

APPLICATION FOR BOND FINANCING

TO: Houston Housing Authority (the "Authority")
Houston, Texas

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 the Authority and the Issuer. In connection therewith,
I do hereby declare and represent as follows:

1. The Applicant intends to (check one):

- ☐ develop, construct and operate
☐ acquire, rehabilitate and operate

For a multi-family rental residential development to be located entirely within the corporate limits
of the City of Houston, Texas, and desires that the Authority cause the Issuer to issue bonds to
provide financing or refinancing for such residential development in accordance with the
provisions of the Texas Housing Authorities Law and the Memorandum of Understanding to be
executed by the Applicant and approved by the Board of Commissioners of the Authority (the
"MOU").

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

Based on the foregoing, the Applicant requests that the Board of Commissioners of the
Authority grant preliminary approval of this Application for Financing.

WITNESS MY HAND this ____ day of _____, 20__.

(Name of Applicant)

By_____

Title_____

EXHIBIT "A"

HOUSTON HOUSING AUTHORITY
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

I. INFORMATION RELATING TO THE APPLICANT

1. Full legal name, address and telephone number of the Applicant, i.e., the entity that will own the residential development for which financing is requested (referred to hereinafter as the "Project").

2. Form of organization of the Applicant.

- ☐ For Profit Corporation
- ☐ Limited Partnership
- ☐ General Partnership
- ☐ Sole Proprietorship
- ☐ 501(c)(3) Corporation
- ☐ Governmental Entity
- ☐ Limited Liability Company

Does Applicant currently
exist or is it to be formed?

☐ Exists ☐ To be formed

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

4. If the Applicant is a corporation, identify its directors, officers and indicate their titles. If the Applicant is a partnership, identify all of its general partners. If the Applicant is a limited liability corporation, identify all members. Attach resumes of all persons identified under this paragraph 4.

5. If the Applicant or any proposed or existing member or partner of the Applicant has applied for exemption as a Community Housing Development Organization (“CHDO”), provide copy of certification.
6. Describe any previous experience with multifamily housing projects.
7. List 3 banking references with contacts.
8. Name, address and telephone number of the representative of the Applicant with whom the Authority should communicate.
9. Name, address and telephone number of legal counsel to the Applicant in connection with the Project. (This does not mean bond counsel.)
10. Name, address and telephone number of any and all financial consultant(s), investment banker(s) or mortgage banker(s) advising the Applicant in connection with the Project.
11. Summarize prior development, ownership and management experience of the Applicant or its principals, including for each development: (i) date of project, (ii) size of project, (iii) type of project, (iv) location of project, (v) method of financing, (vi) contact information for lender, (vii) amounts outstanding and (viii) a representation that financings with outstanding balances have been paid as agreed and are not considered in default.

12. Date on which Applicant intends to finance project with tax-exempt debt.
13. Is the Applicant or the Project in violation (or ever have been) with any city housing code violations? If yes, please give an explanation.
14. Does the Applicant or the Project have any tax liens with the City of Houston or Harris County or any other taxing authority? If yes, please specify.
15. Explain to what extent, if any, the Applicant plans to promote the Authority's goals of (a) enhancing the availability of quality housing units for persons and families of low or moderate income, particularly within the geographic areas of interest of the Authority, and (b) the involvement of minority or local firms for the development, financing, construction and/or operation of the Project (i.e., through the use of sub-contractors).

II. INFORMATION RELATING TO THE PROJECT

16. If a new construction or acquisition: (i) Provide the street address, zip code and description of exact location of the Project site. (ii) Attach a copy of the prior year's ad valorem tax statement evidencing that the Project is located in the City of Houston. (iii) Attach a legal description of the boundaries of the Project site and a map of the area with the Project site highlighted. If the Project was previously financed with bonds issued by an affiliate of the Authority so indicate and a legal description and map are not required.

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

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

19. Does the Applicant now own the Project site?

☐ Yes ☐ No

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

Purchase Date: _____

Purchase Price: _____

Balance of Existing Mortgage: _____

Holder of Existing Mortgage: _____

Attach evidence of ownership.

21. 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: _____

*Has the option to purchase been assigned to the Applicant by a third party:

☐ Yes ☐ No

*Attach a copy of the executed Option Agreement. If option has been assigned, provide a detailed written description of the assignment including copies of all contracts and agreements relating to the assignment.

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

Present Owner: _____

Date of Contract: _____

Purchase Price: _____

Settlement Date: _____

*Date Present Owner Acquired Project or Project site: _____

*Attach a copy of the executed purchase contract between the Applicant and the Present Owner. If date acquired by Present Owner is within 1 year of the date of this application, also provide a copy of the purchase contract between the seller and the Present Owner.

23. By submission of this application, Applicant represents that there have been no assignments of purchase contracts with respect to the Project or Project Site other than as disclosed in this application.

24. 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."

25. Indicate if the cost of the Project site is to be included in the financing.

☐ Yes ☐ No

26. What is the present number and general description of residential units on the Project site. If none, please write "none."

27. 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.
- (c) Provide data on present vacancy rates (including the number of units currently out of service) and rents by unit size.
- (d) Attach a recent photo of the Project.
- (e) Attach a breakdown for total project improvements by cost and category.
- (f) Will any tenants require relocation due to the expected renovation and rehabilitation?

☐ Yes* ☐ No

*If yes, attach a detailed relocation plan and budget.

28. Attach a proposed total development budget and sources and uses for the Project.
29. 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.

<u>Number of Units</u>	<u>Type of Units</u>	<u>Size of Units</u>	<u>Monthly Rent</u>
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30. Describe any additional facilities included or to be included in the Project, such as parking, laundry, office or recreational facilities. If any of such facilities are expected to generate income, indicate projected amount of such income.

31. Describe the overall style of the Project (e.g., garden apartments, multi-story, 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.

32. 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"/> Refrigerator | <input type="checkbox"/> Carpet |
| <input type="checkbox"/> Air Conditioning | <input type="checkbox"/> Drapes/Blinds |
| <input type="checkbox"/> Dishwasher | <input type="checkbox"/> Fireplace |
| <input type="checkbox"/> Ceiling Fans | |
| <input type="checkbox"/> Other _____ | |

33. Indicate which of the following, if any, Project tenants will be required to pay on an individual basis.

- | | |
|--------------------------------------|------------------------------------------|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Water and Sewer |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Garbage Pick up |

34. Attach a pro forma cash flow statement for the Project's first three years of occupancy. Include assumptions and, specifically, administrative, operating and maintenance costs, taxes, and cash flow available for debt service for each of the three years.

35. Indicate the estimated costs of developing, constructing and equipping or acquiring and rehabilitating the Project. Attach a separate sheet if necessary to provide a complete summary of Project costs.

Acquisition Cost	_____
Rehabilitation Cost	_____
Land Cost	_____
Construction	_____
Design	_____
Surveys & Soil Testing	_____
Equipment	_____

Construction Insurance	_____
Construction Period Interest	_____
Other (Specify)	_____
TOTAL COST OF PROJECT	_____

36. 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.

37. State the maximum principal amount of bonds that the Applicant desires that the Issuer issue to provide financing or refinancing for the Project.

38. Except with respect to a refunding, indicate the type and amount of costs expended (including orders for any Project equipment or furnishings) with respect to the Project prior to the current date. If none, please write "none."

39. Except with respect to a refunding, have any costs (including orders for any Project equipment or furnishings) been incurred but not paid? If yes, identify and explain.

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

41. State name, address and phone number of the managing agent for the Project. Attach information concerning prior management experience 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.

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

43. The election made under Section 142 of the Internal Revenue Code of 1986, as amended is:

☐ 20% of the units are set-aside for tenants whose adjusted income is 50% or less of median gross income for the area in which the Project is located with adjustments for family size.

☐ 40% of the units are set-aside for tenants whose adjusted income is 60% or less of median gross income for the area in which the Project is located with adjustments for family size.

44. 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 including a detailed relocation plan and budget.

45. An appraisal report and a market study will be required three weeks prior to the Board of Directors' consideration of a resolution granting final approval of the issuance of bonds.

46. For a bond issue that requires private activity bond volume cap, attach a completed Residential Rental Attachment in the current form prescribed by the Texas Bond Review Board.

III. INFORMATION RELATING TO CONSTRUCTION

47. Has construction of the Project begun?

☐ Yes ☐ No

If yes, give date construction began: _____

If no, give estimated date for commencement of construction:

48. State estimated date of completion: _____

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

50. State name, address and phone number of contractor for the Project. Attach information concerning projects previously completed by the contractor. Include location, year of completion, number of units and approximate construction cost of each project.

51. State name, address and phone number of architect for the Project. Attach information concerning projects designed by the architect.

IV. INFORMATION RELATING TO THE FINANCING

52. The Applicant has made application for HUD housing assistance payments under Section 8 of the United States Housing Act of 1937 with respect to what percentage of the Project units?

- ☐ 100% of the Project units
☐ 20% of the Project units
☐ None of the Project units

Please attach a copy of HUD approval letter, if any.

53. Has the Applicant made, or does the Applicant intend to make, application for mortgage insurance or credit support under any program:

	No	Yes, for Construction Advances*	Yes, for insurance upon completion only*
Ginnie Mae / FHA			
Fannie Mae			
Other (Please Describe)			

*Attach copy of application. Prior to final approval by the Authority or City Council, Applicant must provide signed commitment letter from each credit enhancer.

54. 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."

55. If the Applicant is a limited partnership, indicate whether it is anticipated that there will be a syndicated offering of partnership shares.

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

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

58. If the Applicant has applied to another source for financing with respect to the Project, give details.

59. Explain how the Project will be financed if all or a portion of the amount applied for is denied.

60. If available, indicate the name, address and name of representative of the entity or entities which is expected to purchase or underwrite the obligations of the Issuer issued to provide financing for the Project. Please attach a copy of any letter of commitment or letter of intent from such prospective purchaser or underwriter.

61. If approved, are the bonds to be offered at a public sale or will they be placed privately with a purchaser?

62. If the proposed financing involves the use of guaranties or obligations issued by a lending institution or an entity such as Fannie Mae as security for the bonds, whether in the form of a note, a letter of credit, certificates of deposit or some other form, please identify the lending institution or entity and include a copy of: (i) a letter of commitment from such institution or entity; and (ii) with regard to a lending institution, a copy of such institution’s most recent financial statements.

63. Describe any other important aspects of the proposed financing, including the nature of the security and any required reserve funds. Include detailed description of any existing or proposed ground leases relating to the Project site, subordinate debt, taxable financing, sale-leaseback arrangements and rights to repurchase the Project or Project site.

64. Describe any pending litigation involving the applicant or any person identified in the answer to question 4 above.