

Ralph M. Perrey, Executive Director



**TENNESSEE HOUSING DEVELOPMENT
AGENCY**

**2015 MULTIFAMILY TAX-EXEMPT
BOND AUTHORITY PROGRAM DESCRIPTION**

This package includes:

Program Summary

Program Description

Exhibits

Tennessee Housing Development Agency Multifamily Tax-Exempt Bond Authority 2015 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 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 April 1, 2015 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, or by an entity from outside the area of the proposed development, such entity having the authority to issue bonds in the area of the proposed development and consent from the issuing entity 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.
- 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 2016.
- 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-F.
- **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) 815-2143.

Tennessee Housing Development Agency Multifamily Tax-Exempt Bond Authority for 2015

2015 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 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 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 financing for the development such that, as of the rehabilitation or new construction placed in service date, a minimum of fifty percent (50%) of the amount of Tax-Exempt Bond Authority closed and sold remains outstanding and such amount of bonds outstanding otherwise meets the requirements of Section 42(h)(4).
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:

1. The development must be:
 - a. New construction;
 - b. A conversion of an existing property not being used for housing; or
 - c. Acquisition and rehabilitation.
2. To the extent not otherwise required, the development must have hardwired smoke detectors, with battery backup, in the bedroom areas of all units.
3. One hundred percent (100%) of the units in buildings with elevators in the development and all ground floor units in non-elevator buildings in the development are “covered multifamily dwellings” (as defined in the Fair Housing Act). All covered multifamily dwellings must meet all accessible design requirements under the Fair Housing Act and must otherwise be designed and built in accordance with the Fair Housing Act (including one of the eight safe

harbors recognized by HUD as shown on **Exhibit 5**) and all other areas in the development open to the public are “public accommodations” as defined in the Americans with Disabilities Act and must be designed and built in accordance with the Americans With Disabilities Act. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.

C. Ineligible Developments

1. Developments involving entities or individuals previously involved in a development that, at any time within a period of one year prior to the submission of the application for 2015 Multifamily Tax-Exempt Bond Authority, failed to submit any documentation required in Part X-D.
2. Developments involving entities or individuals previously determined, in THDA’s sole discretion, to be or have been involved in any Multifamily Tax-Exempt Bond Authority Application that received an allocation of Multifamily Tax-Exempt Bond Authority but (a) failed to meet established deadline for issuance and sale of the tax-exempt bonds; or (b) failed to place the development in service; or (c) failed to meet other requirements of this Program Description.
4. In the event that any of the following triggering events occur with regard to a development or proposed development that has received an allocation of Multifamily Tax-Exempt Bond Authority from THDA, all individuals involved in the owner and developer of the relevant development will be prohibited from participating in the Multifamily Tax-Exempt Bond Authority program in Tennessee for a period of five (5) years commencing with the year in which THDA becomes aware of the occurrence of the triggering event:
 - a. General Partner/Managing Member/Sole Stockholder entity being removed from the ownership entity of a previous development due to poor performance and/or malfeasance. THDA staff will communicate with other parties involved in the development (e.g. lender and syndicator) to determine the circumstances surrounding the removal; or
 - b. Uncured event of default under the Section 1602 or Tax Credit Assistance Program; or
 - c. Fair Housing Act violations involving a finding of discrimination by an adverse final decision from a federal court or a judgment enforcing the terms of a consent decree;
 - d. Foreclosure involving loss of units to the affordable housing stock or failure to notify THDA of foreclosure (including a deed in lieu of foreclosure transaction); or
 - e. Misrepresentation of any item, as determined by THDA in its sole discretion, in the Application, as determined by THDA in its sole discretion; or
 - f. Failure to fulfill commitments made for points; or
 - g. Failure to respond to any written request from THDA for information and/or documentation within thirty (30) days of the date of such request.

5. Prohibition of an individual's participation in the Multifamily Tax-Exempt Bond Authority program in Tennessee pursuant to Part I-C-4 shall be determined by THDA staff. Any individual so prohibited may appeal the determination to the THDA Executive Director and the THDA Board Chair. The determination of prohibition shall be at the sole discretion of the THDA Executive Director and the THDA Board Chair and shall not be appealable to the THDA Board or the Tax Credit Committee of the THDA Board.
 - a. There will be no prohibition if the triggering event occurred prior to the date of the approval of this Program Description by the THDA Board of Directors.
 - b. There will be no prohibition if THDA becomes aware of the triggering event more than five (5) years after its occurrence.
 - c. No prohibition will be imposed on a development or proposed development involving the prohibited individuals that received an allocation of Tax Credits between the occurrence of the triggering event and the time THDA becomes aware of the triggering event.
6. Any prohibition of participation in the Low-Income Housing Tax Credit Program pursuant to Part VII-A-4-d of the Low-Income Housing Tax Credit 2015 Qualified Allocation Plan shall constitute a prohibition of participation in the Multifamily Tax-Exempt Bond Authority Program pursuant to Part I-C-5.
7. Voluntary withdrawal of a Multifamily Tax Exempt Bond Authority Application in accordance with all applicable program requirements will not cause ineligibility.

D. Identity of Interests

If a development involves acquisition of land or buildings, there can be no more than a fifty percent (50%) identity of interest between buyer and seller.

E. Tenants to be Served

1. 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**
2. 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.

F. Maximum Amount of Bonds per Development

1. A development involving new construction may not receive more than seventeen million two hundred and fifty thousand dollars (\$17,250,000) 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.
 - a. Substantial Rehabilitation: maximum \$17,250,000
 1. Developments involving substantial rehabilitation must be rehabilitated so that, upon completion of all rehabilitation as described in the Physical

Needs Assessment, the major building systems will not require further substantial rehabilitation for a period of at least fifteen (15) years from the required placed in service date. Major building components are roof structures, wall structures, floor structures, foundations, plumbing systems, central heating and air conditioning systems, electrical systems, doors and windows, parking lots, elevators, and fire/safety systems. Rehabilitation hard costs must be no less than the greater of thirty percent (30%) of building acquisition costs or eleven thousand dollars (\$11,000) per unit. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.

b. Moderate Rehabilitation: maximum \$9,500,000

1. Developments involving moderate rehabilitation must be rehabilitated so that, upon completion of all rehabilitation, rehabilitation hard costs must be no less than the greater of twenty-five percent (25%) of building acquisition cost or seven thousand dollars (\$7,000) per unit. The rehabilitation scope of work must include, at a minimum, all appliances in all units being Energy-Star compliant, and all work specified in the Physical Needs Assessment with regard to drywall, carpet, tile, interior and exterior paint, the electrical system, heating and air conditioning systems, roof, windows, interior and exterior doors, stairwells, handrails, and mailboxes. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.

c. Limited Rehabilitation: maximum 7,500,000

1. Developments involving limited rehabilitation must be rehabilitated so that, upon completion of all rehabilitation, rehabilitation hard costs must be no less than the greater of twenty percent (20%) of building acquisition cost or six thousand dollars (\$6,000) per unit. The rehabilitation scope of work must include, at a minimum, all work specified in the Physical Needs Assessment with regard to interior and exterior common areas, interior and exterior painting and/or power washing, gutters, parking areas, sidewalks, fencing, landscaping, and mailboxes. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.

d. All rehabilitation expenditures must satisfy the requirements of Section 42(e)(3)(A)(ii) of the Code.

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 fifty million dollars (**\$50,000,000**). If 2014 Multifamily Tax-Exempt Bond Authority was exchanged for 2015 Multifamily Tax-Exempt Bond Authority pursuant to Part IX-C of the 2014 Multifamily Tax-Exempt Bond Authority Program Description, any amount of 2015 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 sum of developer and consultant fees reflected in the development costs worksheet may not exceed twenty-five percent (25%) of total development costs (see Part I-H-5 below). If the sum of developer and consultant fees reflected in the development costs worksheet exceeds the amount described in Part I-H-2 or Part I-H-3 below (as applicable), then all developer and consultant fees in excess of the amount described in Part I-H-2 or Part I-H-3 below (as applicable) must be reflected as deferred fees and included in the sources of permanent financing.
2. If the developer and the contractor are **unrelated**, the *non-deferred* developer and consultant fees cannot exceed fifteen percent (15%) 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).
3. If the developer and contractor are **related** parties, then the *non-deferred* 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).
4. If the **deferred** developer and consultant fees are **greater than 25%** of total development cost minus the amount described in Part I-H-2 or Part I-H-3 below (as applicable), then the application must include evidence satisfactory to THDA, in its sole discretion, that the deferred developer and consultant fees will be repaid and will not jeopardize the financial feasibility of the development.
5. For purposes of this Part I-H, cash reserves are excluded from total development costs.

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. A market study, performed by an independent third party selected from **Exhibit 4** and prepared in accordance with the requirements of **Exhibit 1** (the "Market Study"), must be submitted with the application for all proposed developments. The Market Study, in a form and with content acceptable to THDA in its sole discretion, must support the need and demand for the proposed development.
2. The Market Study must be less than six months old at the time of submission in order to be acceptable.
3. Based on the information and analysis presented in the Market Study, and based on other information available to THDA, THDA may determine, in its sole discretion, that market demand is not sufficient to support the proposed development.

K. Appraisal Required

The application must include an appraisal (**Exhibit 7**) 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. The appraisal must include an assessment of the value of any noncompetitive Low-Income Housing Tax Credit. If the application is proposing acquisition of an existing structure, an "as is" appraisal must also be included regardless of whether noncompetitive Low-Income Housing Tax Credit for acquisition is sought.

L. Physical Needs Assessment Required

For applications proposing rehabilitation, the application must include a Physical Needs Assessment (**Exhibit 8**) conducted by an independent third party. The Physical Needs Assessment must be in a form and with content acceptable to THDA in its sole discretion, and must include a complete and detailed work plan showing all necessary and contemplated improvements **to be completed prior to the rehabilitation placed in service date**, the projected cost, and confirmation that the work plan addresses all applicable requirements of Part I-F-2 of this Program Description. Physical Needs Assessments must be less than six months old at the time of submission in order to be acceptable. The Physical Needs Assessment must be based on a physical inspection of the building(s) occurring no more than 6 months prior to the effective date of the Physical Needs Assessment.

M. Minimum Score Required

The application must receive at least 78 points under Part VII.

N. Land Use Restrictive Covenant Required

THDA will provide a Land Use Restrictive Covenant with a term of fifteen (15) years for developments using Multifamily Tax-Exempt Bond Authority **without** noncompetitive Low-Income Housing Tax Credit. THDA will provide a Land Use Restrictive Covenant for developments using Multifamily Tax-Exempt Bond Authority and noncompetitive Low-Income Housing Tax Credit based on the terms of and elections under the 2015 Qualified Allocation Plan. The Land Use Restrictive

Covenant must be executed, recorded in the county where the development is located, and **the original** returned to THDA no later than the date specified in the Commitment Letter.

O. Building Codes Compliance Required

The development must meet all applicable local building codes or in the absence of such codes, the development must meet the following, as applicable: new construction of multi-family apartments of 3 or more units must meet the 2009 International Building Code; new construction or reconstruction of single-family units or duplexes must meet the 2009 International Residential Code for One- and Two-Family Dwellings; and rehabilitation of rental units must meet the 2009 International Existing Building Code and the 2009 International Property Maintenance Code. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.

P. 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 2016 Multifamily Tax-Exempt Bond Authority equal to the amount of 2015 Multifamily Tax-Exempt Bond Authority, if any, that remains uncommitted as of December 31, 2015 will be available, subject to this program description and subject to an allocation of 2016 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

- A. The applicant must submit an original application and 2 copies on CD-ROM 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, Andrew Jackson Building, 502 Deaderick St., 3rd Floor, Nashville, Tennessee, 37243. 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.

- B. Each electronic copy must be on a separate CD-ROM in .pdf format and be labeled organized as follows:
1. Folder 1: Application and Attachments;
 2. Folder 2: Opinion of Bond Counsel;
 3. Folder 3: Inducement Resolution;
 4. Folder 4: Public Notice;
 5. Folder 5: Purchase Agreement;
 6. Folder 6: Market Study (**Exhibit 1**);
 7. Folder 7: Appraisal (**Exhibit 7**); and
 8. Folder 8: Physical Needs Assessment (**Exhibit 8**).

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 2016 (the "2016 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 2016. New applications must be submitted for allocations of 2016 Multifamily Tax-Exempt Bond Authority following the 2016 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 2016, except for applications submitted within the application submission period described herein and for which Commitment Letters are issued under Part IX-C and Part IX-D. Any application received on the 2016 Effective Date will be handled and evaluated under the 2016 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 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 complete and 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.
3. A single application may be submitted for up to four developments provided that **each** of the following conditions applies to **each** development:
 - a. located in a rural county as defined in **Exhibit 3**;
 - b. no more than 48 total units; and
 - c. if developments are not all located within the same county, all counties in which the developments are located must be contiguous and within the same Grand Division.

An application submitted under this Part V-D-3 will be treated as an application for a single development for purposes of applying the limits in Part I-F of this Program Description.

4. In cases involving a single issuing entity conducting a single bond issuance to provide financing for multiple developments, the following requirements, at minimum, will apply *in addition to* all other applicable requirements as described herein:
 - a. A separate and full application must be submitted for each development; and
 - b. An application fee as described in Part X-A must be submitted with the application for each development; and

- c. If one or more of the developments is outside the jurisdiction of the issuing entity, the application must include documentation satisfactory to THDA certifying that that the issuing entity is permitted to, and the jurisdiction in which the development is located consents to, the issuance of the bonds.

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 78 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-F. 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 April 1, 2015. 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 April 1, 2015, 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. Applications for developments that have received an allocation of Multifamily Tax-Exempt Bond Authority in 2005 or later will not be considered for an allocation of 2015 Multifamily Tax-Exempt Bond Authority prior to October 1, 2015. *The provisions of Part IX-C-3 will not apply.*
- F. Multiple Applications Received on the Same Day**
 1. If, on or before April 1, 2015, 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 descending order by score and priority will be given to the eligible application(s) with the highest score. If two or more eligible applications have the same score, the eligible applications with the same score will be ranked in ascending order by Multifamily Tax-Exempt Bond Authority requested per low-income unit and priority will be given to the eligible application(s) with the lowest Multifamily Tax-Exempt Bond Authority requested per low-income unit.

2. If, after April 1, 2015, 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 descending order by score and priority will be given to the eligible application(s) with the highest score. If two or more eligible applications have the same score, the eligible applications with the same score will be ranked in ascending order by Multifamily Tax-Exempt Bond Authority requested per low-income unit and priority will be given to the eligible application(s) with the lowest Multifamily Tax-Exempt Bond Authority requested per low-income unit.

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 with the greatest rental housing need (**Exhibit 6**): *Maximum 46 points*
2. Developments located wholly and completely in a Qualified Census Tract or a Difficult to Develop Area as designated by HUD (**Exhibit 2**): *4 points*

B. Development Characteristics: Maximum 35 points

1. Developments not involving rehabilitation designed and built to promote energy conservation by meeting the standards of the 2009 International Building Code. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D: *10 points*
2. Developments not involving rehabilitation 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 following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D: *10 points*
3. Developments not involving rehabilitation designed and built with a minimum of 65% 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 following the issuance of the Commitment Letter. Confirmation from the supervising architect 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 major rehabilitation, as described in Part I-F-2-(a) of this Program Description: *35 points*
 - b. Developments involving moderate rehabilitation, as described in Part I-F-2-(b) of this Program Description: *30 points*

- c. Developments involving limited rehabilitation, as described in Part I-F-2-(c) of this Program Description: *25 points*
5. 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

The Application must propose a development that serves households with special housing needs. Special needs housing is housing that has been constructed or rehabilitated with special features (e.g. location, design, layout, on-site services) to help people live at the highest level of independence in the community. For example, the unit may be adapted to accommodate special physical or medical needs; or provide on-site services such as staff support for the elderly, individuals with mental health issues, developmental, or other social needs. **In order to qualify for points, the proposed development must include on-site services for the targeted tenant population. The Application must include a comprehensive service plan that identifies each service to be provided; the anticipated source of funding for each service; the physical space that will be used to provide each service; and the anticipated supportive service provider for each service and their experience in providing service to the targeted population. Verification of tentative agreements with providers of on-site services throughout the first two (2) years following the required placed in service date must be included with the Application. Final agreements with providers of on-site services throughout the first two (2) years following the required placed in service date must be submitted prior to any partial refund of the Commitment Fee pursuant to Part X-D. Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.**

1. Residency Preference for Households with Children: Certification from the design architect will be required following the issuance of the Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D: 20 points

A minimum of 20% of the units in the development, rounded up to the nearest whole unit, must have 2 or more bedrooms.

The development must include a playground with permanent playground equipment and at least 1 of the following on-site amenities:

- a. Appropriately sized, dedicated space with appropriate furniture and fixtures for and agreements with providers of after-school tutoring or homework help programs; or
- b. Appropriately sized computer room containing at least 1 computer with free internet access for each 50 total units; or
- c. Ball court separate from all parking areas.

OR

2. Residency Preference for Households with Special Housing Needs: Certification from the design architect will be required following the issuance of the

Commitment Letter. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D: 20 points
The development must include an appropriately sized, dedicated space with appropriate furniture and fixtures for, and agreements with, providers of services relevant to special housing needs residents and at least 1 of the following on-site amenities:

- a. Appropriately sized computer room containing at least 1 computer with free internet access for each 50 total units; or
- b. Exercise facility for appropriate group activity for special housing needs residents (space must be at least 900 square feet, if indoor); or
- c. Gazebo with outdoor shaded sitting area with ornamental flowers and shrubs.

AND

- 3. Election to set aside up to twenty percent (20%) of the units (which number shall be rounded up to the next whole unit) for households with incomes no higher than fifty percent (50%) of the area median income with rents maintained at or below the 50% of area median income maximums. Units occupied by households with Section 8 Housing Choice Vouchers count toward this requirement: *maximum 30 points*

<u>Percent of units</u>	<u>Points</u>
At least 5%	<i>5 points</i>
At least 10%	<i>10 points</i>
At least 15%	<i>20 points</i>
At least 20%	<i>30 points</i>

NOTE: Election of points under this Part VII-C-3 shall constitute a corresponding election of points under Part VII-B-4 of the 2015 Low-Income Housing Tax Credit Qualified Allocation Plan with regard to an application for noncompetitive Low-Income Housing Tax Credit.

D. Increasing Housing Stock: 5 points

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

E. Affirmatively Furthering Fair Housing: 2 points

The development must have and be operated in accordance with marketing plans, lease-up plans, and operating policies and procedures which are fully compliant with the THDA Affirmative Marketing Policy and Procedures.

F. Energy Efficiency 25 points

Energy Efficiency

Developments utilizing the energy efficiency items below will be awarded points as indicated. Confirmation from the supervising architect will be required prior to any partial refund of the Commitment Fee pursuant to Part X-D.

- (i) Electrical - Lighting: 5 points
 - (a) All light fixtures in units and common areas to be initially fitted with Energy Star rated light bulbs, compact fluorescent or LED; and
 - (b) If ceiling fans are provided, the fan must be an Energy Star rated ceiling fan with light fixture (the light fixture is not required to be Energy Star rated) and must connect to wall switches.
- (ii) Water Conservation – Plumbing: 5 points
 - (a) Use of at least of one (1) high efficiency or dual flush toilet per unit; and
 - (b) All faucets, shower heads, and toilets must be EPA “Watersense” rated.
- (iii) HVAC Upgrades: 5 points
 - (a) HVAC systems, including the air handler and line sets, must be rated at 14 SEER and properly sized for the units; and
 - (b) Energy Star rated unit temperature control thermostats in each unit.
- (iv) Energy Efficient Appliances: 5 points
 - (a) Energy Star rated Frost free Refrigerator/Freezer in all units; and
 - (b) Energy Star rated Dishwashers in all units; and
 - (c) All other appliances provided in the unit, including in unit washers, must be Energy Star rated (this requirement does not apply to dryers, ovens, ranges, or microwaves).
- (v) Building Construction: 5 points
 - (a) Use of double glazed, insulated energy efficient windows for all windows in all units; and
 - (b) Attic insulation must meet R-30 minimum value; and
 - (c) Metal-clad wood, fiberglass, or hollow metal construction exterior doors with a minimum R-11 rating in all units.

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 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 Letter. 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 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 1, 2015 and December 31, 2015

1. The 90 day period specified in the Commitment Letter will extend beyond December 31, 2015, however, no carryforward of 2015 Multifamily Tax-Exempt Bond Authority will be permitted for bond closings that occur after December 31, 2015.
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, 2016 and the date upon which THDA receives an allocation of Multifamily Tax-Exempt Bond Authority for 2016. 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 2015 Multifamily Tax-Exempt Bond Authority may be exchanged for 2016 Multifamily Tax-Exempt Bond Authority, subject to THDA's receipt of 2016 Multifamily 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 2015 Multifamily Tax-Exempt Bond Authority for 2016 Multifamily Tax-Exempt Bond Authority will result in the recapture of the 2015 Multifamily Tax-Exempt Bond Authority referenced in the Commitment Letter by THDA and no subsequent eligibility for 2016 Multifamily Tax-Exempt Bond Authority.

D. Commitment Letters Issued Between January 1, 2016 and the 2016 Effective Date

1. No Commitment Letters will be issued for applications submitted between January 1, 2016 and the 2016 Effective Date if no 2015 Multifamily Tax-Exempt Bond Authority was uncommitted as of December 31, 2015.
2. Commitment Letters issued between January 1, 2016 and the 2016 Effective Date will reflect a commitment of 2016 Multifamily Tax-Exempt Bond Authority, subject to the availability of 2016 Multifamily Tax-Exempt Bond Authority by THDA and limited to a maximum collective amount of 2016 Multifamily Tax-

Exempt Bond Authority equal to the amount of 2015 Multifamily Tax-Exempt Bond Authority uncommitted as of December 31, 2015.

3. No Commitment Letters will be issued under this 2015 Multifamily Tax-Exempt Bond Authority Program Description on or after the 2015 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 Letter 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. a. The following documentation, without limitation, must be submitted by the applicable deadlines:
 - (i) documentation from the issuing authority's bond counsel (including, without limitation, a Closing Confirmation Letter) must be submitted **no later than the expiration of the Commitment Letter**;
 - (ii) acceptable proof that all units are constructed and the facility is placed in service must be submitted **no later than two years after the expiration of the Commitment Letter**;
 - (iii) all applicable certifications required in Part VII must be submitted **no later than two years after the expiration of the Commitment Letter**; and
 - (iv) acceptable proof that all forms to be filed by the issuing authority have been completed and filed to THDA's satisfaction must be submitted **no later than two years after the expiration of the Commitment Letter**.
- b. Following satisfaction of all applicable requirements of Part X-D-1-a above, one half (½) of the Commitment Fee will be refunded.

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 the application is withdrawn, THDA will retain the full amount of the Incentive Fee. If the application is resubmitted in substantially the same form and during the same calendar year, in THDA's sole discretion, the retained Incentive Fee from the withdrawn application may be applied toward the Incentive Fee for the resubmitted application.
4. If 2015 Multifamily Tax-Exempt Bond Authority is exchanged for 2016 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 2016 Multifamily 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 Letter, 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 Letter, and the Commitment Letter 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.

G. Monitoring Fee

1. For Developments that receive Multifamily Tax-Exempt Bond Authority and noncompetitive Low Income Housing Tax Credit, Monitoring Fees shall be as prescribed in the applicable Tax Credit Qualified Allocation Plan.
2. For Developments that receive Multifamily Tax-Exempt Bond Authority, but do not receive Low Income Housing Tax Credit, Monitoring Fees shall be as follows:
 - a. When the development is placed in service, a compliance Monitoring Fee is due to THDA, payable in the form of a certified check (this fee also applies to USDA/RD [formerly FmHA] developments). The Monitoring Fees are \$400 per unit in the Development.

- b. Owners seeking to correct non-compliance will be charged additional fees to cover additional costs which may be incurred by staff to correct the non-compliance issue.
 - (i) Reinspection of a file: \$200
 - (ii) Reinspection of a property:
 - (iii) Standard mileage rate in effect by the State of Tennessee at the time of the reinspection from Nashville to the property and back to Nashville;
 - (iv) applicable state allowed per-diem for one staff person;
 - (v) Lodging expenses as allowed under State of Tennessee travel regulations; and
 - (vi) Any other expenses incurred by THDA relating to the property reinspection.
- c. Fees will be due to THDA prior to issuance of reinspection findings.
- d. **At any time following the fifth year of monitoring for each development, THDA will evaluate the need for an additional Monitoring Fee. THDA may, at its sole discretion, charge a single additional Monitoring Fee not greater than the initial Monitoring Fee stated above. THDA will charge this additional Monitoring Fee only if the costs of monitoring for Tax Credit compliance, in the aggregate, appear likely to exceed the aggregate amount of initial Monitoring Fees collected. A decision by THDA to charge any such additional fee shall not constitute an amendment to this Program Description.**
- e. Owners who fail to submit the required Owner's Annual Certification of Compliance forms and supporting documentation by the date required by THDA will be charged a late fee of \$100 per month, for each month, or portion of a month, until the Certification and supporting documentation is received and considered satisfactory by THDA. This fee will be due upon submission of the forms and/or supporting documentation required. Receipt of Certification without the applicable late fee will be considered incomplete.

Part XI: Final Application

After all units in the development are placed in service, a Final Application (form furnished by THDA) must be submitted prior to any refund of the Commitment Fee pursuant to Part X-D.

Part XII: 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 under the applicable Tax Credit Qualified Allocation Plan in the same calendar year in which the tax-exempt bonds are issued. THDA will conduct an eligibility and scoring review under the applicable Tax Credit Qualified Allocation Plan 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** 2015 or 2016 Tax Credit application and is the subject of an application under the 2015 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 XIII: Controlling Document

In the event of a conflict between this 2015 Tax-Exempt Multifamily Bond Authority Program Description and the Low-Income Housing Tax Credit 2015 Qualified Allocation Plan, the Low-Income Housing Tax Credit 2015 Qualified Allocation Plan shall be the controlling document with regard to applications for non-competitive Tax Credit.

Part XIV: 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.

<p style="text-align: center;">For more information call: Judith Smith at (615) 815-2143 Information is available on THDA's web site at: www.thda.org</p>
--

(I) Introduction

Certification

Qualifications

Assumptions & Limiting Conditions

Identity of Interest Statement

Attachments:

Market Study Executive Summary

Summary of Significant Facts, (include graphs)

Employment & Economy, (include graphs)

Rental Comparable / Competitive Environment, include up to six (6) comparable, a minimum of three (3)

Amenities

MAPS:

Primary Market Area

Neighborhood

Aerial

Color photographs of the proposed site and surrounding neighborhood.

Narratives should be limited to two (2) pages

(II) (a) The market study must also contain current information less six (6) months old at time of submission.

(b) The market study must also include data and information regarding all existing or proposed tax credit developments that received an allocation of tax credits in this calendar year or in any prior calendar year that are located in the neighborhood and in the market area.

NOTE: Comparables as used in property appraisals are not acceptable. The market study must include, without limitation, all of the following:

(c) Name and telephone number of person performing the study and their qualifications to perform this market study.

(d) On site field study by person performing the market study.

(e) Data identifying and describing the market areas, neighborhood and site, including geographic and demographic information.

(f) 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 area.

(g) Projected absorption time (rent up) of the proposed units by the market.

(h) Data identifying and supporting the need for rental housing for "**Special Housing Needs**".

***The elderly (62 yrs. and older), persons with disabilities, and permanent support housing for the homeless,** if such structure was proposed in the Initial Application.

(III) Include an ESRI, Environmental System Research Institute shapefile (.shp) of the subject property.

Include an ESRI, Environmental System Research Institute shapefile (.shp) of the primary market area.

Signature

Print Name, Title & Date

MARKET STUDY EXECUTIVE SUMMARY / Exhibit 1

(i) Market Study Summary

Project Name:					
Location:					
Street Address	City/State	Zip Code	County	Total Units	
PMA Description			SMA Description	LIHTC Units	
Farthest Boundary Distance to Project				# Buildings	
Within QCT (y/n)	Within DDA (y/n)		Neighbor Type:		
Type of Development			Targeted Household Type		
Highest & Best Use					

(ii) Rental Housing Stock

Type	# Properties	Total Units	Vacant Units	Current Occupancy
All Rental Housing				
Market-Rate Housing				
Assisted/Subsidized Housing (excl. LIHTC)*				
LIHTC Housing*				
All Comparable Developments ¹				
Non-Stabilized Comparable Developments				

*Includes properties located outside the subject's defined PMA due to lack of available data within the subject's PMA.

¹Comparable developments are those that compete at nearly the same rent levels and tenant profile, such as age, family, and income.

(iii) Rent Comparison

Proposed Subject Rents in Comparison to Market									
Proposed Subject Development					Adjusted Mkt Rent			Highest Unadjusted Comp Rent	
# Units	# BR	# BA	S.F.	Proposed Rent	Per Unit	Per S.F.	Mkt Adv.	Per Unit	Per S.F.
Gross Proposed Monthly Rent						Avg. Mkt Adv.			

(iv) Demographic Data

Household Segment	2010	2015	2017
Renter Households			
Income-Qualified Renter Households			
Market Rent Households (if applicable)			

(v) Targeted Income-Qualified Renter Household Demand

Type of Demand	50%	60%	Market-Rate	Other ____	Other ____	Overall
Renter Household Growth						
Existing Households						
Home Conversion						
Other - Rent Overburdened and Substandard Units						
Less Comparable/Competitive Supply						
Net Demand						

(vi) Capture Rates

Target Population	50%	60%	Market-Rate	Other ____	Other ____	Overall
Capture Rate						

(vii) Absorption Rate

Absorption Rate	Per Month	Absorption Period	Months

SUMMARY OF SIGNIFICANT FACTS / Exhibit 1

(i) Project Identification

Project Name:					
Location:					
Street Address	City/State	Zip Code	County	Total Units	Non-Revenue Unit
TAX ID NUMBER, (if available)				LIHTC Units	Leasing Unit
Owner of Record				# Buildings	

(ii) Site Summary

Site Acreage	
Shape	
Topography	
Zoning District	
Flood Map / Panel No.	
Adjacent Land Uses	
Surrounding Area	
Year Built	
Construction Type	
Project Amenities	
Unit Amenities	
Utilities	

(iii) Demographics Summary

		2010	2015	2017
Population Growth				
	PMA			
	County			
	State			
Household Growth				
	PMA			
	County			
	State			
Household by Type				
	PMA			
	County			
	State			
Household by Annual Income				
	PMA			
	County			
	State			
Household Tenure Patterns % of Renter-Occupied				
	PMA			
	County			
	State			

(iv) Conclusion

Include:
Demographic Narrative
MAPS of PMA / Neighbor
Aerial MAPS

Amenities / Exhibit 1

Neighborhood Characteristic	Name & Address	Mileage from Site
<u>Full service grocery</u>		
<u>Pharmacy or Drug Store</u>		
<u>Full service restaurant and /or retail center</u>		
<u>Stand-alone shopping stores</u>		
<u>Public transportation access</u>		
<u>Full service bank or credit union</u> (ATMs do not qualify)		
<u>Health Care Facilities including: Doctor's offices,</u>		
<u>Public community centers</u>		
<u>Public Library</u>		
<u>U. S. Post Office</u>		
<u>Convenience store with gas station</u>		
<u>Churches or places of worship</u>		
<u>Police Station or Sheriff Offices</u>		
<u>Fire Stations</u>		
<u>Public Park</u>		
<u>Public School</u>		

**2015 MTBA EXHIBIT 2
QUALIFIED CENSUS TRACTS AND DIFFICULT DEVELOPMENT
AREAS**

This document is available online at the following address:

<http://www.huduser.org/datasets/qct.html>

2015 MTBA EXHIBIT 3 URBAN, SUBURBAN AND RURAL COUNTIES

Urban, Suburban, and Rural Definition using 2010 Census

Urban = 0-40% Rural Population | Suburban = 41-65% Rural Population | Rural = 66-100% Rural Population

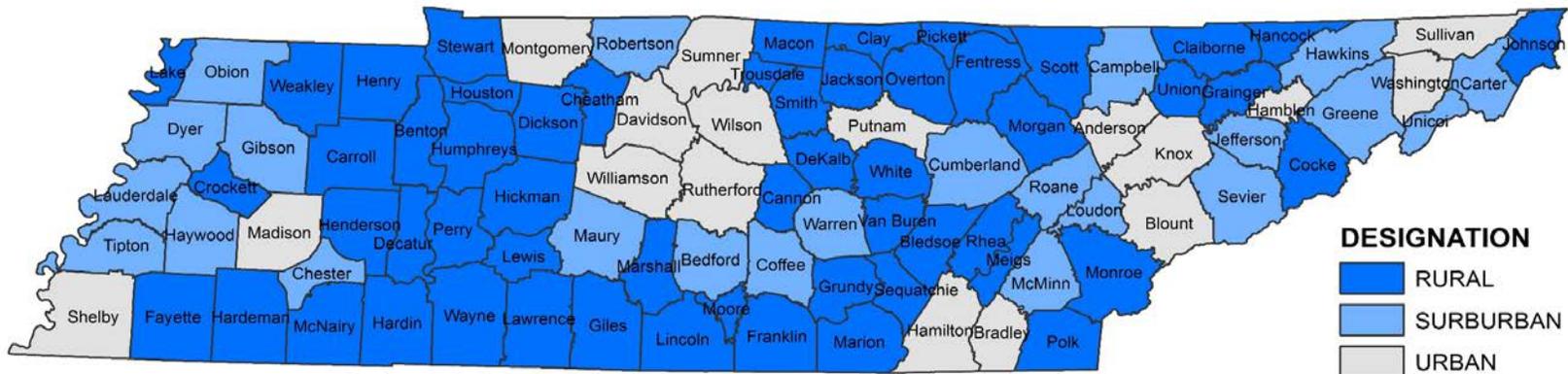
URBAN	
County	% Rural
Anderson	35%
Blount	33%
Bradley	33%
Davidson	3%
Hamblen	22%
Hamilton	10%
Knox	11%
Madison	26%
Montgomery	20%
Putnam	35%
Rutherford	17%
Shelby	3%
Sullivan	26%
Sumner	28%
Washington	26%
Williamson	19%
Wilson	38%

SUBURBAN	
County	% Rural
Bedford	56%
Campbell	55%
Carter	41%
Chester	65%
Coffee	47%
Cumberland	61%
Dyer	43%
Gibson	48%
Greene	65%
Hawkins	58%
Haywood	47%
Jefferson	59%
Lauderdale	59%
Loudon	41%
Mauy	42%
McMinn	60%
Obion	62%
Roane	51%
Robertson	53%
Sevier	57%
Tipton	55%
Unicoi	45%
Warren	61%

RURAL	
County	% Rural
Benton	78%
Bledsoe	100%
Cannon	81%
Carroll	83%
Cheatham	83%
Claiborne	72%
Clay	100%
Cocke	68%
Crockett	67%
Decatur	100%
DeKalb	78%
Dickson	68%
Fayette	79%
Fentress	100%
Franklin	70%
Giles	74%
Grainger	100%
Grundy	100%

RURAL	
County	% Rural
Hancock	100%
Hardeman	80%
Hardin	68%
Henderson	76%
Henry	67%
Hickman	100%
Houston	100%
Humphreys	82%
Jackson	100%
Johnson	85%
Lake	100%
Lawrence	76%
Lewis	70%
Lincoln	72%
Macon	80%
Marion	77%
Marshall	66%
McNairy	85%

RURAL	
County	% Rural
Meigs	100%
Monroe	76%
Moore	100%
Morgan	100%
Overton	84%
Perry	100%
Pickett	100%
Polk	100%
Rhea	68%
Scott	81%
Sequatchie	74%
Smith	83%
Stewart	100%
Trousdale	100%
Union	100%
Van Buren	100%
Wayne	100%
Weakley	67%
White	78%



2014 MTBA EXHIBIT 5 FAIR HOUSING ACT REQUIREMENTS

- See www.fairhousingfirst.org for complete information.
- The following are HUD recognized safe harbors identified at www.fairhousingfirst.org which, if met, indicate compliance with the Fair Housing Act's design and construction requirements:
 1. HUD Fair Housing Accessibility Guidelines published on March 6, 1991 and the Supplemental Notice to Fair Housing Accessibility Guidelines: Questions and Answers about the Guidelines, published on June 28, 1994.
 2. HUD Fair Housing Act Design Manual
 3. ANSI A117.1 (1986), used with the Fair Housing Act, HUD's regulations, and the Guidelines.
 4. CABO/ANSI A117.1 (1992), used with the Fair Housing Act, HUD's regulations, and the Guidelines.
 5. ICC/ANSI A117.1 (1998), used with the Fair Housing Act, HUD's regulations, and the Guidelines.
 6. Code Requirements for Housing Accessibility 2000 (CRHA).
 7. International Building Code 2000 as amended by the 2001 Supplement to the International Codes.
 8. International Building Code 2003, with one condition: effective February 28, 2005 HUD determined that the IBC 2003 is a safe harbor, conditioned upon ICC publishing and distributing a statement to jurisdictions and past and future purchasers of the 2003 IBC stating, "ICC interprets Section 1104.1, and specifically, the exception to Section 1104.1, to be read together with Section 1107.4, and that the Code requires an accessible pedestrian route from site arrival points to accessible building entrances, unless site impracticality applies. Exception 1 to Section 1107.4 is not applicable to site arrival points for any Type B dwelling units because site impracticality is addressed under Section 1107.7."
 9. ICC/ANSI A117.1 (2003), used with the Fair Housing Act, HUD's regulations, and the Guidelines.
 10. 2006 International Building Code (loose leaf).

One of these eight must be referenced in the required certificates.

- Refer to www.fairhousingfirst.org for detailed information regarding the following seven basic design and construction requirements that must be met to ensure Fair Housing Act compliance:
 1. An accessible building entrance on an accessible route.
 2. Accessible common and public use areas.
 3. Usable doors (usable by a person in a wheelchair).
 4. Accessible route into and through the dwelling unit.
 5. Light switches, electrical outlets, thermostats and other environmental controls in accessible locations.
 6. Reinforced walls in bathrooms for later installation of grab bars.
 7. Usable kitchens and bathrooms.
- These requirements are stated in the Fair Housing Act, as amended, 42 U.S.C. 3604 (f)(3)(C). To describe these requirements in more detail, HUD published Fair Housing Accessibility Guidelines (the "Guidelines") on March 6, 1991, and supplemented those Guidelines with a **Supplemental Notice: Questions and Answers About the Guidelines** published on June 28, 1994. The Guidelines are one of eight safe harbors for compliance that HUD has identified.

2015 MTBA EXHIBIT 6
COUNTY RENTAL HOUSING NEEDS SCORES
NEW CONSTRUCTION

County	Score	Rank	Viable	Tier
Davidson	46	1	Y	I
Rutherford	46	2	Y	I
Shelby	46	3	Y	I
Knox	46	4	Y	I
Montgomery	46	5	Y	I
Wilson	46	6	Y	I
Hamilton	46	7	Y	I
Fayette	46	8	Y	I
Sumner	46	9	Y	I
Williamson	46	10	Y	I
Blount	42	11	Y	II
Sevier	42	12	Y	II
Washington	42	13	Y	II
Tipton	42	14	Y	II
Monroe	42	15	Y	II
Sequatchie	42	16	Y	II
Coffee	42	17	Y	II
Madison	42	20	Y	II
Greene	42	21	Y	II
Scott	42	23	Y	II
Decatur	42	24	Y	II
Wayne	42	26	Y	II
Campbell	42	27	Y	II
Carter	42	29	Y	II
White	42	30	Y	II
Sullivan	42	32	Y	II
Warren	42	33	Y	II
Lake	42	34	Y	II
Bedford	42	35	Y	II
Henderson	42	37	Y	II
Clay	37	38	Y	III
McMinn	37	40	Y	III
Cannon	37	42	Y	III
Benton	37	43	Y	III
Loudon	37	44	Y	III
Dyer	37	45	Y	III
DeKalb	37	47	Y	III
Cocke	37	48	Y	III
Hawkins	37	49	Y	III
Overton	37	50	Y	III
Morgan	37	51	Y	III
Cheatham	37	52	Y	III
Jefferson	37	53	Y	III
Chester	37	57	Y	III
Jackson	37	58	Y	III
Lewis	29	59	Y	IV
Anderson	29	60	Y	IV

County	Score	Rank	Viable	Tier
Meigs	29	61	Y	IV
Robertson	29	62	Y	IV
Crockett	29	63	Y	IV
Haywood	29	67	Y	IV
Giles	29	68	Y	IV
Hancock	29	69	Y	IV
Unicoi	29	70	Y	IV
Weakley	29	72	Y	IV
Bradley	29	74	Y	IV
Dickson	29	75	Y	IV
Rhea	29	76	Y	IV
Cumberland	29	77	Y	IV
Hardin	29	78	Y	IV
Marshall	20	79	Y	V
Putnam	20	83	Y	V
Lincoln	20	84	Y	V
Marion	20	85	Y	V
Henry	20	86	Y	V
Lauderdale	20	87	Y	V
Hamblen	20	88	Y	V
Grundy	20	89	Y	V
Claiborne	20	90	Y	V
Hardeman	20	91	Y	V
Carroll	20	93	Y	V
Moore	9	18	N	VI
Smith	9	19	N	VI
Hickman	9	22	N	VI
Johnson	9	25	N	VI
Van Buren	9	28	N	VI
Mauzy	9	31	N	VI
Franklin	9	36	N	VI
Grainger	9	39	N	VI
Fentress	9	41	N	VI
Trousdale	9	46	N	VI
Houston	9	54	N	VI
Polk	9	55	N	VI
Stewart	9	56	N	VI
Union	9	64	N	VI
Roane	9	65	N	VI
Pickett	9	66	N	VI
McNairy	9	71	N	VI
Humphreys	9	73	N	VI
Bledsoe	9	80	N	VI
Lawrence	9	81	N	VI
Gibson	9	82	N	VI
Perry	9	92	N	VI
Obion	9	94	N	VI
Macon	9	95	N	VI

2015 MTBA EXHIBIT 6
COUNTY RENTAL HOUSING NEEDS SCORES
PRESERVATION OR REHABILITATION

County	Score	Rank	TIER
Shelby	46	1	I
Davidson	46	2	I
Rutherford	46	3	I
Knox	46	4	I
Bradley	46	5	I
Sumner	46	6	I
Hamilton	46	7	I
Wilson	46	8	I
Wayne	42	9	II
Claiborne	42	10	II
Hancock	42	11	II
Jackson	42	12	II
Moore	42	13	II
Polk	42	14	II
Johnson	42	15	II
Clay	42	16	II
Cannon	42	17	II
Pickett	42	18	II
Stewart	42	19	II
Houston	42	20	II
Trousdale	42	21	II
Meigs	42	22	II
Robertson	42	23	II
Fentress	42	24	II
Lake	42	25	II
Scott	42	26	II
Roane	42	27	II
Maury	42	28	II
Williamson	42	29	II
Cocke	42	30	II
Hickman	37	31	III
Dickson	37	32	III
Lauderdale	37	33	III
Haywood	37	34	III
Gibson	37	35	III
Overton	37	36	III
Tipton	37	37	III
Greene	37	38	III
Washington	37	39	III
Monroe	37	40	III
Union	37	41	III
Hawkins	37	42	III
Sevier	37	43	III
Madison	37	44	III
Montgomery	37	45	III
Lawrence	29	46	IV
Smith	29	47	IV

County	Score	Rank	TIER
Hardin	29	48	IV
Marion	29	49	IV
Blount	29	50	IV
Crockett	29	51	IV
Morgan	29	52	IV
Grundy	29	53	IV
Benton	29	54	IV
Cumberland	29	55	IV
Dyer	29	56	IV
Grainger	29	57	IV
Franklin	29	58	IV
Fayette	29	59	IV
Coffee	29	60	IV
Anderson	20	61	V
Warren	20	62	V
Putnam	20	63	V
Lincoln	20	64	V
Carter	20	65	V
Jefferson	20	66	V
Henderson	20	67	V
Loudon	20	68	V
Weakley	20	69	V
Hamblen	20	70	V
Hardeman	20	71	V
DeKalb	20	72	V
Bedford	20	73	V
Macon	20	74	V
Henry	20	75	V
Giles	9	76	VI
Cheatham	9	77	VI
Campbell	9	78	VI
Unicoi	9	79	VI
Decatur	9	80	VI
White	9	81	VI
McNairy	9	82	VI
Sequatchie	9	83	VI
Humphreys	9	84	VI
Bledsoe	9	85	VI
Chester	9	86	VI
Van Buren	9	87	VI
McMinn	9	88	VI
Rhea	9	89	VI
Marshall	9	90	VI
Sullivan	9	91	VI
Lewis	9	92	VI
Carroll	9	93	VI
Obion	9	94	VI
Perry	9	95	VI

Exhibit 7
2015 Land Appraisal Guidelines

(I) Introduction

Report to include the following:

**Industry Standard Land Appraisal Report - FannieMae Form 1004B &/or FreddieMac Form
Supplemental Addendums
Statement of Assumptions & Limiting Conditions
Location Map
Plat
Aerial Map
Subject Photos
Comparable Photos
TN License
Qualifications
Statement of Indentity of interest**

(II) (a) The appraisal must also contain current information less six (6) months old at time of submission.

(b) Name and telephone number of person performing the study & their qualifications to perform this report.

(d) On site field study by person performing the appraisal completed within six (6) months of the initial application.

Signature

Printed Name, Title & Date

(I) **Introduction**

Certification

Qualifications

Assumptions & Limiting Conditions

TN License

Identity of Interest Statement

Attachments:

Executive Summary:

In addition to the Executive Summary form include the following information on letterhead;

"AS IS" current market value

"AS IS" current restricted value - do not include any undue stimulus in this value such as: interest credit subsidy, deferred costs, furniture and /or any other intangible items.

"AS IS" current market value at placed in service

"AS IS" restricted value as is placed in service - do not include any undue stimulus in this value such as: interest credit subsidy, deferred costs, furniture and /or any other intangible items.

Reconciliation of estimated values - current market and restricted values

Reconciliation of estimated values - market and restricted values at placed in service

Summary of Significant Facts, (include graphs)

Cost Approach

Sales Comparison Approach

Income Capitalization Approach

Rental Comparable / Competitive Environment, include up to six (6) months comparables

Scope of Work, (Hard Costs)

Employment & Economy, (include graphs)

Amenities

MAPS:

Primary Market Area

Neighborhood

Aerial

Color photographs of the proposed site and /or existing structure and surrounding neighborhood.

Color photographs of Rent Comparables and Sales Comparables.

Narratives should be limited to two (2) pages for each attachment.

(II) (a) The appraisal must also contain current information less six (6) months old at time of submission.

(b) The appraisal must also include data and information regarding all existing or proposed tax credit developments that received an allocation of tax credits in this calendar year or in any prior calendar year that are located in the neighborhood and in the market area.

(c) Name and telephone number of person performing the study & their qualifications to perform this market study.

(d) On site field study by person performing the appraisal must be within six (6) months of the date of the initial application.

(e) Data identifying and describing the market areas, neighborhood and site, including geographic and demographic information.

(f) 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 area.

(g) Projected absorption time (rent up) of the proposed units by the market.

(h) Data identifying and supporting the need for rental housing for "Special Housing Needs".

The elderly (62 yrs. and older), persons with disabilities, and permanent support housing for the homeless, if such structure was proposed in the Initial Application.

Signature

Print Name, Title & Date

EXECUTIVE SUMMARY / Exhibit 7

(i) Executive Summary

Project Name:					
Location:					
Street Address	City/State	Zip Code	County	Total Units	Non-Revenue Unit
PMA Description			SMA Description	LIHTC Units	Leasing Unit
Farthest Boundary Distance to Project				# Buildings	
Within QCT (y/n)		Within DDA (y/n)			
Type of Development			Targeted Household Type		
Highest & Best Use					

(ii) Rental Housing Stock

Type	# Properties	Total Units	Vacant Units	Current Occupancy
All Rental Housing				
Market-Rate Housing				
Assisted/Subsidized Housing (excl. LIHTC)*				
LIHTC Housing*				
All Comparable Developments ¹				
Non-Stabilized Comparable Developments				

*Includes properties located outside the subject's defined PMA due to lack of available data within the subject's PMA.

¹Comparable developments are those that compete at nearly the same rent levels & tenant profile, such as age, family & income.

(iii) Rent Comparison

Proposed Subject Rents in Comparison to Market								Highest Unadjusted Comp Rent	
Proposed Subject Development				Adjusted Mkt Rent			Highest Unadjusted Comp Rent		
# Units	# BR	# BA	S.F.	Proposed Rent	Per Unit	Per S.F.	Mkt Adv.	Per Unit	Per S.F.
Gross Proposed Monthly Rent						Avg. Mkt Adv.			

(iv) Demographic Data

Household Segment	2010	2015	2017
Renter Households			
Income-Qualified Renter Households			
Market Rent Households (if applicable)			

(v) Targeted Income-Qualified Renter Household Demand

Type of Demand	50%	60%	Market-Rate	Other ___	Other ___	Overall
Renter Household Growth						
Existing Households						
Home Conversion						
Other - Rent Overburdened and Substandard Units						
Less Comparable/Competitive Supply						
Net Demand						

(vi) Capture Rates

Target Population	50%	60%	Market-Rate	Other ___	Other ___	Overall
Capture Rate						

(vii) Absorption Rate

Absorption Rate	Per Month	Absorption Period	Months
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SUMMARY OF SIGNIFICANT FACTS / Exhibit 7

(i) Project Identification

Project Name:					
Location:					
Street Address	City/State	Zip Code	County	Total Units	Managers Unit
TAX ID NUMBER, (if available)				LIHTC Units	Leasing Unit
Owner of Record				# Buildings	

(ii) Site Summary

Site Acreage				
Shape				
Topography				
Zoning District				
Flood Map / Panel No.				
Adjacent Land Uses				
Surrounding Area				
Year Built				
Construction Type				
Project Amenities				
Unit Amenities				
Utilities				

(iii) Demographics Summary

		2010	2015	2017
Population Growth				
	PMA			
	County			
	State			
Household Growth				
	PMA			
	County			
	State			
Household by Type				
	PMA			
	County			
	State			
Household by Annual Income				
	PMA			
	County			
	State			
Household Tenure Patterns % of Renter-Occupied				
	PMA			
	County			
	State			

(iv) Conclusion

Include:
Narrative
Graphs

COST APPROACH / Exhibit 7

(i) General Data					
Project Name:					
Location:					
Street Address	City/State	Zip Code	County	Total Units	# of Bldgs.
				LIHTC Units	Non-Revenue Unit
(ii) Cost Data					
Cost Source	Section/Page	Bldg. Type	Bldg. Class	Base S.F Cost	
(iii) Square Foot Refinements					
Item	Unit Cost	Unit Type	S.F. Cost		
S.F. Refinements:					
(iv) Multipliers & Refinements					
Item	Description	Multiplier			
Combined Multipliers:					
Adj. for Refinements:					
(v) Bldg. Improvements					
Item	Adj. Base Costs	Unit Type	Quantity	Total	
Total Bldg. Improvement Cost:					
(vi) Site Improvements					
Item	Unit Cost	Unit Type	Quantity	Total	
Total Site Improvement Costs:					
Subtotal / Bldg. & Site Costs:					
(vii) Indirect Cost & Profit					
Item	% Cost	% Type			Total
Total Soft Costs:					
Total Replacement Costs New:					
(viii) Depreciation					
Component	Effective Age	Life	%	Amount	
Total Depreciation:					
Depreciation Value of Improvement:					
(ix) Comments					
Cost Approach Value Indication:					
Round:					
Value per S.F.					

SALES COMPARISON APPROACH / Exhibit 7

(i) General Data					
Project Name:			Market Rate:		
Location:					
Street Address	City/State	Zip Code	County	Total Units	Non-Revenue Unit
Management Company:		Contact:		LIHTC Units	Leasing Unit
Lease Terms:			# Buildings		
Date Polled:		Occupancy:			
Year Built:	Exterior:	Design:	Condition:		
Absorption:	Utilities:	Parking:			
Age Restricted:			Other:		
(ii) Sales Adjustment Grid "As Is" Value					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Sales Price					
Bldg. Size - # of units					
Unit Price - per unit					
(iii) Elements of Comparison					
Rights Conveyed					
Comparison					
\$ Adjustment					
Financing					
Comparison					
\$ Adjustment					
Terms of Sale					
Comparison					
\$ Adjustment					
Market Conditions					
Comparison in Years					
Adjustment Factor					
\$ Adjustment - sales prior to 2015					
(iii) Property Characteristics					
Location & Accessibility					
Comparison					
% Adjustment					
\$ Adjustment					
Effective Age in Years					
Comparison					
% Comparison					
\$ Adjustment					
Avg. Size of Unit Mix					
Comparison					
% Comparison					
\$ Adjustment					
Amenities & Quality					
Comparison					
% Comparison					
\$ Adjustment					
Net % Adjustment					
Net \$ Adjustment					
Net \$ Adjustment					
Adjusted Unit Price					
Market Range Per Unit					
Maximum:					
Minimum:					
Mean:					
Median					
Indicated Market Value "AS IS"					
# Units:					
\$ Per Unit:					
Rounded:					

INCOME CAPITALIZATION APPROACH / Exhibit 7

(i) General Data

Project Name:				Date:	
Location:					
Street Address	City/State	Zip Code	County	Total Units	Non-Revenue Unit
Other:				LIHTC Units	Leasing Unit
				# Buildings	

(ii) Operating Statement Based on Market Rents & Assuming Completed / Developed / Renovated

Potential Gross Income				
Units @ rent per month annually:		\$0		
Units @ rent per month annually:		<u>\$0</u>		
Total Potential Gross Rental Income:			\$0	
Other Income:			\$0	
Effective Gross Rental Income:			<u>\$0</u>	
Less Vacancy & Credit Loss:				
Effective Gross Income:			<u>\$0</u>	
Less Operating Expenses:	<u>Per Unit</u>	<u>Amount</u>		
Advertising	\$0	\$0		
Office & Administrative	\$0	\$0		
Utilities	\$0	\$0		
Salaries & Compensation	\$0	\$0		
Repairs & Maintenance	\$0	\$0		
Management %	\$0	\$0		
Insurance	\$0	\$0		
Real Estate Taxes	<u>\$0</u>	<u>\$0</u>		
Total Operating Expenses:	\$0	\$0		
Less Operating Expenses:			\$0	
Less Reserve Replacements:			\$0	
Net Operating Income:			<u>\$0</u>	
Capitalized @ % ____	%		-	
Indicated Value:			<u>#VALUE!</u>	
Rounded Market Value:			<u>\$0</u>	

(iii) Operating Statement Based on "AS IS" Affordable Housing & Assuming Completed / Developed / Renovated

Potential Gross Income				
Units @ rent per month annually:		\$0		
Units @ rent per month annually:		<u>\$0</u>		
Total Potential Gross Rental Income:			\$0	
Other Income:			\$0	
Effective Gross Rental Income:			<u>\$0</u>	
Less Vacancy & Credit Loss:				
Effective Gross Income:			<u>\$0</u>	
Less Operating Expenses:	<u>Per Unit</u>	<u>Amount</u>		
Advertising	\$0	\$0		
Office & Administrative	\$0	\$0		
Utilities	\$0	\$0		
Salaries & Compensation	\$0	\$0		
Repairs & Maintenance	\$0	\$0		
Management %	\$0	\$0		
Insurance	\$0	\$0		
Real Estate Taxes	<u>\$0</u>	<u>\$0</u>		
Total Operating Expenses:	\$0	\$0		
Less Operating Expenses:			\$0	
Less Reserve Replacements:			\$0	
Net Operating Income:			<u>\$0</u>	
Capitalized @ % ____	%		-	
Indicated Value:			<u>#VALUE!</u>	
Rounded Market Value:			<u>\$0</u>	

Amenities / Exhibit 7

Neighborhood Characteristic	Name & Address	Mileage from Site
<u>Full service grocery</u>		
<u>Pharmacy or Drug Store</u>		
<u>Full service restaurant and /or retail center</u>		
<u>Stand-alone shopping stores</u>		
<u>Public transportation access</u>		
<u>Full service bank or credit union</u> (ATMs do not qualify)		
<u>Health Care Facilities including: Doctor's offices,</u>		
<u>Public community centers</u>		
<u>Public Library</u>		
<u>U. S. Post Office</u>		
<u>Convenience store with gas station</u>		
<u>Churches or places of worship</u>		
<u>Police Station or Sheriff Offices</u>		
<u>Fire Stations</u>		
<u>Public Park</u>		
<u>Public School</u>		

(I) Introduction

a. Executive Summary

* General narrative of property

*Description of existing condition;
major capital needs / rehab hard cost
immediate capital needs
total capital needs costs
total capital needs costs per unit
identity of interest statement

b. A physical inspection conducted by an independent third party

* Reports and all acknowledgements must be within six (6) months of the proposed application

c. List of units inspected

* Reports and all acknowledgements must be within six (6) months of the proposed application

Signature

Print Name, Title & Date

d. Repair, Replacement and Scope of Work

* Summary of "hard costs" over two (2) year period, (placed in service)

Preservation and / or Rehabilitation

(i) Developments involving **substantial** preservation or rehabilitation must be:

* rehabilitated so that, upon completion of all rehabilitation as described in this document all major components and systems will not require further substantial rehabilitation for a period of at least fifteen (15) years from the required placed in service date.

* major building components are described as:

roof structures, wall structures, floor structures, foundations, plumbing systems, central heating and air conditioning systems, electrical systems, doors and windows, parking lots, elevators, and fire/safety systems.

* rehabilitation hard costs must be no less than the greater of thirty percent (30%) of building acquisition costs or eleven thousand dollars, (\$11,000) per unit.

(ii) Developments involving **moderate** preservation or rehabilitation must be:

* rehabilitated so that, upon completion rehabilitation hard cost must be no less that the greater of twenty-five percent (25%) of buliding acquisition cost or seven thousand dollars (\$7,000) per unit.

* the rehabilitation scope of work must include, at a minimum, all appliances in all units being energy-star compliant (this requirement does not apply to dryers, ovens, ranges or microwaves).

* and all work specified in this document with regard to drywall, carpet, tile, interior & exterior paint, the electrical system, heating and conditioning systems, roofs, windows, interior and exterior doors, stairwells, handrails, and mailboxes.

(iii) Developments involving **limited** preservation or rehabilitation must be:

* rehabilitated so that, upon completion of all rehabilitation hard cost must be no less that the greater of twnty-percent (20%) of building acquisitioncost or six thousand dollars (\$6,000) per unit.

* scope of work must include, at a minimum, all work specified in this document with regard to interior and exterior common areas:

exterior painting and/or power washing, gutters, parking areas, sidewalks, fencing, landscaping, and mailboxes.

Signature

Print Name, Title & Date

(i) STRUCTURAL ELEMENTS / Exhibit 8

1. Substructures:	Observe foundations Yes <input type="checkbox"/> No <input type="checkbox"/>
2. Exterior Walls:	Condition of the exterior walls Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
3. Windows:	Windows to be replaced Yes <input type="checkbox"/> No <input type="checkbox"/>
4. Exterior Doors:	Doors to be replaced Yes <input type="checkbox"/> No <input type="checkbox"/>
5. Soffits and Trims:	Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
6. Roofing:	Condition of the roof(s) Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> How many buildings will receive new roofs:
7. Elevator(s):	Condition of the elevator(s) Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> No elevators <input type="checkbox"/>
8. Common Areas:	Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
9. Laundry Facilities:	Condition of the facility Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
10. Office Area:	Condition of the office Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Office and restroom facility handicapped accessible Yes <input type="checkbox"/> No <input type="checkbox"/>
11. Playground and/or Picnic Area:	Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
Please provide further information and reference the number and section (e.g. 1(i), 2(i), etc.)	

(ii) INTERIOR ELEMENTS

1. Interior Finishes (Walls, Ceilings and Soft Surfaces):	Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
2. Interior Doors (including closets):	Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
3. Kitchen Fixtures and Appliances:	
	Energy Star rated frost free refrigerator/replaced in all units Yes <input type="checkbox"/> No <input type="checkbox"/>
	Energy Star rated dishwashers to be installed or replaced in all units Yes <input type="checkbox"/> No <input type="checkbox"/>
	All stoves to be replaced Yes <input type="checkbox"/> No <input type="checkbox"/>
	All range ventilation hoods to be replaced Yes <input type="checkbox"/> No <input type="checkbox"/>
	All cabinets to be replaced Yes <input type="checkbox"/> No <input type="checkbox"/>
	All countertops to be replaced Yes <input type="checkbox"/> No <input type="checkbox"/>
	Flooring to be replaced in all units Yes <input type="checkbox"/> No <input type="checkbox"/>
	Appliances provided (do not include microwaves, ovens, ranges or dryers) in units are Energy Star Yes <input type="checkbox"/> No <input type="checkbox"/>
3. Bathroom Fixtures:	Bath tubs Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
	Sinks and vanities to be replaced Yes <input type="checkbox"/> No <input type="checkbox"/>
	Flooring to be replaced in all units Yes <input type="checkbox"/> No <input type="checkbox"/>
	Exhaust Fans in Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
4. Water Conservation-Plumbing Fixture:	
	Each unit have at least 1 high efficiency or dual flush toilet Yes <input type="checkbox"/> No <input type="checkbox"/>
	Low flow showerheads installed in all units Yes <input type="checkbox"/> No <input type="checkbox"/>
5. Plumbing Systems:	Provide a brief description of water supply, piping, and sewer connections
6. Electrical Systems:	Electrical System adequate Yes <input type="checkbox"/> No <input type="checkbox"/> GFCI outlets in kitchen and bath Yes <input type="checkbox"/> No, but to be installed <input type="checkbox"/>
	Each unit have a hard wired battery back-up smoke detectors Yes <input type="checkbox"/> No <input type="checkbox"/>

Energy Efficiency	
HVAC System(s):	System(s), line sets and air handler(s) rated 14 SEER or higher sized for the unit(s) and/or buildings Yes <input type="checkbox"/> No <input type="checkbox"/>
	Energy Star rated unit temperature control thermostats in all units Yes <input type="checkbox"/> No <input type="checkbox"/>
(ii) INTERIOR ELEMENTS CONT'D.	
Windows & Doors:	Use of double glazed, insulated energy efficient windows for in all units Yes <input type="checkbox"/> No <input type="checkbox"/>
	Metal-clad wood, fiberglass or hollow metal construction exterior doors with a minimum R-11 in all units Yes <input type="checkbox"/> No <input type="checkbox"/>
Electrical-Lighting:	Light fixtures in units & common areas fitted with Energy Star light bulbs, compact florescent or LED Yes <input type="checkbox"/> No <input type="checkbox"/>
Please provide further information and reference the number and section (e.g. 1(ii), 2(ii), etc.)	
(iii) EXTERIOR SITE IMPROVEMENT	
1. Site Lighting:	Exterior lighting sufficient Yes <input type="checkbox"/> No <input type="checkbox"/>
2. Driveways, Parking Lots, & Sidewalks:	Sealing Yes <input type="checkbox"/> No <input type="checkbox"/> Restriping Yes <input type="checkbox"/> No <input type="checkbox"/> Overlay Yes <input type="checkbox"/> No <input type="checkbox"/>
	Sidewalks Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
	Sufficient handicapped accessible parking spaces Yes <input type="checkbox"/> No <input type="checkbox"/>
3. Site Drainage:	Is drainage adequate Yes <input type="checkbox"/> No <input type="checkbox"/> Soil erosion Yes <input type="checkbox"/> No <input type="checkbox"/>
4. Landscaping:	Over all quality and health of vegetation and landscaping Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
5. Signage:	Proper signage identifying the development Yes <input type="checkbox"/> No <input type="checkbox"/> Signage to be replaced Yes <input type="checkbox"/> No <input type="checkbox"/>
6. Fencing:	Condition of Fencing Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Fencing to be installed <input type="checkbox"/> No fencing <input type="checkbox"/>
7. Site & Retaining Walls:	Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> No work necessary <input type="checkbox"/>
8. Refuse Collection Area(s):	Concrete pad(s) in Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Fencing around pad(s) Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>
9. Other Structures:	
Please provide further information and reference the number and section (e.g. 1(iii), 2(iii), etc.)	
(IV) SUMMARY OF SIGNIFICANT FACTS	
Introduction	
Scope of Work	
Immediate Deficiencies	
Near Term Repairs Years 1 and 2	
Long Term Repairs Years 3 thru 15	
Reminder Repair	
Color photos of exterior and interior of property	
Fire & Code Enforcement Verifications	