: _____
Authorized Signature

BY: _____
Authorized Signature

Name (please print or type)

Name (please print or type)

Title

Title

Date

Date

NOTE: *THDA maintains the right to request additional information that may be required to properly evaluate this application.*

2007 MULTIFAMILY TAX-EXEMPT BOND AUTHORITY PROGRAM

EXHIBIT 1

COUNTIES WITH MEDIAN INCOMES BELOW 80% OF STATE MEDIAN

Benton
Bledsoe
Campbell
Claiborne
Clay
Cocke
Decatur
Fentress
Grundy
Hancock
Hardeman
Hardin
Haywood
Jackson
Johnson
Lake
Meigs
Monroe
Morgan
Overton
Perry
Pickett
Scott
Wayne
White

**2007 MULTIFAMILY TAX-EXEMPT BOND AUTHORITY PROGRAM
EXHIBIT 2
COUNTIES WITH GREATEST RENTAL HOUSING NEED**

Anderson	18
Bedford	17
Benton	14
Bledsoe	13
Blount	15
Bradley	15
Campbell	15
Cannon	14
Carroll	16
Carter	15
Cheatham	15
Chester	16
Claiborne	14
Clay	12
Cocke	14
Coffee	16
Crockett	17
Cumberland	14
Davidson	18
Decatur	16
DeKalb	16
Dickson	16
Dyer	16
Fayette	14
Fentress	14
Franklin	14
Gibson	16
Giles	15
Grainger	14
Greene	14
Grundy	14
Hamblen	15

Hamilton	18
Hancock	14
Hardeman	16
Hardin	15
Hawkins	14
Haywood	16
Henderson	15
Henry	15
Hickman	14
Houston	15
Humphreys	14
Jackson	13
Jefferson	15
Johnson	13
Knox	18
Lake	14
Lauderdale	16
Lawrence	15
Lewis	13
Lincoln	15
Loudon	15
Macon	14
Madison	19
Marion	14
Marshall	15
Maury	17
McMinn	16
McNairy	16
Meigs	13
Monroe	14
Montgomery	18
Moore	12

Morgan	13
Obion	15
Overton	13
Perry	14
Pickett	11
Polk	13
Putnam	16
Rhea	13
Roane	14
Robertson	15
Rutherford	17
Scott	14
Sequatchie	15
Sevier	14
Shelby	20
Smith	16
Stewart	14
Sullivan	17
Sumner	16
Tipton	15
Trousdale	15
Unicoi	16
Union	14
Van Buren	12
Warren	16
Washington	18
Wayne	12
Weakley	16
White	15
Williamson	18
Wilson	16

2007 MULTIFAMILY TAX-EXEMPT BOND AUTHORITY PROGRAM

EXHIBIT 3

PERSONS INVOLVED IN OWNERSHIP ENTITIES OF BORROWER AND SELLER

(THDA reserves the right to request additional documentation if deemed necessary)

A. Complete this part in reference to the **BORROWER**:

Borrower's Name: _____

1. If Ownership Entity is a partnership, provide the following information about the General Partner(s):

Name: _____

Address: _____

Telephone: (_____) _____ Ownership _____%

Name: _____

Address: _____

Telephone: (_____) _____ Ownership _____%

Name: _____

Address: _____

Telephone: (_____) _____ Ownership _____%

2. If Ownership Entity or General Partner of Ownership Entity is a corporation, provide the following information about the stockholders of the corporation:

Name: _____

Address: _____

Telephone: (_____) _____ Ownership _____%

Name: _____

Address: _____

Telephone: (_____) _____ Ownership _____%

Name: _____

Address: _____

Telephone: (_____) _____ Ownership _____%

3. If Ownership Entity is a Non Profit, provide the names of all Board members and the names and telephone numbers of all full time staff (attach an additional page if necessary):

Board Members: _____

Staff: _____

Telephone Number for Non Profit: _____

(_____) _____

B. Complete this part in reference to the **SELLER**:

Seller's Name: _____

1. If Ownership Entity is a partnership, provide the following information about the General Partner(s):

Name: _____

Address: _____

Telephone: (_____) _____ Ownership _____%

Name: _____

Address: _____

Telephone: (_____) _____ Ownership _____%

Name: _____

Address: _____

Telephone: (_____) _____ Ownership _____%

2. If Ownership Entity or General Partner of Ownership Entity is a corporation, provide the following information about the stockholders of the corporation:

Name: _____

Address: _____

Telephone: (_____) _____ Ownership _____%

Name: _____

Address: _____

Telephone: (_____) _____ Ownership _____%

Name: _____

Address: _____

Telephone: (_____) _____ Ownership _____%

3. If Ownership Entity is a Non Profit, provide the names of all Board members and the names and telephone numbers of all full time staff (attach an additional page if necessary):

Board Members:	Staff:
_____	_____
_____	_____
_____	_____

Telephone Number for Non Profit: (_____) _____

2007 MULTIFAMILY TAX-EXEMPT BOND AUTHORITY PROGRAM

EXHIBIT 4

**THE 2007 QUALIFIED CENSUS TRACTS AND DIFFICULT
DEVELOPMENT AREAS ARE POSTED ON THE INTERNET AT THE
ADDRESS BELOW:**

[HTTP://WWW.HUDUSER.ORG/DATASETS/QCT.HTML](http://www.huduser.org/datasets/qct.html)

2007 MULTIFAMILY TAX-EXEMPT BOND AUTHORITY PROGRAM

EXHIBIT 5

FORM OF BOND PURCHASE AGREEMENT LETTER

To be submitted on Bond Purchaser's Letterhead

(date)

Tennessee Housing Development Agency
404 James Robertson Parkway Suite 1114
Nashville, TN 37243-0900

ATTN: Tax Exempt Multifamily Bond Authority

RE: _____ ("Issuer")

\$ _____ Tax Exempt Multifamily Housing Revenue Bonds

Name and Address _____

of Development _____

We are providing this letter in conjunction with an application made by the Issuer and the developer of the referenced development for an allocation of 2007 volume cap to allow the issuance of the referenced bonds.

We are pleased to confirm our commitment to purchase \$ _____ par amount of tax-exempt revenue bonds ("Bonds"). The interest rate will be set at the time of sale and final maturities will be determined based on the type of credit enhancement secured.

Pricing is expected to occur on _____, 2007, with execution of a purchase agreement on or before _____, 2007. Delivery of the Bonds is expected to occur on or before _____, 2007. The conditions of our commitment to purchase the Bonds are limited to and based on (1) receipt of an Inducement Resolution from the Issuer; (2) receipt of a volume cap allocation from THDA in the amount of \$ _____; (3) approval of all bond documentation; (4) acceptable legal opinions from _____ as bond counsel and from _____ as underwriter's counsel; and (5) issuance and delivery of the Bonds on or before _____, 2007.

Name: _____

Title: _____

2007 MULTIFAMILY TAX-EXEMPT BOND AUTHORITY PROGRAM

EXHIBIT 6

Form of Closing Confirmation Letter

[To be submitted on Bond Counsel's Letterhead]

Tennessee Housing Development Agency
404 James Robertson Parkway, Suite 1114
Nashville, Tennessee 37243-0900

Attn: Multifamily and Special Programs Division

Re: (Identify Bonds Issued) (the "Bonds")

Ladies and Gentlemen:

We served as bond counsel in connection with the Bonds. This letter is to confirm the following information:

1. The Bonds relate to (name and location of development) owned by (name of ownership entity).
2. The referenced owner received an allocation of tax exempt bond authority from THDA in the amount of \$_____ (TN#__-__) (the "Allocation").
3. Use one of the following statements:
The Bonds were issued using the full amount of the Allocation.
OR
The Bonds were issued using \$_____ of the Allocation.
4. The Bonds were issued and sold and the sale occurred on (specify date).
5. The closing was not in escrow and was not conditional.

Name and Signature of Bond Counsel

2007 MULTIFAMILY TAX-EXEMPT BOND AUTHORITY PROGRAM

EXHIBIT 7

DEVELOPMENT PARTICIPANTS

A. Developer

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone: (_____) _____ Fax: (_____) _____

B. General Partner

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone: (_____) _____ Fax: (_____) _____

C. Contractor

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone: (_____) _____ Fax: (_____) _____

D. Management Company

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone: (_____) _____ Fax: (_____) _____

E. Consultant

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone: (_____) _____ Fax: (_____) _____

F. Tax Accountant (Person who will provide certifications required by THDA)

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone: (_____) _____ Fax: (_____) _____

G. Architect (Person who will provide certifications required by THDA)

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone: (_____) _____ Fax: (_____) _____

2007 MULTIFAMILY TAX-EXEMPT BOND AUTHORITY PROGRAM

EXHIBIT 8

ELECTION OF LOW-INCOME HOUSING TAX CREDIT RATE

Development name: _____

Development location: _____

THDA ID no.: _____

Section 42(b)(2)(A) of the Internal Revenue Code of 1986, as amended, allows a building to which Section 42(h)(4)(B) applies to elect the tax credit percentage in effect during either: (1) the month in which the building is placed in service; or (2) the month in which the tax-exempt obligations are issued [Section 42(b)(2)(A)(ii)(II)].

In order to elect the tax credit percentage in effect during the month in which the tax-exempt obligations are issued, the applicant must:

- (1) complete, execute, and date this 2007 Exhibit 8;
- (2) have this 2007 Exhibit 8 properly notarized; and
- (3) submit this completed, executed, dated, and properly notarized 2007 Exhibit 8 to THDA **SO THAT THIS 2007 EXHIBIT 8 IS RECEIVED BY THDA NO LATER THAN THE FIFTH CALENDAR DAY OF THE MONTH AFTER THE MONTH IN WHICH THE TAX-EXEMPT OBLIGATIONS WERE ISSUED.**

The applicant must retain a copy of this 2007 Exhibit 8 for its records and file an additional copy with its IRS Form(s) 8609 for the first taxable year with regard to which Low-Income Housing Tax Credit is claimed.

This 2007 Exhibit 8 is to be completed and returned ONLY if the applicant elects the tax credit percentage in effect during the month in which the tax-exempt obligations are issued. If this 2007 Exhibit 8 is not completed and returned in accordance with the instructions above, the tax credit percentage in effect during the month in which the building is placed in service will be used.

THIS ELECTION IS IRREVOCABLE.



Pursuant to Section 42(b)(2)(A)(ii)(II) of the Internal Revenue Code of 1986, as amended, the applicant hereby elects to use the tax credit percentage in effect for the month in which the tax-exempt obligations were issued.

The tax-exempt obligations were issued in _____ [INSERT MONTH] of _____
____ [INSERT YEAR].

APPLICANT: _____

Date: _____

By: _____
(signature or name if not an individual)

(print or type name)

(title)

By: _____
(signature or name if not an individual)

(print or type name)

(title)

STATE OF _____)

COUNTY OF _____)

Before me, _____, a Notary Public of the
state and _____ county mentioned, personally appeared
_____, with whom I am personally
acquainted (or proved to me on the basis of satisfactory evidence), and who,
upon oath, acknowledged herself/himself to be a/the
_____ of _____, the
within named applicant, and that she/he, as such
_____, executed the foregoing instrument for the
purpose therein contained, by signing the name of the
_____ by herself/himself as
_____.

Witness my hand and seal, at office, this _____ day of
_____, 2007.

Notary Public

My Commission Expires: _____

Tennessee Housing Development Agency
Multifamily Tax-Exempt Bond Authority Program
Self-Check and Scoring Summary Sheet

Each applicant should carefully review the Program Description and the Application to ensure that all requirements have been met. For your assistance, check the following:

- 1. Have all the Application requirements been satisfied? (Review the Application Requirements Checklist.)
 - 2. Is the total cost per unit within the THDA limits in the Program Description Part I, E.? (From "Development Cost Worksheet" in Application, divide the "Total Development Costs," from Column A of Line 12, by the total number of units in the development.)
 - 3. If the development includes both acquisition and rehabilitation, do rehabilitation hard costs exceed twenty percent (20%) of the acquisition cost of the building(s)? (From "Development Cost Worksheet" in Application, divide the amount for "Rehabilitation Hard Costs" in Item 3 Column A by the amount for "Existing Structures" in Item 1 Column A.)
 - 4. Are developer's fees not more than fifteen percent (15%) of total development costs? (See Program Description Part I. H. for detailed requirements on developer's fees.)
 - 5. Original application and exhibits, and one copy of complete application and exhibits.
-

Score your own Application, using the following as a guide:

___ A. Meeting Housing Needs: (Maximum 50 points)

- ___ 1. Developments located in counties where the annual median income is less than eighty percent (80%) of the state median (**Exhibit 1**). (25 points)

COUNTY: _____

- ___ 2. Developments in counties with the greatest rental housing need (**Exhibit 2**). (maximum 20 points)

COUNTY: _____

- ___ 3. Developments located wholly and completely in a Qualified Census Tract or a Difficult to Develop Area as designated by HUD in accordance with IRC Section 42 (d)(5) (**Exhibit 4**). (5 points)

TRACT NO.: _____

___ B. Meeting Energy / Maintenance Standards: (Maximum 35 points)

- ___ 1. Developments designed and built to promote energy conservation by meeting the standards of the Council of American Building Officials Model Energy Code. Certification from the design architect, licensed in Tennessee, must be provided by successful applicants as required in the commitment letter. (10 points)
- ___ 2. Developments designed and built to meet 15 year maintenance free exterior standard. Certification from the design architect, licensed in Tennessee, must be provided by successful applicants as required in the commitment letter. (10 points)
- ___ 3. Developments designed and built with a minimum of 85% brick exterior. Certification from the design architect, licensed in Tennessee, must be provided by successful applicants as required in the commitment letter. (15 points)
- ___ 4. Developments involving addition or replacement of one or more major building components or claiming points for expenditure-per-unit. (maximum 35 points)

___ C. Serving Special Populations: (Maximum 50 points)

- ___ 1. One hundred percent (100%) of the units designed, built and occupied by the elderly. All tenants must be age 62 or older or at least one person in each unit must be 55 or older and policies and procedures must be in place that demonstrate an intent to make units available to persons who are 55 or older. Certification from the design architect will be required on developments of 11 units or more, from contractor on 10 units or fewer, following the

issuance of the Commitment Letter. Confirmation from the supervising architect or contractor, as appropriate, will be required prior to any partial refund of the Commitment Fee pursuant to Part X D: (5 points)

- ___ 2. The greater of one unit or at least five percent (5%) of the total number of units in the development (which number shall be rounded up) must fully meet accessibility requirements for persons with disabilities. Certification from the design architect will be required on developments of 11 units or more, from contractor on 10 units or fewer, following the issuance of the Commitment Letter. Confirmation from the supervising architect or contractor, as appropriate, will be required prior to any partial refund of the Commitment Fee pursuant to Part X D: (5 points)
- ___ 3. Election to set aside a minimum of twenty percent (20%) of the units for households with incomes no higher than fifty percent (50%) of the area median income: (40 points)

___ **D. Increasing Housing Stock: (Maximum 25 points)**

Developments which are new construction or are conversions of buildings not being used for housing which make them usable as housing. (25 points)

_____ **Total Points (Total must be at least 70 to be eligible for bond authority.)**

2007 HUD INCOME LIMITS

**WHEN AVAILABLE, THE 2007 INCOME LIMITS WILL BE POSTED ON THE
INTERNET AT THE ADDRESS BELOW:**

[HTTP://WWW.HUDUSER.ORG/DATASETS/IL.HTML](http://www.huduser.org/datasets/il.html)

MUNICIPAL ISSUERS REGISTRY

COUNTY AGENCIES

Anderson County
Rex Lynch, County Executive
(865) 457-5400 Ext. 200

Bedford County
Jimmy Woodson, County Executive
(931) 684-7944

Blount County
David R. Bennett, Financial Director
(865) 982-1302

Cocke County
Charles L. Moore, City Executive
(423) 623-8791

Dickson County
Janet A Harris, County Executive
(615) 789-4171

Fayette County
William David Smith, County Executive
(901) 465-5202

Franklin County
F. Montgomery Adams, Jr., County Executive
(931) 967-2905

Giles County
Earl Wakefield, County Executive
(931) 363-1509

Henderson County
Dennis Ray McDaniel, County Executive
(731) 968-0122

Greene County
John Waddle, Budget Director
Freddie Shaw, County Clerk
(615) 638-8118

Hamilton County
Louis Wright, Finance Administrator
(423) 209-6330

Knox County
John Werner, Director
(865) 215-2350

Lincoln County
Jerry Mansfield, County Executive
(931) 433-3045

Madison County
Alex Leech, County Mayor
Freddie Pruitt, County Clerk
(731) 423-6020

Marion County
Howell Moss, County Executive
(423) 942-2552

Marshall County
Terry Wallace, County Executive
(931) 359-2300

Maury County
Kerry D. Massey, Dir of Accounts & Budgets
(931) 381-3690 ext 454

McMinn County Industrial Development Board
Judy Ginn, Records Custodian / Secretary
(423) 745-0070

Montgomery County
Rachel Reddick, Dir of Accounts & Budget
(931) 648-5705

Putnam County
Doug McBroom, County Executive
(931) 526-2161

Roane County
Alva Moore, Budget Director
(865) 376-5578

Robertson County
Larry Morris, Finance Director
(615) 384-0202

Rutherford County
Lisa Nolen, Finance Director
(615) 898-7795

Sevier County
Lynn McClurg, Finance Director
(865) 453-2767

Shelby County
Brian L. Khun, County Attorney
(901) 545-4230

Sullivan County
Gill Hodges, County Executive
(423) 323-6417

Sumner County
Dennis Petty, Finance Director
(615) 451-6051

Tipton County
Jeffrey Huffman, County Executive
(901) 476-0200

Washington County
George Jaynes, County Executive
Bobbi Webb, Dir of Accounts & Budget
(615) 753-1666

Wayne County
Gilda Collie, County Executive
(931) 722-3653

Williamson County
Rogers Anderson, County Mayor
(615) 790-5700

Wilson County
Robert Dedman, County Executive
(615) 444-1383

CITY AGENCIES

City of Bartlett
John M. Troyer, Director of Finance
(901) 385-6428

City of Brentwood
Carson K. Swinford, Director of Finance
(615) 371-2254

City of Chattanooga
Daisy Madison, Deputy Finance Officer / Treasurer
(423) 757-5191

City of Clarksville
Wilbur M. Berry, Commissioner of Finance
(931) 645-7437

City of Cleveland
Cindy Geren, City Accountant
(423) 472-4551

City of Columbia
Biddy Modrall, City Recorder
(931) 388-5432

City of Dyersburg
Robert Reed, Treasurer
(731) 286-7609

City of Franklin
Jay Johnson, City Administrator
(615) 791-3217

City of Gatlinburg
David Beeler, Finance Director
(615) 436-1403

City of Germantown
Patrick Lawton, Finance Director
(901) 757-7200

City of Jackson
Russ Truell, City Recorder
(731) 425-8217

City of Johnson City
Derek Smith, Staff Accountant
(423) 434-6031

City of Kingsport
Keith E. Smith, Finance Director
(423) 229-9400

City of Knoxville
Christopher P. Kinney, Finance Director
(865) 215-2086

City of La Follette
Wanda Dower, City Treasurer
(423) 562-4961

City of La Vergne
Robert Joines, Treasurer
(615) 793-6295

City of Lenoir City
Debbie Cook, Treasurer
(865) 986-2227

City of Memphis
Joseph Lee, Director, Finance Division
(901) 576-6657

City of Tullahoma
Pat Williams, Finance Director
(931) 455-2648

LOCAL AUTHORITY/AGENCY

Blount County Health & Education Facilities Board
Fred Forster, President, Blount Partnership
(865) 983-2241

Blount County Public Building Authority
Ron Ogle, Executive Director
(865) 378-5840

Chattanooga-Hamilton County Hospital Authority
Dennis A. Pettigrew, President & CEO
(423) 778-7196

Chattanooga Health Education & Housing Board
Randy Nelson, Counsel to Board
(423) 756-2291

Chattanooga Industrial Development Board
Theodore Milla, Chair Board
(423) 757-5338

Clarksville Public Building Authority
Charles Seivers, President-CEO
(615) 255-1561

Dickson Gas Authority
Robert Durham, General Manager
(615) 441-2830

Fayetteville Industrial Development Board
Jeff McCormick, Director
(931) 433-0607

Health & Educational Facilities Board of the City of Franklin

C.D. Berry, Attorney for the Board
(615) 794-4547

Franklin Special School District
Chris Henson
(615) 794-6624

Hamilton County Industrial Development Board
Robert Lyons, Chair
(423) 886-3813

Harpeth Valley Utilities District (Nashville)
John E. Brown, III, General Manager
John H. Barnes, Assistant Manager
(615) 352-7076

Johnson City Medial Center Hospital Incorporation
Marvin Eichorn, SVP/CFO
(423) 431-1015

Johnson City Health & Education Facilities Board
Janet Jennings, Finance Director
(423) 282-1821

Johnson City Industrial Development Board
Steve Goodson, Chair
(423) 461-1137

Educational Funding of the South (Knoxville)
Steve Beasley, VP of Finance
(865) 691-5626

Knox County First Utility District
Wayne Watson, Assistant Manager
(865) 966-9741

Knox County Health Education & Housing Facilities Board
David Collins
(865) 215-2534

Knoxville Utilities Board
L. Roby Trotter, SVP & CFO
(865) 594-7531

West Knox Utility District
Charles M Banks, General Manager
(865) 690-2521

Industrial Development Board of Maury County
Beverly Douglas, Junior Vice President
(931) 388-1000

Memphis Health Educational & Housing Facilities Board
Monice Hagler-Tate, Chair
(901) 527-6400

Memphis-Shelby County Airport Authority
Scott Brockman, VP Finance & Admin
(901) 922-8000

Memphis & Shelby County Industrial Development Board
Frank C. Ryburn, Chair
Brian Pecon, Dir Economic Development
(901) 576-7107

Middle Tennessee Utility District
Michael Baiey, President
(615) 597-4300

Montgomery County Public Building Authority
Charles G. Seviars
(615) 255-1561

Montgomery County Health Education & Housing Board
Peggy Tackett, CFO
(931) 648-5747

Nashville- Metropolitan Airport Authority
Douglas P. Wolfe, SVP
(615) 275-1646

Health & Educational Facilities Board of Nashville & Davidson County
Cynthia Mitchell Barnett
(615) 259-1454

Nashville-Davidson Metropolitan Health & Education Board
Pedro E. Garcia
(615) 259-8419

Nashville-Davidson County Metropolitan Government
David L. Manning
(615) 862-6151

Oak Ridge Industrial Development Board
Vivian Sargent, Economic Development Planner
(865) 452-3544

Sevier County Public Building Authority
Ronald Sharp, Attorney
(865) 453-2877

Health Educational & Housing Facility Board of the County of Shelby
Stephen L. Anderson, Attorney
(901) 685-9222

Signal Mountain Health, Education, & Housing
Hershel Dick, Interim Town Manager
(423) 886-2177

Sports Authority of the Metropolitan Government of Nashville & Davidson County
Cliff Hawks, Executive Director
(615) 880-1021

Springfield Health & Education Facilities Board
W.H. Jones, Chair
Paul Nutting, Business Admin
(615) 382-2200

Stewart County Industrial Board
Bryan Watson
(931) 232-5326

State of Tennessee Comptroller of the Treasury
Mary-Margaret Collier, Director of Bond Finance, Assistant Secretary
(615) 401-7872

Tennessee Energy Acquisition Corporation
Mark McCutchen, Pres & General Manager
(931) 920-3499

Tennessee Municipal Energy Acquisition Corporation
Stan McMinn, Executive Vice President
(615) 373-5738

Tennessee Local Development Authority
John G. Morgan, Assistant Secretary
(615) 741-4272

Tennessee State School Board Authority
Mary Margaret Collier, Director, Division of Bond Finance
(615) 741-4272

Tusculuna Health Education & Housing Facilities Board
Barbara Morgan, VP for Business & Finance
(800) 739-0256

White House Utility District
Bill Thompson, General Manager
(615) 672-4110

Wilson County Sports Authority
John Givin, Attorney
(615) 758-3424