

2022 Multifamily Workshop for MTBA Participants

Workshop Agenda

- Introduction of the THDA Staff
- Overview of Program Description Changes
- Overview of Qualified Allocation Plan for 4% LIHC
- THOMAS Application Process

Multifamily Programs Division

- Joe Bethel-Multifamily Programs Coordinator
- Felita Hamilton-Multifamily Programs Allocation Manager
- Chris Marlin-Multifamily Programs Construction Analyst
- Terry Montgomery-Multifamily Programs Coordinator
- Rebecca Scott-Multifamily Programs Coordinator
- Ed Yandell-Senior Housing Credit Advisor
- Don Watt-Chief Programs Officer

2022 MTBA Program Description

2022 MTBA Program Description

- Multifamily Tax-Exempt Bond Authority Program Description-the guiding document that governs the Private Activity Bonds used for Multifamily Housing
- Commonly referred to as the MTBA PD
- Adopted: January 25, 2022

2022 MTBA Program Description Key Changes

- No first-come first serve
- Around \$700 M or more should be available in 2022
- Registration will open February 11, 2022
- Round One will open February 18, 2022-March 4, 2022
- Registration will open June 29, 2022
- Round Two will open July 6, 2022-July 20, 2022
- Round Determinations aka Issuance of Firm Commitments will be more streamlined.

2022 MTBA Program Description Key Changes cont.

- Section 2 Definitions
 - Updated to conform with QAP
 - Noncompetitive Housing Credit

- Section 3 Program Eligibility
 - Inducement Resolution must be sufficient

- Section 4 Federal Election
 - Clarification of Section 142 (d)

- Section 5 Program Limits
 - Round One-\$450 M
 - East-\$150 M
 - Middle-\$200 M
 - West-\$100 M

 - Round Two-approx. \$250M.

No Special Request will be considered in 2022

2022 MTBA
Program
Description
Key Changes cont.

- Section 7
 - Applications received through THOMAS
 - Applicants not funded in Round One, must reapply in Round Two
 - Evaluation Response period will have a total of 7 days
 - Uncured deficiencies may result in the application being removed from consideration.
 - Attention to application quality is very important.

Section 8 Scoring

- Minimum score of Section 20 in the QAP must be met 60 points of 100 available
- THDA will then assign a Program Description score
- Development Track Record
 - Individuals involved in the Ownership and Developer entity that received and did not return (aka closed) a prior firm commitment in the past three years will receive up to 10 points
- Other Sources of Funds
 - Sources of funds that would be expressed as a percentage of the total development costs. There is an example in the PD shows 23.456%, so that source would be 2.3456 points. May receive up to 10 points
 - THDA would look for the appropriate source of fund documentation in the Evidence of Financing folder and that amount will correlate with the Proposed Sources and Uses screen in THOMAS.
- Deepest Rehabilitation
 - The specific line item on the Total Development Cost screen for rehabilitation expressed as a percentage of total development costs. There is an example in the PD shows 23.456%, so that would be 2.3456 points. May receive up to 10 points

Section 9 Ranking-Round One

- This will determine which applications will be reviewed for eligibility and scoring.
- This listing will be posted on the MTBA page on the THDA website.
- **Step One**
 - Sort all the applications by Grand Divisions
- **Step Two**
 - Within each Grand Division we will sort (by PD Score in each group) accordingly to determine the review order
 - Group 1
 - Group 2
 - Group 3
 - Group 4
 - Group 5
 - Group 6
 - Group 7

Section 9 Ranking Round One cont.

➤ Step Three

- If there are remaining funds in any grand division, then we intend to utilize those funds to the highest ranking development among our priority grouping that we have laid out in our statewide listing.
 - For example, if one grand division does not utilize all the amount set aside then that money will become available to the statewide listing.
 - After going through all of the various groupings and would ensure making a full commitment.
 - If we get to a point where we cannot make a full commitment then we would carry those funds into Round Two
 - If an applicant is not funded in Round one the applicant would need to re-apply in Round Two.

Section 9 Ranking Round Two

➤ This will determine which applications will be reviewed for eligibility and scoring.

➤ This listing will be posted on the MTBA page on the THDA website.

➤ **Step Two**

➤ **Sort by PD score in each group**

➤ Group A

➤ Group B

➤ Group C

➤ Group D

➤ Group E

➤ Group F

➤ Group G

In this round we will make full commitments until there is insufficient MTBA remaining.

2022 QAP

2022 Qualified Allocation Plan

- Qualified Allocation Plan is the guiding document that governs the Low Income Housing Credits
- Commonly referred to as the QAP
- Adopted: November 16, 2021
- Approved by Governor : December 8, 2021

2022 QAP Key Changes

- Applicants applying for MTBA are simultaneously applying for noncompetitive housing credits program
- Section 20 is the section governing noncompetitive housing credits program
 - Certain sections of the QAP will apply to the noncompetitive housing credits program
 - Section 1-Certain definitions have been updated.
 - Section 5-The 42m will be paid upon issuance of firm commitment and 42m letter
 - Section 12 Mandatory and Threshold
 - Site Control has been clarified
 - Zoning has been clarified

Application Process

THOMAS Application Process

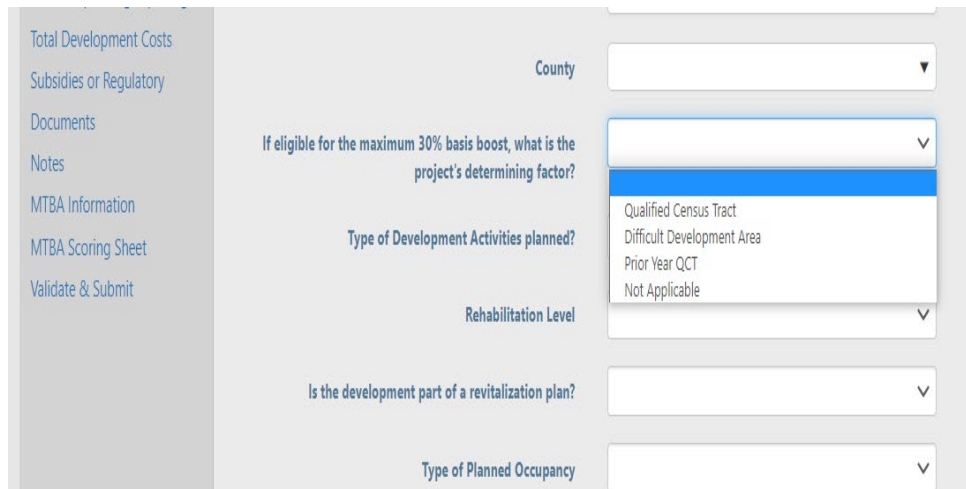
- ✓ Applicants must register to submit an application.
- ✓ No applicants will be able to start an application before February 18, 2022.
- ✓ Applicants will input application data and upload templates into THOMAS.
- ✓ The application window to submit applications will end March 4, 2022.

New THOMAS Additions

- General Information Screen
- QCT-DDA will be checked upon submission
- Narratives and other questions added

QCT-DDA

Example of maximum 30% basis boost on General Information



Total Development Costs
 Subsidies or Regulatory
 Documents
 Notes
 MTBA Information
 MTBA Scoring Sheet
 Validate & Submit

County

If eligible for the maximum 30% basis boost, what is the project's determining factor? Is

Type of Development Activities planned?

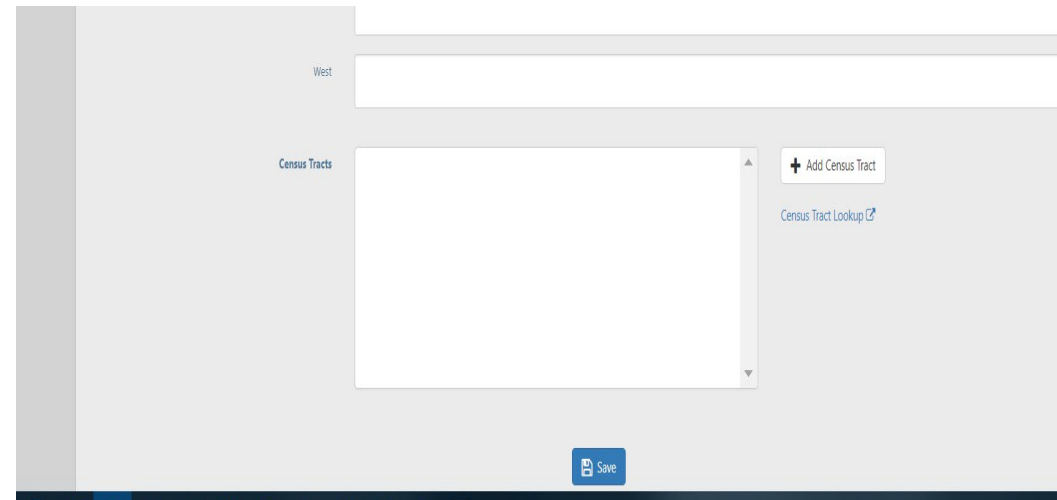
Rehabilitation Level

Is the development part of a revitalization plan?

Type of Planned Occupancy

Qualified Census Tract
 Difficult Development Area
 Prior Year QCT
 Not Applicable

Example of Census Tracts on Site Page



West

Census Tracts

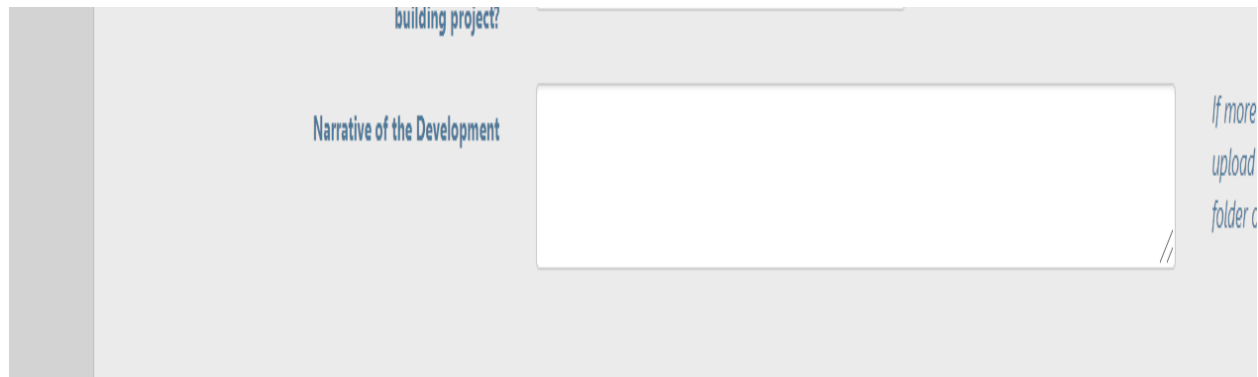
+ Add Census Tract

Census Tract Lookup [↗](#)

Save

Narratives

- Applicants will provide a short description of the proposed development.
- If there is more space needed then the applicant should upload that narrative to the Narrative folder in the Documents folder.
- Any waiver requests should be uploaded as well.



building project?

Narrative of the Development

If more
upload
folder c

Site Information

- Narratives on remediation if a EP2 has been done.
- Narratives on flood plain and land encumbrances
- General public utility questions added.



development that is being proposed (i.e. single family, residential)?

Will the project receive any form of tax abatement?

Describe unusual site conditions i.e. rock removal-slope control-cuts and fills-trucking soil to or from site-high water table-removal of soil/rock or debris-drainage swales/ditches - wet lands - erosion - bearing soil

Probable cost of mitigation of existing site or environmental conditions which are unacceptable \$

Has an environmental phase 2 site evaluation been previously performed on this site? If yes, upload a narrative describing the remediation plan under narrative on the documents page.

Has any portion of the land encumbered by an existing housing credit allocation? If yes, upload a narrative regarding the existing housing credit allocation under narrative on the documents page.

Is any portion of the site located in a flood plain? If yes, upload a narrative flood plain and any other supporting documentation under narrative on the documents page.

Is Electricity Available?

Is Natural Gas Available?

What was the prior use of the land/buildings?

Annual Operating Budget

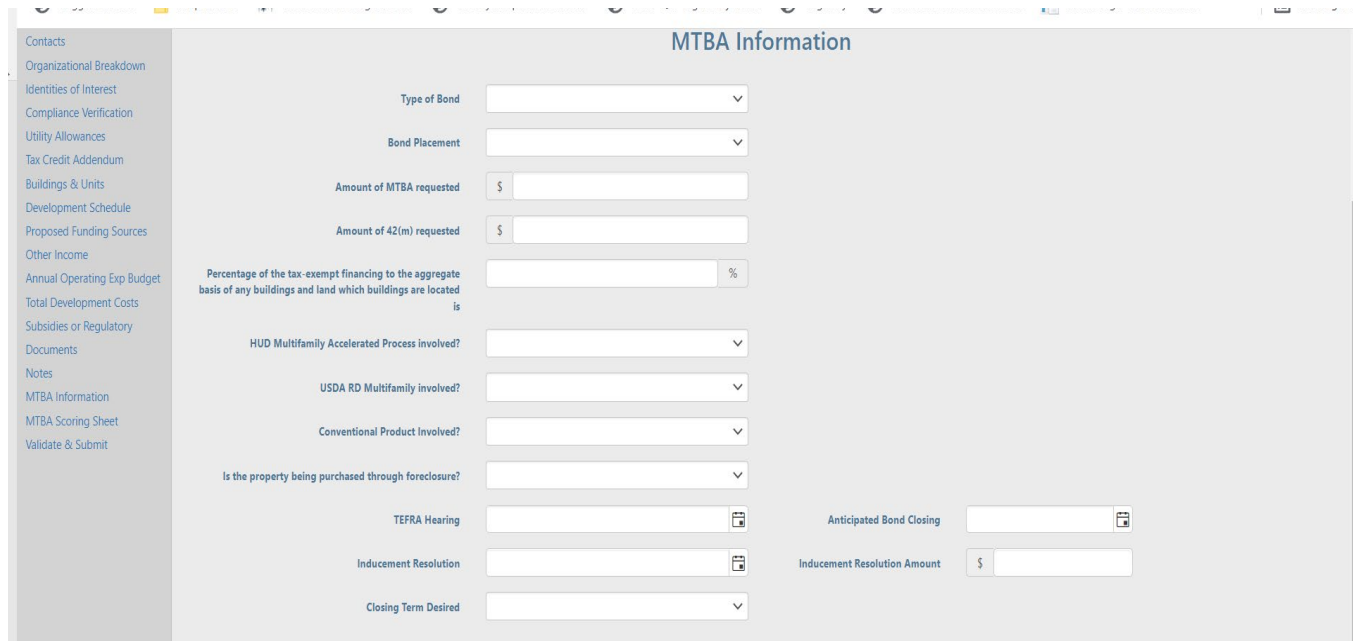
*Clarified that this screen should match Year one of the Pro-Forma



The screenshot displays the 'Tennessee Housing Online Multifamily Application System' interface. The header includes the agency logo and the system name. A navigation menu contains links for Home, Roles, Action Requests, Reports, Email Management, Entity Management, Administration, and Allocation. Below the menu, project details are shown: Project #: 22-201, Project Name: Test, Round: 2022, QAP Year: 2022, and Current Status: Editing. The main content area is titled 'Annual Operating Expense Budget' and includes a note: 'THDA expects that the first year operating expense shown in THOMAS matches the uploaded annual operating expense budget'. At the bottom, there are two input fields: 'Total Administrative Expenses' with a dollar sign and a text box, and 'Total Number of Units Planned' with a text box. A sidebar on the left lists various sections like General Information, Site Information, and Compliance Verification.

MTBA Information

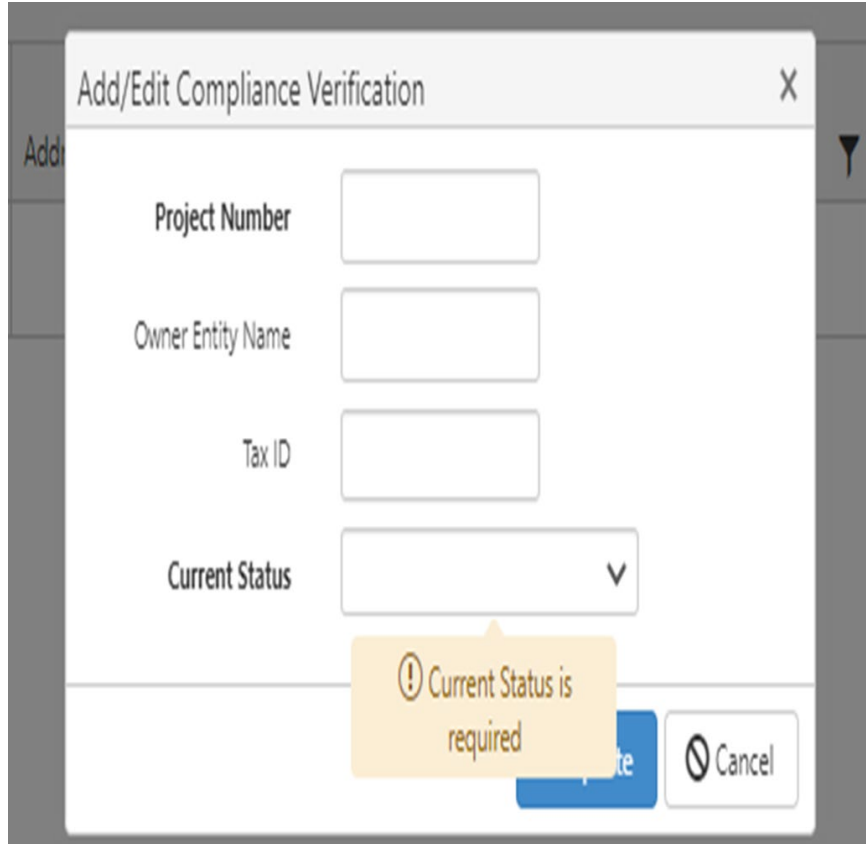
➤ The amount of the inducement must be entered



The screenshot shows a web-based form titled "MTBA Information". On the left is a vertical navigation menu with the following items: Contacts, Organizational Breakdown, Identities of Interest, Compliance Verification, Utility Allowances, Tax Credit Addendum, Buildings & Units, Development Schedule, Proposed Funding Sources, Other Income, Annual Operating Exp Budget, Total Development Costs, Subsidies or Regulatory Documents, Notes, MTBA Information (highlighted), MTBA Scoring Sheet, and Validate & Submit. The main form area contains the following fields:

- Type of Bond: dropdown menu
- Bond Placement: dropdown menu
- Amount of MTBA requested: text input with a dollar sign prefix
- Amount of 42(m) requested: text input with a dollar sign prefix
- Percentage of the tax-exempt financing to the aggregate basis of any buildings and land which buildings are located is: text input with a percent sign suffix
- HUD Multifamily Accelerated Process involved?: dropdown menu
- USDA RD Multifamily involved?: dropdown menu
- Conventional Product Involved?: dropdown menu
- Is the property being purchased through foreclosure?: dropdown menu
- TEFRA Hearing: text input with a calendar icon
- Inducement Resolution: text input with a calendar icon
- Closing Term Desired: dropdown menu
- Anticipated Bond Closing: text input with a calendar icon
- Inducement Resolution Amount: text input with a dollar sign prefix

Compliance Verification



Add/Edit Compliance Verification

Project Number

Owner Entity Name

Tax ID

Current Status

! Current Status is required

Save Cancel

- As applicants are adding existing properties there will be a way to distinguish Active or Inactive
- I.E. Property sold etc.
- If status is inactive applicants should have the necessary documentation regarding the circumstance.

Documents

- Specific folder for Narratives has been added





Other THOMAS Application Reminders

- The THOMAS user manual is posted on the THOMAS page
- Once THDA approves the Owner/Admin then that individual will approve all other users for the Application.
- Highly suggest users to run the validation at the beginning of the process so to make sure all required fields are addressed.
- Any red errors will not allow submission. Those must be cleared before validation
- The **message board** will be utilized for any technical updates, errors, and work-arounds necessary in THOMAS rather than email blasts. So always check the message board for any updates.
- Make sure THOMAS is consistent with uploads i.e. number of units and buildings in the system should be consistent especially on an Existing development.
- Non-Revenue units are not Market Rate units, the manual gives direction on entering those types of units
- Existing development applicants, it is critical to identify the existing data to make sure it is correct as this is critical to 8609 processing.

Useful LINKS

- [Multifamily Tax-Exempt Bond Page](#)
- [Low Income Housing Credit Page](#)
- [Thomas](#)
- [Housing Credit Compliance](#)
- [THDA Utility Allowances](#)
- THOMAS Application-<https://resources.thda.org/>