

VICTORIA PUBLIC FACILITY CORPORATION

**APPLICATION FOR FINANCING
QUALIFIED RESIDENTIAL RENTAL PROJECTS**

INSTRUCTIONS AND APPLICATION FORM

EFFECTIVE _____, 2024

INTRODUCTION

The following Instructions (the “*Instructions*”) set forth the procedure for submitting an application to the Victoria Public Facility Corporation (the “*Corporation*”) for financing qualified residential rental projects. The Instructions also summarize the requirements an applicant (an “*Applicant*”) must satisfy to qualify for financing as set forth in the Act (as hereinafter defined), the Texas state ceiling allocation statute, the rules and regulations of the Texas Bond Review Board, the Internal Revenue Code (the “*Code*”) and Treasury Regulations, rulings and procedures implementing the Code. No attempt is made by the Corporation to describe these requirements in a full or comprehensive manner in the Instructions. Applicants must consult their own legal counsel regarding such requirements, including any requirements of the Texas Department of Housing and Community Affairs (the “*TDHCA*”) and not rely on the information presented herein.

The Corporation was created under the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “*Act*”). The Corporation’s primary purpose is to assist individuals of low and moderate income to obtain decent, safe, sanitary and affordable housing located within the boundaries of the City of Victoria. The Corporation is authorized by the Act to issue special revenue bonds to finance qualified residential rental projects for this purpose.

ARTICLE I. PURPOSE AND SCOPE

The Instructions apply to specific multifamily residential developments for which an Applicant requests the Corporation to issue bonds to provide financing. The Instructions do not apply to any bonds issued by the Corporation for the purpose of making or acquiring home mortgages (as defined in the Act), making loans to lending institutions for the purpose of making or acquiring home mortgages or with respect to loans made by the Corporation for purposes of assisting a developer in obtaining tax credits.

Specific provisions of the Instructions may be waived by a majority vote of the Board of Directors of the Corporation (the “*Board*”). The Instructions may be amended, revised, repealed or otherwise altered by a majority vote of the Board at any time and from time to time with or without notice.

ARTICLE II. GENERAL REQUIREMENTS

The Corporation will not issue bonds to provide financing for any residential development that has not satisfied, as determined by the Corporation, the general requirements set forth in this Article II and all requirements of the Act and the Code as determined by Bond Counsel. The Corporation reserves the right to impose additional specific requirements with respect to any particular residential development. Compliance with the Instructions does not and shall not be deemed to constitute a commitment or assurance that financing will be provided by the Corporation.

Public Purpose. Prior to the issuance of bonds, the Board must have made a finding that financing of such residential development will promote the public purposes set forth in Section 394.002 of the Act.

Residential Rental Property. The owner of the residential development, unless the owner is a 501(c)(3) corporation, shall have entered into contractual arrangements that demonstrate, to the satisfaction of the Corporation, that such residential development is to be owned and operated as a qualified residential rental project within the meaning of Section 142(d) of the Code and applicable regulations thereunder, for the Qualified Project Period (as hereinafter defined).

For purposes of the Instructions, the term “*Qualified Project Period*” means the period beginning on the first day on which 10% of the units in such residential development are occupied and ending on the later of (i) the date that is fifteen (15) years after the date on which at least 50% of the units in such residential development are first occupied, (ii) the first day on which no bonds issued to finance or refinance such residential development are outstanding or (iii) other land use restriction deed requirements which exceed (i) or (ii). Variations to this rule may apply with respect to certain rehabilitation projects.

Tenant Income. Under the Act, at least 90% of the rental units must be occupied by individuals of low and moderate income. The Board is required by the Act to determine this income standard. The terms “*low income*” and “*low and moderate income*” as used in the Instructions have the same meaning as “low and moderate income” in the Act.

The project must meet, at a minimum, the Internal Revenue Service safe harbor test of 20% of the units occupied by tenants earning no more than 50% of the Area Median Income or 40% of the units occupied by tenants earning no more than 60% of the Area Median Income. The Corporation may also place additional restrictions on the project to ensure that it satisfies a public purpose with at least 90% of the units being affordable as defined by the Board. Additionally, with respect to projects in which the Corporation has an ownership interest, at least 50% of the units must be reserved for tenants earning less than 80% of the area median income.

Occupancy Requirements. The Act requires the Applicant to set aside at least 5% of the rental units (if there are twenty (20) or more units in the project) for elderly individuals of low income or families of low or moderate income in which an elderly individual is the head of household. “*Elderly*” means sixty (60) years of age or older. Alternatively, the Applicant may pay the Texas Department on Aging a one-time fee, payable at closing, equal to 0.10% of the total principal amount of the bond issue.

Tax-Exemption of Bond Interest. Section 103 of the Code provides that interest on fully registered, qualified bonds issued by the Corporation to finance residential rental projects is excludable from the gross income of the bondholders if (i) at least 95% of the net proceeds of the issue are used to provide qualified residential rental projects, (ii) the required percentage of units in the project will be occupied by individuals of low income within the

meaning and for the period specified in Section 142(d) of the Code and (iii) if other applicable requirements of Sections 141 through 150 of the Code are met.

Acquisition and Rehabilitation Projects. The Corporation will not finance an acquisition and rehabilitation project unless the Applicant demonstrates that the project to be acquired and rehabilitated will be capitalized with adequate reserves.

Payment in Lieu of Taxes. If an exemption from ad valorem taxes is requested, the Applicant must prove that the transaction will not underwrite but for the exemption. The Applicant must also describe in detail the proposed uses of the funds generated by the ad valorem tax exemption. The Corporation may require a PILOT program for each project requesting exemption from ad valorem taxes. Each project will be evaluated separately, and the requirement and terms of the PILOT program will be determined by the Board.

Location of Project. The residential development must be located entirely within the boundaries of the City of Victoria, Texas.

Third Party Reports. The Corporation may obtain underwriting, marketing, appraisal and physical needs assessment reports (the “*Third Party Reports*”) from independent third parties at the expense of the Applicant.

Regulatory Approvals. The Applicant is responsible for obtaining all regulatory approvals (zoning, special permits, utility connections, etc.) necessary for development of the project.

Rating or Private Placement. The Corporation will not issue bonds to finance a qualified residential rental project unless the bonds receive a rating in at least the “A” category from Standard and Poor’s Ratings Services or Moody’s Investors Service unless the bonds are sold by private placement.

If the Applicant plans a private placement of the bonds, the Applicant must furnish the Corporation with an investment letter from the prospective purchaser of the bonds that is satisfactory to the Corporation and its Bond Counsel. In addition, the bonds must be in denominations of \$100,000 or more and the bonds must be transferable only by physical delivery.

Bond Counsel. The Corporation has retained McCall, Parkhurst & Horton L.L.P. as Bond Counsel for its bond issues. The fees and expenses of Bond Counsel are to be paid by the Applicant.

Partnership Counsel. The Corporation has retained Chapman and Cutler LLP to act as Partnership Counsel in bond transactions where the Corporation has an ownership interest in the project. The fees and expenses of Partnership Counsel are the responsibility of the Applicant.

Financial Advisor. The Corporation has retained RBC Capital Markets for its bond issues. The fees and expenses of the Financial Advisor are the responsibility of the Applicant.

Rebate Analyst. The Corporation has retained _____ as Rebate Analyst for its bond issues. The fees and expenses of the Rebate Analyst are the responsibility of the Applicant.

Underwriter/Placement Agent and Trustee. The Corporation will select a qualified underwriter or placement agent and trustee for the bond issue. The fees and expenses of such parties are the responsibility of the Applicant.

Official Intent. U.S. Treasury Regulations permit the Corporation to declare its official intent to issue its bonds so that project costs may be paid from a portion of the issue proceeds. If the Applicant satisfies all of the requirements for issuance of the Corporation's bonds as set forth in this Article II and the application procedures set forth in Article III below, the Corporation will schedule a meeting of the Board to consider adopting a resolution evidencing the intent of the Corporation to issue its bonds to finance the Applicant's qualified residential rental project. The Applicant will be notified of the date, time and place of such meeting and should appear at the Board meeting to answer questions about the project.

Adoption of an official intent resolution is solely at the Corporation's discretion and adoption does not obligate the Corporation to issue the bonds. No person may represent, directly or indirectly, to a potential purchaser of the bonds, or to anyone else, that the Corporation has agreed to finance the Applicant's project until the Corporation adopts a final bond resolution authorizing the issuance of its bonds. An official intent resolution expires when the application expires.

Public Hearing and Approval. Section 147 of the Code requires the Corporation to conduct a public hearing on the project at a location convenient to members of the public likely to be interested in the project. The Corporation's Bond Counsel will schedule and advertise the hearing and notify the Applicant's contact person of its date, time and place. The costs of such advertisement and any rental or other fees associated with the hearing location are the responsibility of the Applicant. The Corporation will designate a hearing officer to conduct the hearing. A representative of the Applicant should appear at the hearing and be prepared to answer questions about the project.

Section 147 of the Code also requires approval of the project by the chief elected executive officer of the local government in whose jurisdiction the project will be located. The chief elected executive officer of the City of Victoria, Texas is the Mayor.

The Corporation's Bond Counsel will prepare the certificate of approval and present it to the appropriate official for signature. It is the Applicant's responsibility to secure the approval.

State Ceiling Allocation for Private Activity Bonds. Unless the Applicant is a 501(c)(3) corporation, the Applicant must receive from the Texas Bond Review Board a

reservation of the state's private activity bond allocation in an amount equal to the total principal amount of the private activity bond issue requested of the Corporation. Bond Counsel will prepare and file the application with the Texas Bond Review Board for the Corporation on behalf of the Applicant. The Applicant must cooperate fully with Bond Counsel in preparing the application and must certify that all information in the application is correct and complete before it is filed with the Texas Bond Review Board.

Priority Election for Low Income Housing Tax Credits. Unless the Applicant is a 501(c)(3) corporation, the Applicant must elect, by checking one of the boxes in item 6 on the application form cover, one of three Low Income Housing Tax Credit priorities. An Applicant that elects priority 1 or 2 must also apply for a 4% Low Income Housing Tax Credit award from the Texas Department of Housing and Community Affairs.

ARTICLE III. APPLICATION PROCEDURE

Application Submission. The Applicant must complete an application form, which is available from the Corporation's Financial Advisor. The Applicant must answer all questions completely and accurately. If the Applicant requires additional space for an answer, or if a question requires an attachment, the Applicant may attach letter-sized continuation sheets that may be inserted following the page of the application form that it supplements. The question number should be clearly marked on the continuation sheets and should be numbered sequentially. For example, continuation sheets pertaining to question 2.4 should be marked 2.41, 2.4-2, 2.4-3, etc.

The Corporation may request additional information not required by the application form. The Applicant agrees to furnish such additional information in writing within a reasonable time after receipt of the Corporation's request. The Corporation may also modify the requirements of the application form if necessary to accommodate changes in law or to obtain a complete and accurate understanding of the Applicant's project.

The Corporation is subject to the Texas Public Information Act and all information in its files, including the completed application, is subject to disclosure unless made confidential by the Texas Public Information Act.

The individual signing the application cover sheet represents that he or she read and understands the Instructions and the application form, that the information contained in the application form is correct and complete, that the Applicant agrees to the terms and conditions set forth in the Instructions and the application form and that he or she is legally authorized to sign on behalf of the Applicant.

When the application is completed, print and bind the form pages, required attachments and continuation sheets into a single packet, sign and date the cover sheet and mail or deliver the signed original and a PDF of the application, together with checks for the Application Fee (as hereinafter defined), the Bond Counsel Review Fee (as hereinafter defined) and the Bond Review Board Filing Fee (as hereinafter defined), if applicable, to:

Victoria Public Facility Corporation

c/o Mark A. Malveaux
McCall, Parkhurst & Horton L.L.P.
717 N. Harwood Street, Suite 900
Dallas, Texas 75201
Direct Line: (214) 754-9221
mmalveaux@mphlegal.com

please provide one (1) copy and a PDF copy to:

Financial Advisor

RBC Capital Markets
c/o Helen Feinberg
100 2nd Avenue S., Suite 800
St. Petersburg, Florida 33701
Office: (727) 895-8892
helen.feinberg@rbccm.com

Rejection of Application. The Corporation may reject an application if it is (i) not received by the Corporation on or before the application deadline, (ii) not accompanied by the application fee or (iii) incomplete and the Applicant fails to complete the application within a reasonable time after the Corporation's request for completion.

Expiration of Application. An application expires (i) if it is withdrawn by the Applicant, (ii) if the Corporation does not adopt a resolution of official intent within ninety (90) days from the date of the application, (iii) if the Applicant does not receive an allocation reservation from the Texas Bond Review Board (if required), (iv) if the Applicant does not receive the Low Income Housing Tax Credits applied from the Texas Department of Housing and Community Affairs, (v) if the reservation or the tax credits are withdrawn, cancelled or expire or (vi) if the Corporation does not issue the requested bonds within one hundred fifty (150) days from the later of (x) the date of the adoption of the resolution of official intent or (y) if applicable, the date of the allocation reservation from the Texas Bond Review Board, unless such allocation is carried forward by the Corporation in which case the application will remain in effect unless and until the applicable official intent resolution is rescinded by the Corporation, in its sole discretion. All action taken by the Corporation on an application becomes void when the application expires.

ARTICLE IV. FEES AND COSTS

Application Fee. A nonrefundable fee of \$5,000 for a private activity bond issue or for a 501(c)(3) Applicant (the "*Application Fee*") for the Corporation staff review of the application (by check made payable to the Corporation). In connection with private activity bond issues, \$2,000 must be paid as compensation to Bond Counsel (the "*Bond Counsel Review Fee*") for preparing and filing the application with the Texas Bond Review Board (by check made payable to McCall, Parkhurst & Horton L.L.P). In addition, an Applicant applying for a private activity bond issue must submit a check for the Texas Bond Review Board filing

fee in the amount of \$5,000 payable to the Texas Bond Review Board with its application (the “*Bond Review Board Filing Fee*”). If the Corporation does not adopt a resolution of official intent for the Applicant’s project, the Corporation will return the Bond Review Board Filing Fee and the Bond Counsel Review Fee. The \$5,000 Application Fee owed to the Corporation is not refundable whether or not the Corporation adopts an official intent resolution.

Issuance Fee. The Corporation shall be paid an issuance fee equal to 0.50% of the total principal amount of bonds issued, payable at closing (the “*Issuance Fee*”), subject to the immediately succeeding sentence. In the event that the Application expires or bonds are not issued, the Corporation is entitled to (i) 25% of the Issuance Fee, calculated based on the amount of the volume cap reservation, if a TEFRA hearing has been held by the Corporation or (ii) 50% of the Issuance Fee if the Corporation’s Board has passed its final bond resolution, calculated based on the aggregate principal amount of the bonds approved by the Board, which amounts are due and payable immediately upon the earlier of (A) the expiration of the Application or (B) the termination of the bond issuance. If the bonds are issued, no portion of the Issuance Fee is refundable.

Annual Administrative Fee. 0.15% of the total principal amount of the bonds issued (the “*Annual Administrative Fee*”). The first three (3) years of the Annual Administrative Fee are payable to the Corporation at closing and the remaining Annual Administrative Fees are payable to the Corporation beginning on the fourth anniversary of the closing and on each subsequent anniversary so long as any of the bonds are outstanding. For bond issues with an expected final term of less than 10-years, the Annual Administrative Fee is equal to 1.50% of the total principal amount of the bonds issued and is due and payable in full at the bond closing.

Engagement of Bond Counsel and Partnership Counsel. The Applicant (or a related entity) must sign the engagement letters of McCall, Parkhurst & Horton LLP and Chapman and Cutler LLP and pay any required retainers prior to the scheduling of the public (TEFRA) hearing. The engagement letters must be executed by an existing entity with financial resources acceptable to McCall, Parkhurst & Horton LLP and Chapman and Cutler LLP, as applicable.

Closing Fees and Costs. The Applicant is responsible for rating agency fees, placement costs, insurance premiums, filing and recording fees, the Texas Bond Review Board closing fee, the Texas Department on Aging fee (if elected), and any other fees and costs of closing.

Fee Schedule. The fees for Bond Counsel and Partnership Counsel are to be as set-forth in the engagement letters executed in connection with each financing. Fees for the Financial Advisor for the Corporation’s multifamily bond issues is as follows:

	ISSUE AMOUNT	FEE
Financial Advisor*	Any issue amount	\$20,000 <i>plus</i> \$2.00 per \$1,000 of Bonds issued

*The fee set forth applies to a conduit bond issuance. For bond issues where the Corporation undertakes an ownership interest in the project, additional fees will be as negotiated. The above fees do *not* include expenses, which will be paid by the applicant.

ARTICLE V. INDEMNITY AGREEMENT

For the purpose of inducing the Corporation to accept, review and act upon the Application and to issue the obligations therein contemplated, the Applicant hereby agrees to indemnify and hold harmless the Corporation, its officers, directors, employees, agents and representatives, from and against all costs, losses, damages, expenses and liabilities of any kind arising from or in connection with the Corporation's acceptance, review, approval or disapproval of such Application for financing, or the issuance, offering, sale or delivery of the bonds of the Corporation therein contemplated, or the design, acquisition, construction, rehabilitation, installation, operation, use, occupancy or maintenance of the residential development described in such Application. It is expressly agreed that the provisions of this Article V shall survive (i) any approval or disapproval of such Application and (ii) whether or not any such bonds are issued.

EXECUTION AND ACKNOWLEDGEMENT

The undersigned Applicant hereby acknowledges that it has read and understood the terms and conditions set forth in the Instructions and agrees to be bound by the same.

Dated: _____

Name of Applicant (must be a parent entity)

By: _____

Name: _____

Title: _____

Accepted:

Victoria Public Facility Corporation

By: _____ Authorized Officer

EXHIBIT A

APPLICATION FOR FINANCING

For Use by Corporation Only: Application No.: _____ Date Received: _____ Date Admin. Complete: _____ Inducement Date: _____ TBRB Docket No.: _____ Allocation Received: _____ Closing Deadline: _____ Closing/Withdrawal Date: _____		Intake Checklist Signed Application _____ All Fees Received _____ Questionnaire Complete _____ Indemnity Signed _____ All Exhibits in _____ Contract for Land _____ Admin. Complete _____
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To: Victoria Public Facility Corporation

I, the undersigned duly authorized representative of _____ (the “*Applicant*”), the owner of the proposed residential development described in this Application for Financing, do hereby make application to Victoria Public Facility Corporation (the “*Corporation*”) in accordance with the Corporation’s Application for Financing Qualified Residential Rental Project (the “*Rules*”). In connection therewith, I do hereby declare and represent as follows:

1. The Applicant intends to (check all that apply)
 - () develop, construct and operate
 - () acquire, rehabilitate and operate
 - () refund bonds previously issued
 - () utilize the LIHTC

a multifamily rental residential development to be located entirely within the City of Victoria, Texas, and desires that the Corporation issue bonds to provide financing or refinancing for which residential development in accordance with the provisions of the Texas Housing Finance Corporations Act, as amended, and the Rules.

2. Priority election: [] 1 [] 2 [] 3 [check one]

3. The Applicant has received a copy of and reviewed the Rules, and hereby agrees to comply with all terms and provisions thereof, except as such provisions as may be expressly waived by the Board of Directors of the Corporation.

4. The Applicant has submitted herewith a completed copy of the Residential Development Financing Questionnaire attached hereto as Schedule I. To the best of my knowledge, the information contained therein is true and correct.

5. The Applicant has submitted herewith an executed copy of the Indemnity Agreement attached hereto as Schedule II.

6. The Applicant has submitted herewith the Application Fee in amount of \$5,000 the and the filing fee of the Texas Bond Review Board in the amount of \$5,000 (if applicable).

Based on the foregoing, the Applicant requests preliminary approval of this Application for Financing in accordance with the Rules.

WITNESS BY HAND THIS _____ day of _____, 20__.

(Name of Applicant)

By _____
Name: _____
Title: _____

SCHEDULE I

VICTORIA PUBLIC FACILITY CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

I. INFORMATION RELATING TO THE APPLICANT

1. Owner / Applicant Information:

Full Legal Name _____
Mailing Address (street) _____
City _____ State _____ Zip _____
Phone _____ Fax _____
Soc. Sec. # or Fed. I.D. # _____

2. a. Form of organization of the Applicant.

_____ For Profit Corporation	Does Applicant currently exist or is it to be formed? _____ Exists (Attach organizational documents) _____ To be Formed (Date _____)
_____ Limited Liability Company	
_____ Limited Partnership	
_____ General Partnership	
_____ Sole Proprietorship	
_____ 501(c)(3) Corporation	
_____ Governmental Entity	

b. If the Applicant is a 501(c)(3) corporation, please attach a copy of the IRS exemption letter for such corporation, the application to the IRS requesting an exemption letter, the most recently filed IRS Form 990 and the articles of incorporation and bylaws of the Applicant.

3. If the Applicant is a 501(c)(3) corporation, the Corporation will require the Applicant to furnish at the closing an opinion of nationally recognized tax counsel satisfactory to the Corporation and Bond Counsel confirming the Applicant's 501(c)(3) exemption status.

4. Indicate the state under whose laws the Applicant is or will be organized and the date of organization.

5. If the Applicant is a corporation or limited liability company identify its officers and directors and indicate their titles. If the Applicant is a partnership, identify all of its general partners.

6. Name and address of all persons who own a 10% or greater interest in the Applicant.

7. Has the Applicant, any of its officers or directors, or any person who owns a 10% or greater interest in the Applicant ever been found in violation of any rules or regulations of HUD or any other federal or state agency or been the subject of any investigation by HUD or any federal or state agency? If so, please explain fully.

8. Name, address and telephone number of the representative of the Applicant with whom the Corporation should communicate.

9. Development Team Information:

- a. Developer's Attorney (Firm) _____
Contact Person _____
Address _____
Phone _____ Fax _____
- b. Contractor (Firm) _____
Contact Person _____
Address _____
Phone _____ Fax _____
- c. Architect (Firm) _____
Contact Person _____
Address _____
Phone _____ Fax _____
- d. Management Entity (Firm) _____
Contact Person _____
Address _____
Phone _____ Fax _____

10. Summarize prior development, ownership and management experience of the Applicant or its principals, indicating date of project, type of project, location of project and method of financing.

11. Please list tax-exempt multifamily bond transactions closed by the Applicant (note which were for Texas projects) over the last 10 years.

12. Please list tax-exempt multifamily bond transactions closed by the Applicant (note which were for Texas projects) over the last 10 years.

13. Please list any closed joint venture transactions whereby the applicant partnered with the governmental entity (or affiliate thereof) to finance a multifamily housing project.

II. INFORMATION RELATING TO THE PROJECT

1. a. If a new construction or acquisition: Street address and description of exact location of the Project site **[Please include the Zip Code of the Project site and if the Project site is in a Qualified Census Tract, the tract number]**. Please attach a legal description of the boundaries of the Project site and a map of the area with the Project site highlighted.

b. If a nonprofit pooled financing: If the Project will be part of a so-called "pool" financing of the acquisition of several residential developments, please describe the financing, acquisition, ownership and operation plans in detail including any requirements of cross-collateralization. Please answer questions 2-27 below to the extent applicable.

c. If a refinancing of bonds previously issued: Please describe the current financial situation of the Project, the refinancing plans and the future cash flow expectations in detail. Also, please describe whether the Project will be sold by the current owner before or after the bonds are issued. Please answer questions 2-27 below to the extent applicable.

2. Describe any existing improvements or structures presently located on the Project site. If none, please write "none."

3. Indicate the approximate size (in acres or square feet) of the Project site.

4. Does the Applicant now own the Project site?

() Yes () No

5. If the Applicant presently owns the Project or Project site, indicate:

Purchase Date: _____

Purchase Price: _____

Balance of Existing Mortgage: _____

Holder of Existing Mortgage: _____

Attach a copy of the deed or other evidence of title in the Applicant as Exhibit "___" to this Application.

6. If the Applicant presently holds an option to purchase the Project or Project site, indicate:

Present Owner: _____

Date of Option Agreement: _____

Purchase Price: _____

Expiration Date of Option Agreement: _____

Attach a copy of such option as Exhibit "___" to this Application.

7. If the Applicant has executed a contract to purchase the Project or Project site, indicate:

Present Owner: _____

Phone No: _____

Date of Contract: _____

Purchase Price: _____

Expiration Date of Option Agreement: _____

Attach a copy of such contract as Exhibit "___" to this Application.

8. If the Applicant does not presently own the Project or Project site, please describe any relationship which exists by virtue of common control or ownership between the Applicant and the present owner of the Project or Project site. If none, please write "none." Attach a copy of documents demonstrating such relationship as Exhibit "___" to this Application.

9. Indicate if the cost of the Project site is to be included in the financing.
 Yes No

10. What is the present number and general description of residential units on the Project site. If none. Please write "none".

11. Does the Project consist of additions to and/or renovation and rehabilitation of existing units?
 Yes No

If yes, answer the following questions: (Attach separate sheets as necessary.)

(a) Age of units:

(b) Describe the proposed additions and improvements to be made. Include a description of the type of improvements and amount to be spent per unit and for common areas. (See Article II.V. for reference to Internal revenue Service regulations applicable to rehabilitation.)

(c) Provide data on present vacancy rates and rents by unit size.

(d) Attach recent photos of the Project.

(e) List a breakdown for total project improvements by cost and category.

12. Does the Applicant intend to (a) reserve at least 5% of units for occupancy by elderly persons of low income or families of low or moderate income in which an elderly person is head of the household or (b) pay a fee equal to one-tenth percent of the aggregate principal amount of the bonds issued to finance the Project? (Selection of option (a) or (b) is required by state law, except in the case of a refunding.)

_____ Reservation of Units

_____ Payment of Fee

13. Indicate the number, type (number of bedrooms and bathrooms), approximate size (square footage), and projected monthly rents of the dwelling units included or to be included in the Project.

Number of Units	Type of Units	Size of Units	Monthly Rent

14. Describe any additional facilities included or to be included in the Project, such as parking, laundry, office, dog park, swimming pool, playground, storage, covered parking, or recreational facilities. If any of such facilities are expected to generate income, indicate projected amount of such income.

15. Describe the overall style of the Project (e.g., garden apartments, multi-level, high-rise), exterior construction materials, energy conservation considerations and landscaping design. Attach a site sketch showing proposed location of the units on the Project site and an architect's rendering if available.

16. Indicate which of the following equipment, if any, are or will be included in the dwelling units of the Project:

- | | | |
|---|---|---|
| <input type="checkbox"/> Range | <input type="checkbox"/> Disposal | <input type="checkbox"/> Dishwasher |
| <input type="checkbox"/> Refrigerator | <input type="checkbox"/> Carpet | <input type="checkbox"/> Fireplace |
| <input type="checkbox"/> Air Conditioning | <input type="checkbox"/> Drapes | <input type="checkbox"/> Hot Water Heater |
| <input type="checkbox"/> Heating | <input type="checkbox"/> Washer/Dryer Hookups | <input type="checkbox"/> Other: _____ |

17. *Monthly Utility:*

	Type of Utility (Gas, Electric, etc.)	Utilities Paid By:	
Heating		<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant
A/C		<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant
Cooking		<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant
Lighting		<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant
Hot Water		<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant
Water		<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant
Sewer		<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant
Trash		<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant

18. Provide a pro forma cash flow statement for the Project's first three years of occupancy after the requested financing and attach same as Exhibit "___" to this Application. Include assumptions and, specifically, administrative, operating and maintenance costs, taxes, and cash flow available for debt service for each of the three years. If utilizing the Low Income Housing Tax Credit (LIHTC), attach 15 year cash flow analysis.

19. *Development Costs:*

ITEM	COST
Land	
Existing Structures	
Demolition	
Site Work	
Off Site Improvements	
Relocation	
New Construction Hard Costs	
Rehabilitation Hard Costs	
Contractor Overhead	
Contractor Profit	
Construction Contingency	
Architect Fee – Design	
Architect Fee – Supervision	
Permits	
Construction Insurance	
Construction Interest	
Loan Origination - Construction	
Loan Origination - Permanent	
Credit Enhancement Fees	
Taxes	
Title and Recording	
Property Appraisal	
Market Study	
Environmental Study	
Start Up – Marketing	
Surveys and Soil Testing	

ITEM	COST
Organizational	
Bridge Loan Fees	
Tax Opinion	
Developer's Overhead	
Developer's Fee	
Rent-up Reserve	
Operating Reserve	
Cost of Issuance	
Other	
Other	
Other	
Other	
TOTAL DEVELOPMENT COSTS:	

20. Indicate the percentage of the Project costs for which the Applicant desires financing and the amount of equity investment in the Project which the Applicant proposes to make.

21. State the maximum principal amount of bonds that the Applicant desires that the Corporation issue to provide financing for the Project and the amount that the Corporation is requested to apply to the Texas Bond Review Board for allocation of a portion of the state volume cap for tax exempt bonds.

- State how the balance of the project will be funded.

22. Indicate the type and amount of costs expended (including orders for any Project equipment or furnishings) with respect to the Project to the current date. If none, please write "none."

23. Have any costs (including orders for any Project equipment or furnishings) been incurred but not paid? If yes, identify and explain, including the date each expenditure was made.

24. Describe any restrictions to be imposed by the Applicant on Project tenants, including family size, pets or others.

25. Management Information: Attach as Exhibit "__" information concerning prior management experience of managing agent including projects managed, number of units in each project and number of years of project management. Estimate the fee to be paid to such managing agent.

26. State best estimates as to the minimum family income levels of the expected tenants required in order to pay anticipated monthly rent amounts.

27. Indicate number of residences or businesses displaced by construction or rehabilitation of the Project, if any. (If none, please write "None.") Describe procedures to be used to minimize impact of any displacement. If relocation is necessary attach Relocation Plan.

III. INFORMATION RELATING TO CONSTRUCTION

1. Has construction of the Project begun?
 Yes No

If yes, give date construction began: _____

If no, give estimated date for commencement of construction: _____

2. State estimated date of completion: _____

3. State estimated date Project will be initially available for occupancy: _____

4. Contractor Information: Attach information concerning projects previously completed by the contractor. Include location, year of completion, number of units and approximate construction cost of each project.

5. Architect Information: Attach information concerning projects designed by the architect.

IV. INFORMATION RELATING TO THE FINANCING

1. Please state which tenant restrictions under Section 142 (d) (1) of the Code will be imposed on the Project.

20% of the units occupied by individuals whose income is 50% or less of area median gross income; or

40% of the units occupied by individuals whose income is 60% or less of area median gross income.

% of the units occupied by individuals whose income is ____% or less of area median gross income. (Other)

2. Has the Applicant made, or does the Applicant intend to make, application for FHA mortgage insurance?

Yes, for construction advances No

Yes, for insurance upon completion only

Please attach as Exhibit "_____" copy of FHA, SAMA letter, conditional commitment or firm commitment, if any.

3. Indicate any other rent supplement, loan guarantee, grant or mortgage insurance for which the Applicant has made, or intends to make, application with respect to the Project. If none, please write “none.”

4. If the Applicant is a limited partnership, indicate whether it is anticipated that there will be a syndicated offering of partnership shares. If applicable, attach the offering document and agreement.

5. Indicate what percentage of the requested financing is to be applied for working capital. If none, please write “none.”

6. Indicate what percentage of the requested financing is to be applied to refinance any existing mortgage or outstanding loan. If none, please write “none.”

7. Indicate whether any other financing is contemplated with respect to the Project. If so, please describe such financing and attach a copy of the commitment from the lender to provide such financing.

8. Has any member of the identified Development Team filed/declared bankruptcy or reorganization under bankruptcy regulations? If yes, please explain.

SCHEDULE II

INDEMNITY AGREEMENT

Board of Directors
Victoria Public Facility Corporation

_____ (the "Applicant") has filed or is concurrently filing with Victoria Public Facility Corporation (the "Corporation") an Application for financing a Multifamily Rental Residential Development. For the purpose of inducing the Corporation to accept, review and act upon such Application and to issue the obligations therein contemplated, the Applicant hereby agrees to indemnify and hold harmless the Corporation, its officers, directors, employees, agents and representatives, from and against all costs, losses, damages, expenses and liabilities of any kind arising from or in connection with the Corporation's acceptance, review, approval or disapproval of such Application for financing, or the issuance, offering, sale or delivery of the obligations of the Corporation therein contemplated, or the design, acquisition, construction, rehabilitation, installation, operation, use, occupancy, maintenance or operation of the residential development described in such Application for Financing. It is expressly agreed that the provisions of the Indemnity Agreement shall survive any approval or disapproval of such Application and the issuance of or failure to issue any such obligations.

This Indemnity Agreement shall be effective upon its execution by the applicant this ____ day of _____, 20____, and its acceptance by the Corporation as indicated by its execution below.

(Name of Applicant)
By _____
Name _____
Title _____

ACCEPTED this ____ day of _____, 20____.

VICTORIA PUBLIC FACILITY CORPORATION

By _____
Name _____
Title _____