2020 Bond Application Announcement

Thank you to everyone who responded to our survey! It helped inform our decisions below.

On February 17, 2020, DCA received 103 pre-applications requesting 4% tax credits in conjunction with private activity bonds. Based on the pre-applications received, the total estimated amount of bonds required is $1,700,000,000, which will likely encumber bond cap through 2022.

DCA has determined the tranches for pre-application processing. This methodology reflects QAP priorities, the need to preserve non-DCA funding, readiness to proceed, and the need to support the development community broadly. DCA has separated the pre-applications into three tranches which approximately correspond to years 2020 through 2022 for bond cap purposes. In determining the groupings, DCA used the following criteria:

- Preservation
- Expiring public funding
- Readiness to proceed
- Developers' 1st- and 2nd-choice pre-applications

The timeframe **estimates** for each tranche below are based on the average bond cap availability for rental housing development in recent years. However, the true amount of bond cap available in any given year varies based on bond cap utilization from other development types (e.g., economic development).

DCA will begin reviewing Tranche 1 pre-applications immediately. DCA is committed to a 60-day Pre-App review timeline and 75-day Full App review timeline -- if there are no major issues which need to be clarified and/or requests for documentation which need to be made. Once an application has passed Pre-App review, and receives a clearance to submit a Full Application, you may submit your full application. The timeline to closing will largely depend on how quickly DCA receives a full application and responses to clarifications through the review process. DCA will provide quarterly updates on the status of reviews.

Tranche 1

1. HOME/NHTF Awards (12 applications, $128MM)
2. Expiring funds, on or before 3/31/21 (6 applications at $57MM)
3. Preservation - RAD deals with CHAP awards (7 applications at $109MM)
4. Developer Choice
   a. Preservation (12 applications at $122MM)
   b. Readiness to proceed (4 applications at $117MM)
   c. 1st choice deals for developers not included in the above list (12 applications at $222MM)

Tranche 2

1. Remaining expiring funds (3 applications at $66MM)
2. Preservation - RAD deals without a CHAP award (2 applications at $32MM)
3. Developer Choice
   a. Preservation (6 applications at $82MM)
   b. Top choice deal for developers not included in Trance 1 or the above list (14 applications at $276MM)

Tranche 3

1. Top choice of remaining deals, one per developer (10 applications at $198MM)
2. Remaining deals (17 applications at $286MM)

Incomplete Applications

In our public communications in the spring, we expressed that pre-applications that were submitted, but which were incomplete, risked being disqualified. We did this to ensure that developers did not submit applications that were nowhere near ready to go just to reserve a spot in line.

DCA did not utilize "complete pre-application" as a preference. The vast majority of pre-applications that are incomplete will be preservation applications, as the pre-application documentation requirements for new construction applications are minimal. An unintended consequence of prioritizing complete pre-applications would be to create a review order that directly contradicts the intent of the QAP preservation priority. DCA reserves the right, but is not required, to request additional or missing documentation on incomplete applications.

Other

- The number of 4% pre-applications to be reviewed has been reduced to 94 as a result of withdrawn applications and HOME/NHTF awards.
- The excel spreadsheet list does not reflect the order or ranking for underwriting purposes.
- Some deals will move faster through this process; others may require further communication from the DCA team.

The list of applications is posted on DCA's website here, titled "2020 4% Bond List (6-16-2020)"