

Ralph M. Perrey, Executive Director



Talking Points for 2018 MTBA Program Description

1. Applicant will apply for bonds and noncompetitive housing applications using THDA's on-line application system, THOMAS. We will not accept 2018 applications until we receive notice of our annual bond authority. Multifamily Programs will give program participants a 72 hour notice of the MTBA opening date using e-mail BLASTs and social media.
2. An initial request of \$210M in bond authority will be made in 2018.
3. The development cap of \$20M will be maintained in 2018 but an annual developer and related parties cap of \$58M will be implemented.
4. The first quarter Grand Division caps will be removed.
5. No waivers will be allowed for new construction applications in excess of the \$20M per development cap. Waivers of the development cap will be accepted for acquisition/rehabilitation, as necessary however, no commitment letter will be issued for the application until the waiver is approved by THDA's Tax Credit Committee.
6. Applicants can submit applications up to the developer and related parties cap of \$58M in 2018.
7. Conditional commitment and conditional 42 M letters will be implemented and subject to the \$58M cap per developer and related party.
8. Applicants will identify if they are applying for a firm or conditional commitment letter.
9. Conditional commitment and conditional 42 M letters will be issued in excess of the 2018 bond authority of \$210M.
10. All conditional commitment and 42 M letters will expire on December 19, 2018 unless THDA has exhausted the original \$210M bond authority authorized and is unable to obtain approval for/and additional bond authority. Multifamily Programs use e-mail BLASTs and social media to notify applicants of the expiration of conditional commitment and 42 M letters.
11. Applicants with conditional commitment letters must provide THDA with a 45 day notice before requesting a firm commitment letter.
12. Firm commitment letters will be issued subject to outstanding \$210M bond authority or additional bond authority approved and received by THDA during 2018.
13. Firm commitment letters will be issued with an expiration term of 90 or 120 days based on the permanent financing tool utilized.
14. All firm commitment letters issued between August 1, 2018 and December 18, 2018 will have a commitment deadline of no later than December 19, 2018 and will not have an exchange provision issued.
15. Applications will be allowed one extension of 30 days upon approval.



16. A bond authority return policy will be implemented in 2018. For applicants who have been issued a commitment letter but will be unable to meet the initial commitment letter deadline or the approved extension, THDA is encouraging the prompt return of unused committed bond authority. The following Bond Authority Return Policy is proposed:
 - a. Committed authority returned in day 1 – 30 of the commitment period (120: 1 – 45 days). Incentive fee eligible for return, applicant can withdraw and reapply in 2018.
 - b. Committed authority returned in day 31 – 60 of the commitment period (120: 46 – 90 days). Half of incentive fee eligible for return, applicant can withdraw and reapply in 2018.
 - c. Committed authority returned in day 61 - 89 of the commitment period (120: 91 - 119 days). Incentive fee ineligible for return, applicant can withdraw and reapply in 2018.
 - d. Upon receipt of a 30 day extension, committed authority returned in day 90 – 119 of the commitment period (120: 120 – 149 days). Incentive fee ineligible for return, applicant can withdraw and reapply in 2018. By failing to issue bonds after requesting an extension, the applicant (developer and related parties) becomes ineligible to participate in the MTBA program in the following program year. The applicant may participate in the LIHTC Competitive Program however, they may be not be able to qualify for certain points in the Sponsor Characteristics category. The applicant is permitted to complete all 2018 in-progress bond applications.
 - e. If committed authority which is allowed to expire without issuance, the incentive fee is ineligible for return and the applicant (developer and related parties) is ineligible to reapply for bond authority with this application or an application with is fundamentally similar in 2018. The applicant is unable to participate in the MTBA program in the following two program years. There is language in the 2018 QAP which deems an applicant ineligible to participate in the competitive Low-Income Housing Tax Credit program for failure to execute authorized bond authority for two years. The applicant is allowed to complete all 2018 in-progress applications.
17. A special requests process will be implemented in 2018. Special requests will not be subject to the developer and related parties cap or the development cap. Developers and related parties are limited to one special requests per year. Special requests will not count against the annual bond authorization but will be subject to a special request for additional bond authority after the approval of the Tax Credit Committee. Special requests conditional commitment and 42M letters will be issued with an expiration term of no more than 30 months. At least 65 days prior to requesting a firm commitment letter, the developer must provide THDA with any updated documents and undergo an additional underwriting review. Special requests are described as preservation developments of more than 500 units located at one site, serving a special needs population, and with in-place rental assistance requesting bond authority of more than \$40M. Special requests are also multiple (bundled) RD preservation developments utilizing one issuance of more than \$30M bond authority.

18. No change will be made to the current developer fee structure. This will be a discussion item in 2019.
19. Fees in the MTBA program will be collected earlier but the timing has not been finalized.
20. A new fee will be implemented for the 120 day commitment term.
21. A new fee will be implemented for the conditional commitment and conditional 42 M letters.
22. A new fee will be implemented for the special requests process.
23. The extension fee may be increased.
24. The program description will include housekeeping items to match the 2018 QAP.