

**Exhibit F**  
**Arizona Department of Housing (ADOH)**  
**Arizona Tax Exempt Bond Process and Initial Application Checklist**

**Tax Exempt Bond Process**

Following is an outline of the process to obtain tax-exempt bonds and Tax Credits for Projects qualifying under I.R.C. § 42(h)(4).

Step 1	<b>IDA Application.</b> Application is made to the Industrial Development Authority (the “IDA”) with the requisite governmental power to issue the multifamily housing revenue bonds in accordance with I.R.C. §142(d).
Step 2	<b>IDA Preliminary Approval Resolution.</b> A preliminary resolution (or inducement resolution) is considered by the IDA.  The remainder of this outline will assume that the IDA has approved and passed any resolutions required.
Step 3	<b>Tax Credit Application.</b> Application is made to the Arizona Department of Housing (“ADOH”) in accordance with this Plan. Include all non-scoring Application exhibits under Section 2.9 (see Application Checklist below to determine what is not scoring) <i>plus all exhibits described in Section 3.1.</i> The Application must be accompanied by the appropriate Application fee.  ADOH will perform the feasibility analyses to determine the amount of credits necessary for the viability of the Project. ADOH’s feasibility analysis will include an underwriting of the Project in accordance with ADOH’s current standards as set forth in this Plan.  ADOH requires at least thirty days for review of the Application. Applicants should refer to QAP Section 5.1 regarding consistency and accuracy. Once approved, the Applicant will receive a conditional Determination of Qualification letter and <b>any further changes to the Application shall be subject to Section 5.6 of the QAP (Material Change).</b> Applicants who apply during the review of the 9% Tax Credit round should anticipate delays until the underwriting of the 9% Applications are completed.
Step 4	<b>Publish TEFRA Notice.</b> In accordance with I.R.C. §147(f) a notice of a TEFRA public hearing is published in a newspaper of general circulation at least fourteen (14) days prior to conducting the TEFRA public hearing.
Step 5	<b>TEFRA Hearing.</b> A TEFRA public hearing is held (at least fourteen [14] days after notice is given by publication).
Step 6	<b>Notify Attorney General.</b>
Step 7	<b>Attorney General Response.</b>
Step 8	<b>Document the Transactions.</b> The documents related to the issuance of the bonds and the sale of the four percent (4%) low-income tax credits are negotiated and final drafts are prepared.
Step 9	<b>IDA Final Approval Resolution.</b> Final Approval of the IDA is considered by the IDA.

	The remainder of this outline will assume final approval has been granted by the IDA.
Step 10	<p><b>Governing Body Approval Resolution.</b> The Governing Body of the IDA considers granting final approve the issuance of the bonds by the IDA.</p> <p>A City or Town based IDA’s Governing Body is the Mayor and Council.</p> <p>A County based IDA’s Governing Body is the County Board of Supervisors.</p> <p>The Arizona IDA’s Governing Body is the Arizona Finance Authority.</p> <p>The remainder of this outline will assume final approval has been granted by the IDA and its Governing Body.</p>
Step 11	<p><b>Equity Closing Request and Delegated Authority to ADOH to make required Determinations.</b></p> <p>Applicants must submit a Delegation of Determination letter in the form of the sample provided below in this Exhibit with the Equity Closing package to ADOH.</p> <p>Applicant shall submit all documents requested under Section 3.2 of this Plan. All information must be included in the draft closing documents at this time. ADOH will perform a feasibility analyses to determine the amount of credits necessary for the viability of the Project based upon the addition of the documents requested at Section 3.2. ADOH’s feasibility analysis will include an underwriting of the Project in accordance with ADOH’s current standards as set forth in this Plan.</p> <p>See QAP Section 5.1 regarding consistency and accuracy of submittals. ADOH will require at least thirty days for review of the submittal. <b>Once approved, Applicant will receive a final Determination of Qualification letter and any further changes to the Application remain subject to Section 5.6 of the QAP (Material Change).</b></p>
Thirty (30) Days Prior to Closing.	
Step 12	<p><b>A.R.S. § 35-726(E) Feasibility Hearing (If applicable).</b></p> <p>The majority of IDAs must comply with A.R.S. §35-726(E).</p> <p>The review of an Application for a Determination of Qualification under I.R.C. § 42(m)(1)(D) (above) may be combined with any tax-exempt bond hearing pursuant to A.R.S. Section 35-726(E).</p>
Step 13	<p><b>PAB Volume Cap Allocation Requested and Confirmed.</b> A request for allocation of private activity bond authority volume cap is made to the Arizona Finance Authority.</p> <p>The remainder of this outline will assume an allocation of private activity bond authority volume cap is confirmed by the Arizona Finance Authority.</p>
Step 14	<p><b>Determination of Qualification of Tax Credits Letter.</b> In accordance with I.R.C. §42(m) Determination of Qualification of Tax Credits Letter is issued by ADOH.</p>
Step 15	<p><b>Pre-Closing.</b> The bond and tax credit documents are finalized, executed, and delivered.</p>
Step 16	<p><b>Closing.</b> The bonds are sold (either privately or publicly), the first equity installment is made and funds are disbursed.</p>
Step 17	<p><b>Upon Closing through 8609s.</b> Applicant shall follow Section 4.1(F) of this Plan.</p>

Step 18	<b>Placed-in Service.</b> Placed-in Service as defined in this Plan.
Step 19	<b>Cost Certification.</b> Section 3.4 of this Plan.
Step 20	<b>ADOH Final Underwriting.</b> Sections 3.4, 3.5, 4.1(F) and 7 of this Plan.
Step 21	<b>Form 8609 issued.</b> Sections 3.4, 3.5 & 4.1(G) of this Plan.

**Step 3 Application Checklist**

Following is an outline of the documents from Section 2.9 that are required in a tax-exempt bond Application described in Section 4.1(B) of the 2021 QAP. Exhibits described in Section 2.9 shall be tabbed from 1 – 25; Exhibits from Sections 3.1 and 3.2 shall be tabbed A – Z. **The following summary is not all inclusive. It only clarifies which exhibits are not required for scoring pursuant to Section 2.9.** Applicants must consult Sections 2.9, 3.1, and 3.2 for further requirements. Where not specified, the items listed below are in Section 2.9 in the section corresponding to the Tab number.

<b>Tab Number</b>	<b>Description of Required Item</b>
Tab 1	<ul style="list-style-type: none"> <li>a. Cover letter.</li> <li>b. IDA letter requesting to delegate the determination of qualification under IRC §42(m)(2)(D).</li> <li>c. Form 1 - Project Schedule.</li> <li>d. Certificate of Attendance of Application Workshop, if Applicant attended. This workshop is not required for tax-exempt bond Projects.</li> <li>e. Certificate of Attendance of Compliance Training Workshop.</li> <li>f. Waiver Request, if applicable.</li> </ul>
Tab 2	Not applicable to tax-exempt bond Projects.
Tab 3	<ul style="list-style-type: none"> <li>a. Form 3 complete and executed.</li> <li>b. QCT/DDA map, if applicable.</li> <li>c. Executed Applicant Certification and Indemnification (Form 3-2).</li> </ul>
Tab 4	<ul style="list-style-type: none"> <li>a. Organizational Chart</li> <li>b. Signature Block</li> <li>c. Entity Documents for Applicant, Owner, Developer, Co-Developer and for each entity in the Applicant’s signature block.</li> <li>d. Board Resolution demonstrating signature authority</li> <li>e. IRS Documentation of EIN (see Section 3.1).</li> <li>f. If the Applicant is not the Owner, the legal document demonstrating the authority of the Applicant to bind the Owner.</li> </ul>
Tab 5	Not applicable to tax-exempt bond Projects.

Tab 6	<ul style="list-style-type: none"> <li>a. Form 6.</li> <li>b. Identity of Interest explanation(s).Form 6-1.</li> <li>c. Form 6-2.</li> <li>d. Form 6-3.</li> <li>e. A narrative describing the experience of the Development Team followed by resumes of each member of the Development Team.</li> <li>f. Financial Statements of the Developer for the prior two (2) years.</li> <li>g. Property Management Entity Resume</li> </ul>
Tab 7	<ul style="list-style-type: none"> <li>a. Appraisal               <ul style="list-style-type: none"> <li>i. New Construction Project. A land only Appraisal.</li> <li>ii. Acquisition/Rehab Project or Adaptive Re-use Project. The Appraisal must include separate values for the land and the buildings.</li> </ul> </li> <li>b. Site Control Documents - Title Report and:               <ul style="list-style-type: none"> <li>i. Deed and Settlement Statement.</li> <li>ii. Purchase Contract or Option.</li> <li>iii. Lease or Option to Lease.</li> </ul> </li> <li>c. Environmental Reviews, as applicable.</li> </ul>
Tab 8	<ul style="list-style-type: none"> <li>a. Form 8 - Planning and Zoning Verification.</li> <li>b. Will Serve Letters.</li> </ul>
Tab 9	<ul style="list-style-type: none"> <li>a. Letter of Interest or Intent from Tax Credit Syndicator.</li> <li>b. Letters of Interest or Intent from each of the Projects' sources of financing.</li> <li>c. Property Management Letter certifying Operating Expenses.</li> <li>d. Developer Fee &amp; Consulting Agreements.</li> </ul>
Tab 10	<ul style="list-style-type: none"> <li>a. Market Demand Study that meets the requirements of <b>Exhibit C</b>.</li> </ul>
Tab 11	<p>Not applicable to tax-exempt bond Projects.</p>
Tab 12	<ul style="list-style-type: none"> <li>a. Property Design Standards, Drawings, and Plans.</li> <li>b. Insert Form 12, Architect's Certificate.</li> <li>c. Subject to New Construction Square Footage Limits allowed in Eligible Basis, if new construction.</li> </ul>
Tab 13	<ul style="list-style-type: none"> <li>a. Utility Allowance Schedule - based on the energy consumption model (Treas. Reg. § 1.42- 10(b)(4)(ii)(E)).               <ul style="list-style-type: none"> <li>i. RESNET Home Energy Rater Utility Allowance Schedule.</li> </ul> </li> </ul>
Tab 14	<ul style="list-style-type: none"> <li>a. Energy Analysis prepared by Certified RESNET Home Energy Rater.               <ul style="list-style-type: none"> <li>i. New Construction - Sixty-five (65) HERS Index.</li> </ul> </li> </ul>

	ii. Rehabilitation - Fifteen percent (15%) reduction in energy usage.
Tabs 15 - 19	Most are not applicable. Insert if applicable to the Project.
Tab 20	a. Relocation Plan, if applicable. b. Capital Needs Assessment, if rehabilitation.
Tab 21	a. Section 106 review, if applicable. b. Letters from Certified Local Government and/or SHPO, if applicable. c. Evidence that Project is historic.
Tab 22	a. Project Based Rental Assistance, if any.
Tabs 23 - 25	Not generally applicable to tax-exempt bond Projects.

**Sample Documents**

On the following pages are samples of the documents required under Section 4.1 of the 2021 QAP. Applicants should request the sample delegation letter prior to submitting an Application. ADOH will send the certifications with the final Determination of Qualification letter.

**Sample Delegation of Determination Letter (Section 4.1(B)(2)(b))**

(THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE \_\_\_\_\_ Letterhead)

\_\_\_\_\_, 20\_\_

Jeanne Redondo  
 Rental Programs Administrator  
 Arizona Department of Housing  
 1110 W. Washington Street, Suite 280  
 Phoenix, Arizona 85007

Re: Delegation of Determination required by Internal Revenue Code of 1986, as amended (the "Code") **Section 42(m)(2)(D)** to the Arizona Department of Housing ("ADOH") related to:

DEVELOPER NAME:	
OWNER'S NAME: _	
PROJECT NAME:	
PROJECT ADDRESS:	
ADOH BOND PROJECT NUMBER:	BD -
BONDS:	\$_____ The Industrial Development Authority of _____, Arizona Multifamily Housing Revenue Bonds (_____ Apartments Project) Series 201__
ANTICIPATED BONDS ISSUANCE MONTH:	

Dear Ms. Redondo:

The Industrial Development Authority of the \_\_\_\_\_ (the "Issuer") expects to issue the Bonds to finance a portion of the cost of the acquisition, construction and equipping of the Project. The Bonds will be issued under the volume cap under **Code Section 146** and the interest on the Bonds is intended to be exempt from tax under **Code Section 103**.

As the Issuer, this letter will confirm the Issuer's delegation to ADOH for ADOH to make the determination required to be made according to **Code Section 42(m)(2)(D)**, i.e., that the housing credit dollar amount allocated to the Project does not exceed the amount determined to be necessary for the financial feasibility of the Project and its viability as a qualified low-income housing project throughout the credit period.

The Issuer acknowledges that ADOH will require **30 days** to make the determination required to be made according to **Code Section 42(m)(2)(D)** and for that reason the Issuer has tentatively scheduled the issuance of the Bonds for \_\_\_\_\_ 201\_\_.

If you have any questions comments of concerns, then please feel free to contact the Issuer's counsel \_\_\_\_\_ at (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_.

Thank you for your attention to this matter.

Very truly yours,

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE  
\_\_\_\_\_, as Issuer

By: \_\_\_\_\_

Its: \_\_\_\_\_

Sample Issuer's Certificate

**Issuer's Certificate of Bond Issuance Month**

DEVELOPER NAME:	
OWNER'S NAME:	
PROJECT NAME:	
PROJECT ADDRESS:	
ADOH BOND PROJECT NUMBER:	BD -
BONDS:	\$_____ The Industrial Development Authority of _____, Arizona Multifamily Housing Revenue Bonds (_____ Apartments Project) Series 20__
BONDS ISSUANCE MONTH:	

This Issuer's Certificate of Bond Issuance Month (this "Certificate") is based solely on:

- a. The Bonds Issuance Month is \_\_\_\_\_ 20\_\_\_. (Ref. TD 8520 Section 1.42-8(b)(1)(iv)).

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be executed on \_\_, 20\_\_.

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF  
THE \_\_\_\_\_, as Issuer

By: \_\_\_\_\_

Its: \_\_\_\_\_

***Sample Election to Fix Credit Percentage at Bond Issuance***

**Election to Fix the Credit Percentage at Time Tax - Exempt Bonds are Issued  
(Treasury Regulations Section 1.42-8)**

DEVELOPER NAME:	
OWNER'S NAME:	
PROJECT NAME:	
PROJECT ADDRESS:	
ADOH BOND PROJECT NUMBER:	BD -
BONDS:	\$ _____ The Industrial Development Authority of _____, Arizona Multifamily Housing Revenue Bonds (_____ Apartments Project) Series 20__
BONDS ISSUANCE MONTH:	

The applicable credit percentage for the Bonds Issuance Month is \_\_\_\_\_% for the **30%** present value credit.

Pursuant to **Internal Revenue Code Section 42(b)(1)(A)(ii)(II)**, by execution of this Election to Fix the Credit Percentage at Time Tax - Exempt Bonds are Issued (the “**Election**”), the Owner of the Project hereby irrevocably elects to fix the applicable credit percentage for each building comprising the Project as the percentage prescribed by the Secretary of the Treasury for the Bonds Issuance Month.

The percentage of the aggregate basis of the building(s) and the land on which the building(s) is located that is financed with the proceeds of obligations described in of the Bonds is \_\_\_%; which is excess of the required **50%** test required by **Internal Revenue Code Section 42(h)(4)(A)**.

SIGNATURES APPEAR ON THE FOLLOWING PAGE



Sample Election to Fix Credit Percentage at Placed In Service

**Election to Not Fix the Credit Percentage at Time Tax-Exempt Bonds are Issued  
(Treasury Regulations Section 1.42-8)**

DEVELOPER NAME:	
OWNER'S NAME:	
PROJECT NAME:	
PROJECT ADDRESS:	
ADOH BOND PROJECT NUMBER:	BD -
BONDS:	\$ _____ The Industrial Development Authority of _____, Arizona Multifamily Housing Revenue Bonds (_____ Apartments Project) Series 20__
BONDS ISSUANCE MONTH:	

Pursuant to **Internal Revenue Code Section 42(b)(1)(A)(ii)(II)**, by execution of this Election to Not Fix the Credit Percentage at Time Tax - Exempt Bonds are Issued (the "**Election**"), the Owner of the Project hereby irrevocably declines to fix the applicable credit percentage for each building comprising the Project as the month the Bonds were issued..

Accordingly, the applicable percentage for each building in the Project shall be the applicable percentage published by the United States Treasury for the month in which the particular building is Placed - in - Service, as defined in the **Internal Revenue Code**.

The percentage of the aggregate basis of the building(s) and the land on which the building(s) is located that is financed with the proceeds of obligations described in of the Bonds is \_\_\_%; which is excess of the required **50%** test required by **Internal Revenue Code Section 42(h)(4)(A)**.

SIGNATURES APPEAR ON THE FOLLOWING PAGE



Form of Certification that the Tax-Exempt Bonds issued to finance all or a portion of the Project have received an Allocation of the state’s private activity bond volume cap pursuant to 26 U.S.C. § 146 described in Section 4.1(F)(4) of the 2020 QAP:

CERTIFICATION OF BOND FINANCED PROJECT

\_\_\_\_\_, hereby represents and certifies to the Arizona Department of Housing (“ADOH”) the following with respect to the proposed low-income housing tax credit project (the “Project”) located at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ AZ:  
(Address) (City) (County)

\_\_\_\_\_ Percentage of the aggregated basis of any building of the Project, and any land on which the building is located, is financed by an obligation the interest on which is exempted from taxation under I.R.C. Section 103 (the “Tax-Exempt Bond”). The bond issued to finance all or a portion of the Project have received an allocation of the State’s private activity bond volume cap pursuant to Section 146;

The undersigned hereby certified, under penalty of perjury, on behalf of the Project Owner, that the foregoing representations and certifications are true and correct to the best of his/her knowledge and belief.

Owner Entity: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_ (insert name and tile of the officer) personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

SEAL:

\_\_\_\_\_  
Notary Public