



Community Investment Tax Credit (CITC) Program

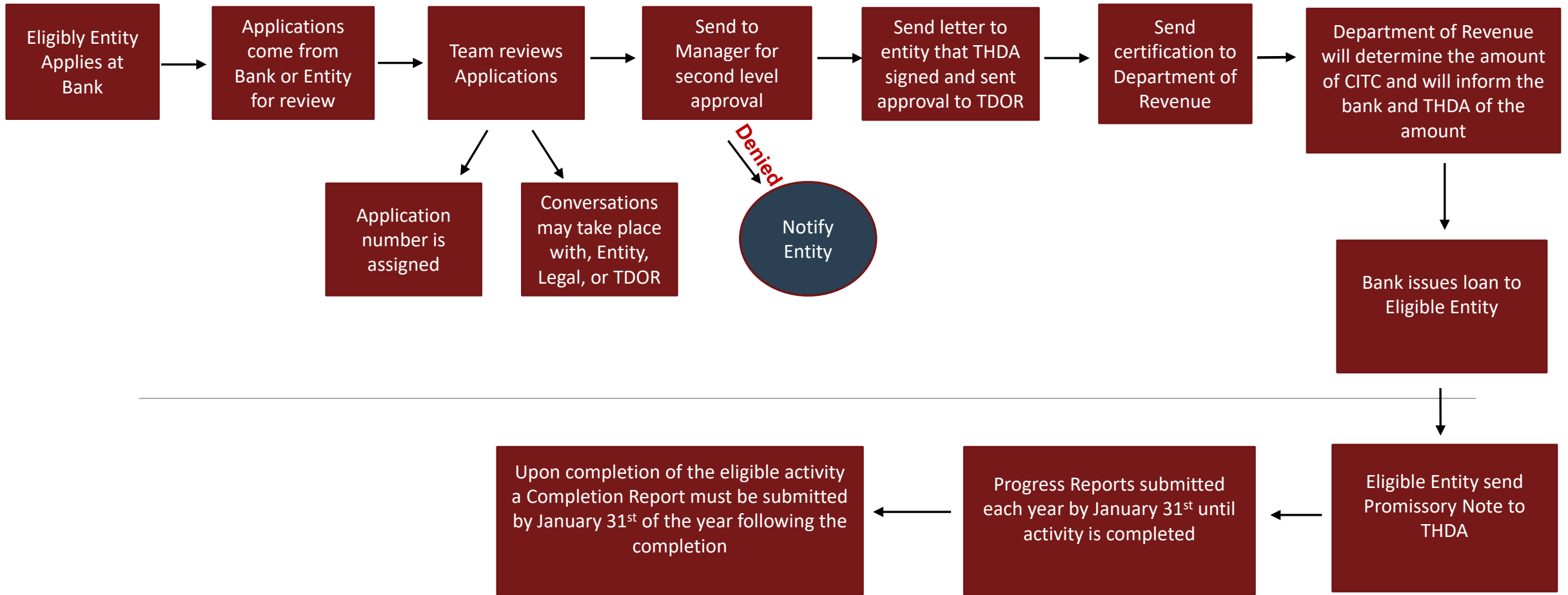
APPLICATION AND PROJECT NARRATIVE WORKSHOP

JULY 25, 2023



CITC Program Flow

Applications can be submitted anytime





CITC Application – Part II

PART 2 – ELIGIBLE HOUSING ORGANIZATION (Completed by Eligible Organization)

(Check One)

- Tennessee Nonprofit Organization
- Development District
- Public Housing Authority
- THDA

Name of eligible organization:

Business mailing address:

Contact person and title: Telephone number: ()

Email Address:



Eligible Activity

Type of Eligible Activity (Check All That Apply):

Activities that create or preserve affordable housing:

- Construction of single family and multi-family housing \$
- Conversion \$
- Rehabilitation \$
- Acquisition \$
- Land \$
- Refinancing (i.e. through loan funds) \$

Activities that help obtain housing:

- Down payment assistance \$
- Pre-purchase counseling \$
- IDAs for homeownership \$
- Supportive services tied to housing (including but not limited to services for the elderly, developmentally or mentally disabled, youth transitioning from foster care, homeless, and other targeted groups) \$
- Deposits: Utilities and security \$





Eligible Activity (cont.)

Activities that build capacity:

- Operational support \$
- Investment in technology \$
- Training (support for nonprofits providing training or receiving training) \$
- Technical assistance (for nonprofits who provide or to fund those who need assistance) \$

Other activities:

- Emergency mortgage assistance \$
- Home improvements for handling accessibility \$
- Activities to help maintain housing and prevent homelessness \$
- Post-purchase, foreclosure prevention counseling \$
- Activities to promote public awareness about affordable housing \$
- Research \$



Applicant Signature

ELIGIBLE HOUSING ORGANIZATION CONCURRENCE (Completed by Eligible Organization)

To the best of my knowledge, I endorse that the information contained in this form is true and correct and that the document has been fully authorized by the governing body of the eligible housing organization. I will comply with the program rules and regulations if certification is granted. I also confirm that I am aware that providing false information can subject the individual signing this document to criminal sanctions up to and including a Class E Felony.

Submitted by:
Name of Eligible Housing Organization

By: _____
Signature Print Name and Title Date

Please include the following attachments before submitting form to THDA:

- (1) **Copy of 501(c)(3) designation letter from the IRS.**
- (2) **Tennessee Nonprofit Organizations must attach a current copy of a Certificate of Existence from the Secretary of State’s Office dated no more than 12 months prior to the date of application.**
- (3) **Project Narrative: Please use the attached outline to briefly describe your proposed activity. Tell what you are going to do, where you are going to do it, who and how many will benefit, how the funds will be used, income level of population served, and the expected time frame for completion.**



THDA Signature (cont.)

PART 3 – THDA CERTIFICATION (Completed by THDA)

Amount of Eligible Investment: _____

Approved by: _____

Signature	Print Name and Title	Date
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PART 4 – DEPARTMENT OF REVENUE CERTIFICATION (Completed by Revenue)

Amount of Tax Credit: _____

Approved by: _____

Signature	Print Name and Title	Date
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Reminders

- ❖ Application must be signed and dated by the financial institution and the applicant.
- ❖ The contact person listed is the person all correspondence will be sent to.
- ❖ Loan allocations in Part 2 must match the total loan amount in Part 1.
- ❖ Activities selected on the application must correspond with the activities described in the project narrative.
- ❖ Under Part 1 be sure to indicate type of loan and type of credit requested.
- ❖ One application per loan.

Project Narrative

- ❖ The purpose of the project narrative form is to provide information regarding the nature of the project and the type of loan.





Project Narrative (cont.)

Project Narrative

(Please include additional sheets if necessary)

The information reported must be typed. Handwritten copies will not be accepted

1. CITC Eligible Entity Name: _____

2. CITC Eligible Entity Federal Tax ID #: _____

3. Proposed Activity (enter the activity(s) identified on the application): _____

- a) How will the bank funds be used? _____

- b) Number of units to be created or preserved? _____

- c) Are you serving a special needs population? If so, indicate the population to be served. _____

- d) Is this a homeownership or rental activity? _____



Project Narrative (cont.)

4. Loan type: (Is this a permanent loan, construction loan or line of credit)? _____

5. Is this a loan participation? _____ If yes, list the lead bank and the participating banks. _____



Project Narrative (cont.)

6. If this is a refinance, please answer the questions below. If this is not a refinance, proceed to Question 7.

- a. What is the interest rate **and** term of the current loan? _____
- b. What is interest rate **and** term of the new loan? _____
- c. Have you financed this loan using CITC prior to this application? _____ If yes, provide the following:
 - 1. Prior application date: _____
 - 2. Bank name: _____
 - 3. Loan amount: _____
 - 4. Dept. of Revenue Control number: _____
 - 5. THDA application number: _____



Project Narrative (cont.)

d. Please answer yes or no if the refinance will provide one or more of the following:

1. Lower Interest Rate _____
2. Longer loan term _____
3. Lower interest rate and longer term _____



Project Narrative (cont.)

e. Explain how the refinance and resulting lower rate and/or interest savings be used to assist in accomplishing one or more of the CITC eligible activities? Please describe in detail under one or more of the categories below as appropriate.

NOTE: If there is not enough space below, please attach a separate page.

1. Create or preserve affordable housing

2. Help low income households obtain housing

3. Build capacity of a non-profit providing housing

4. Other activities as approved by the THDA Executive Director and Commissioner of the Department of Revenue



Project Narrative (cont.)

7. Property address or addresses of the activity including the county where the activity will take place:

Address: _____

City: _____

County: _____

***Note: If the address has not been identified, the Eligible Entity must notify THDA within 30 days of identifying an address. For applicants utilizing a line of credit, the property must be identified prior to application approval.**

8. If serving multiple counties, how many units in each county? Enter the County name and the number of units in each county in the table below.

County Name	# of Units in Each County
Davidson	5
Shelby	5
Knox	5



Project Narrative (cont.)

9. In the table below, enter the county name and the amount of the loan, grant, or contribution going toward each activity in each county. Fill in the activity type in the space provided. Please use an additional sheet if necessary.

	Activity	Activity	Activity
County Name	Acquisition	Rehab	New Construction
Davidson	\$100,000	\$100,000	
Shelby		\$100,000	
Knox			\$100,000



Project Narrative (cont.)

10. In the table below, enter the county name, each activity, and the number of households expected to benefit from each activity.

	Activity	Activity	Activity
County Name	Acquisition	New Construction	Rehab
Davidson			5
Shelby			5
Knox		5	



Project Narrative (cont.)

11. Income level of population served (**all must be at or below 80 % of area median**): _____

12. Are there any market rate units? _____ If so, how many? _____

13. Expected time frame for completion: _____

14. Additional sources and amounts of funding not including the CITC loan:

(Please include source(s) and amount from each source)

15. Attach a copy of the Warranty Deed showing ownership of the property. If the application is for acquisition, attach a copy of the warranty deed showing the seller's ownership of the property and an executed copy of the purchase and sale agreement.



Project Narrative (cont.)

For projects utilizing LIHC funds only:

16. Development Name? _____

a) Have tax credits already been awarded? _____ If yes, what is the award amount and what is the TN #?

b) Structure of the ownership entity

Development Owner _____

***Attach a copy of the Certificate of Existence for the Development Owner**

Sole General Partner or Sole Managing Member _____

Relationship of CITC Eligible Entity to GP or MM _____

c) If the ownership entity is a limited partnership, does the CITC eligible entity own and completely control 100% of the sole
general partner? _____

d) Is the general partner, the sole general partner? _____



Project Narrative (cont.)

- e) If the ownership entity is a limited liability company, does CITC eligible entity own and completely control 100% of the sole managing member? _____
- f) Is the managing member, the sole managing member? _____
- g) Submit a copy of the organizational chart from the LIHC application.
- h) Submit documentation (at least one of the following) confirming the relationship between the non-profit or other eligible entity and the development owner.

_____ most recent Attorney Opinion Letter from LIHC application (if applicable)

_____ LIHC Attachment 16 A (Limited Partnership, or General Partnership, or Registered Limited Liability Partnership), Attachment B, (Corporation), or C (LLC)



Project Narrative (cont.)

****** NOTE **** After the loan closes or the grant or contribution is made please send to THDA a copy of the Promissory Note (or other documentation from the bank confirming that the grant or contribution was made).**

Contact Person: _____

Title: _____

E-mail Address: _____

Phone Number: _____

Date: _____



Project Narrative

What are we looking for?

- ❖ Is the form completed in its entirety?
- ❖ Does the activity reported match the activity on the application?
- ❖ Is the project activity address entered?
- ❖ Does the loan involve a LOC?
- ❖ If the loan is a refinance, is there a lower rate or longer term or both?
- ❖ How does the activity create/preserve affordable housing?
- ❖ Does the project involve LIHC?



Common Errors

- ❖ Incomplete forms.
- ❖ Activity on the project narrative does not match the application.
- ❖ Additional funding sources were not listed.
- ❖ Loan amount on application does not match loan amount on project narrative.
- ❖ Loan amount going toward each activity in each county is not allocated.





After the Review

After the application has been reviewed:

- ❖ Notification letter is sent to the applicant.
- ❖ Application is sent to the Tennessee Department of Revenue.
- ❖ Tennessee Department of Revenue issues an approval letter to the bank.
- ❖ Applicant must send THDA a copy of the promissory note once the loan closes.
- ❖ Progress and Completion reports are due no later than January 31st of each year.

Contact Information

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Questions

