

2016 LIHTC APPLICATION WORKSHOP

January 19, 2016 | Phoenix, AZ



Agenda/Objectives

Time	Topic	Presenter
9:00 - 9:30	Welcome	Andrew Rael
	Application Submission	Andrew Rael
	Eligibility Review	Andrew Rael
9:30 - 11:30	Scoring & Threshold	Jeanne Redondo
11:30 - 12:15	Lunch Buffet	
12:15 - 12:45	Threshold Continued	Jeanne Redondo
12:40 - 1:20	Underwriting	Jeanne Redondo
1:20 - 1:40	Compliance	Juan Bello
1:40 - 2:00	Gap Financing	Jeanne Redondo

WELCOME

Andrew Rael

Assistant Deputy Director, Programs

Overview of 2016 Application Submission Process

»» **Andrew Rael**

Assistant Deputy Director, Programs

GENERAL INFORMATION

- ▶ The presentation materials provided today are a general overview of the 2016 Application submittal process. **It is the Applicant's responsibility to refer to the 2016 QAP for COMPLETE AND SPECIFIC requirements.**
- ▶ Anticipated 2016 LIHTC is \$13.5 million
 - Questions: Jeanne.Redondo@azhousing.gov
 - Clarifications to QAP posted on website on Fridays until February 19, 2016.

Application Submission

- ▶ **Deadline: Tuesday March 1, 2016, 4:00 pm**
 - \$5,000.00 Application Fee
 - Two (2) copies of Form O (confirmation)
 - Submit one (1) hard copy - 8.5" x 11" in three (3) ring binder
 - Submit one (1) electronic copy either
 - (1) CD organized by tab
 - Upload to ADOH LIHTC Portal
 - Supporting documentation should be indexed and tabbed to correspond with Section 2.9 of the QAP
 - Exceptions
 - Items of significant volume (i.e. market study, appraisal, etc.)

ADOH Website Navigation

The screenshot shows the Arizona Department of Housing website. At the top left is the ADOH logo, which consists of a house icon with the letters 'ADOH' inside. To the right of the logo is the text 'Arizona Department of Housing'. Further right is a search bar with the word 'SEARCH' next to it. Below the logo and search bar is a navigation bar with the text 'LEADING WITH SOLUTIONS' and a home icon. A large orange arrow points from the 'LEADING WITH SOLUTIONS' text to the 'HOUSING PARTNERS' link. The navigation bar also includes links for 'HOUSING PARTNERS', 'DOCUMENTS & LINKS', 'TRAINING & EVENTS', and 'ESPAÑOL'. The main content area features a large banner for the 'Home Plus Home Loans Program'. The banner includes the text 'Home Plus Home Loans Program', 'Contact a preferred lender for detailed program information.', and 'Read More >'. Below the banner are three columns of content: 'Save Our Home AZ' with a 'SAVE OUR HOME' logo and text 'CERTIFICATE OF ELIGIBILITY HARP or Non-HARP Short Sale Assistance'; 'ADOH Programs & Services' with an image of hands typing on a keyboard; and 'Arizona Housing Finance Authority' with the 'AzHFA' logo.

Arizona Department of Housing

LEADING WITH SOLUTIONS

HOUSING PARTNERS DOCUMENTS & LINKS TRAINING & EVENTS ESPAÑOL

Home Plus Home Loans Program

Contact a preferred lender for detailed program information.

Read More >

Save Our Home AZ

CERTIFICATE OF ELIGIBILITY
HARP or Non-HARP
Short Sale Assistance

ADOH Programs & Services

Arizona Housing Finance Authority

AzHFA

ADOH Website Navigation

The screenshot shows the Arizona Department of Housing website. At the top left is the ADOH logo and the text "Arizona Department of Housing". To the right is a search bar. Below the logo is the tagline "LEADING WITH SOLUTIONS". A navigation menu includes "ABOUT", "GENERAL PUBLIC", "HOUSING PARTNERS", "DOCUMENTS & LINKS", "TRAINING & EVENTS", and "ESPAÑOL". A breadcrumb trail reads "Home » Housing Partners » Rental Development".

Rental Development

The Department provides a variety of funding sources to eligible non-profit and for-profit housing developers to assist with the development of affordable rental properties. Programs available are:

- Low-Income Housing Tax Credit Program**
- Private Activity Bonds and 501(c)(3) Bonds**

Housing Partners

- Community Development & Revitalization
- CHDO
- Consolidated Planning Process
- Rental Development
- Rental Compliance
- Special Needs Program

Quick Links

- Forms & Handbooks - LIHTC
- Forms & Handbooks - Bonds
- Forms & Handbooks - State Housing Fund
- LIHTC Document Upload Portal

Two orange arrows point to the breadcrumb trail and the "Private Activity Bonds and 501(c)(3) Bonds" section.

ADOH Website Navigation

Arizona Department of Housing

LEADING WITH SOLUTIONS

ABOUT GENERAL PUBLIC HOUSING PARTNERS DOCUMENTS & LINKS TRAINING & EVENTS ESPAÑOL

Documents & Links » Forms » Rental Development LIHTC Program

Rental Development LIHTC Program

Forms Rent & Income Limits CD&R Rental Compliance

Rental Development Bonds Rental Development LIHTC Special Needs

Special Needs-Continuum State Housing Fund Public Housing Authority

- Any -

Application Materials

2. 2015 LIHTC Applicant Certification, Indemnification	3. Form 3 (Rev. 2/26/15)
4. 2015 LIHTC Additional Forms	5. 2015 LIHTC Exhibits A B C E
6. 2015 Exhibit N - Supportive Services Plan	7. 2015 Exhibit D - Mandatory Design Requirements
8. 2015 Market Demand Study Guide	9. 2015 LIHTC GAP Application

Qualified Allocation Plan

2016 QAP (Final)	2016 QAP Final Draft
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Documents & Links

- Publications
- Handbooks
- Forms
- Links

Documents

Upload Electronic Copy

The screenshot shows the Arizona Department of Housing website. The header includes the ADOH logo and the text 'Arizona Department of Housing'. Below the header is a navigation menu with links for 'ABOUT', 'GENERAL PUBLIC', 'HOUSING PARTNERS', 'DOCUMENTS & LINKS', 'TRAINING & EVENTS', and 'ESPAÑOL'. A search bar is located in the top right corner. The main content area is titled 'Rental Development' and contains information about funding sources and programs. A sidebar on the right lists 'Housing Partners' and 'Quick Links'. An orange arrow points to the 'LIHTC Document Upload Portal' link in the Quick Links section.

Arizona Department of Housing

LEADING WITH SOLUTIONS

Home » [Housing Partners](#) » [Rental Development](#)

Rental Development

The Department provides a variety of funding sources to eligible non-profit and for-profit housing developers to assist with the development of affordable rental properties. Programs available are:

Low-Income Housing Tax Credit Program

The Low Income Housing Tax Credit (LIHTC) was created to promote the development of affordable rental housing for low income individuals and families. To date, it has been the most successful rental housing production program in Arizona, creating thousands of residences with very affordable rents. [Click HERE](#) for more information on this program.

Private Activity Bonds and 501(c)(3) Bonds

Private Activity Bonds are for the development of rental housing in Arizona. The Arizona Department of Commerce is responsible for allocating the State ceiling for Private Activity Bonds. In the urban counties of the State (Maricopa and Pima Counties), bonds must be issued by one of the local urban Industrial Development Authorities (IDAs). In the rural counties of the State, the State may issue bonds through the Arizona Housing Finance Authority (AHFA) or any of the local rural IDAs. IRC Section 42(h)(4) allows low-income housing projects financed with tax-exempt bonds to be eligible for 4% tax credits if they meet the minimum requirements and adhere to regulations set forth in the Qualified Allocation Plan (QAP). Applicants should consult their legal advisors to determine a project's eligibility. All applications submitted will be reviewed by ADOH and a bond hearing will be scheduled in accordance with A.R.S. 35-726(E).

Housing Partners

- Community Development & Revitalization
- CHDO
- Consolidated Planning Process
- Rental Development
- Rental Compliance
- Special Needs Program

Quick Links

- [Forms & Handbooks - LIHTC](#)
- [Forms & Handbooks - Bonds](#)
- [Forms & Handbooks - State Housing Fund](#)
- [LIHTC Document Upload Portal](#)

Upload Electronic Copy

Home » LIHTC Document Upload Portal

LIHTC Document Upload Portal

Please fill out the required fields below and include the file(s) for upload. Multiple files may be attached per upload.

Individual files cannot exceed 2GB in size.

Email: *
jeanne.redondo@azhousing.gov

First Name: *
Jeanne

Last Name: *
Redondo

Company: *
Arizona Department of Housing

Choose Files

Files (1)	Size (225 KB)
QAP Final 01-05-16.docx	225 KB

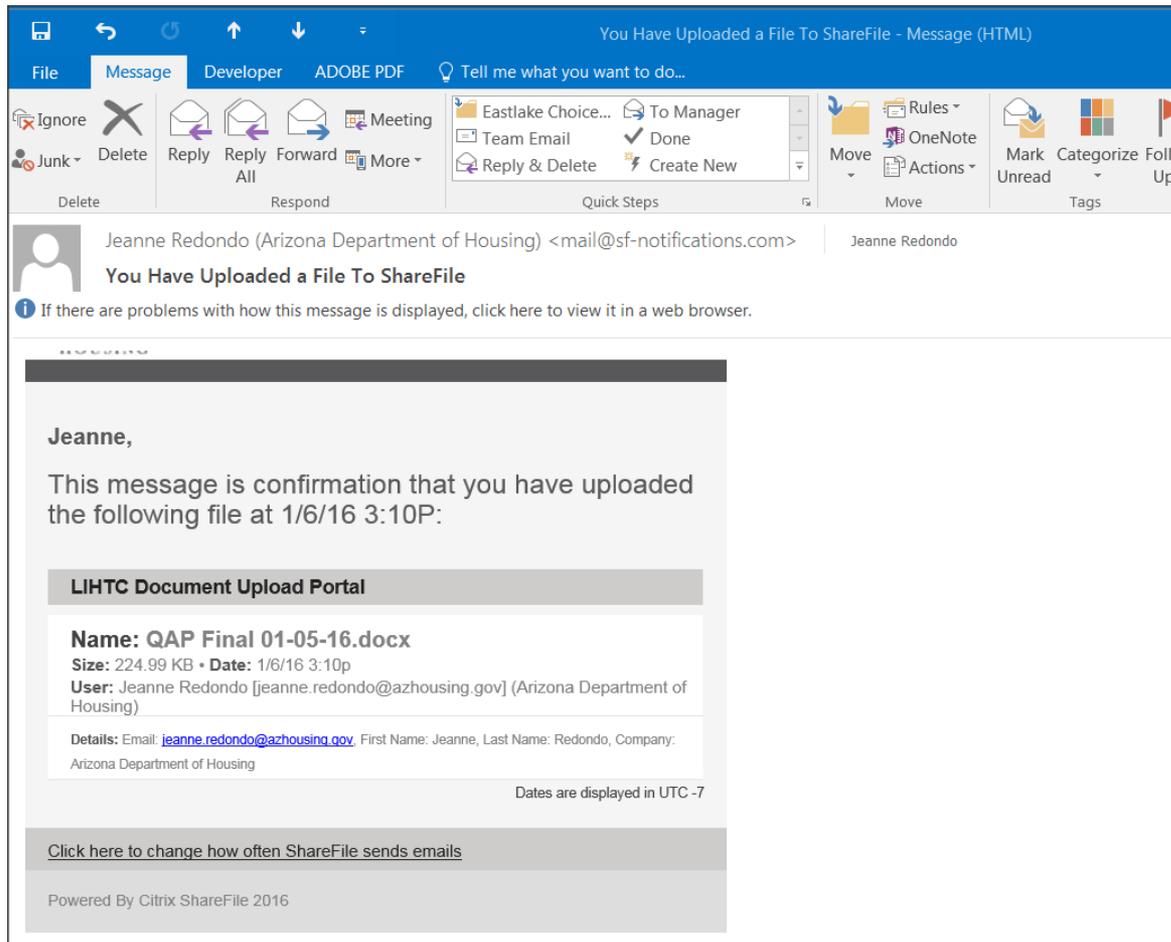
Upload Cancel

Quick Links

- Forms & Handbooks - LIHTC
- Forms & Handbooks - Bonds
- Forms & Handbooks - State Housing Fund
- LIHTC Document Upload Portal

Confirmation of Upload

Insert confirmation e-mail behind Form O.



The screenshot displays an Outlook email window with the subject "You Have Uploaded a File To ShareFile - Message (HTML)". The sender is identified as Jeanne Redondo (Arizona Department of Housing) with the email address <mail@sf-notifications.com>. The main body of the email contains the following text:

Jeanne,

This message is confirmation that you have uploaded the following file at 1/6/16 3:10P:

LIHTC Document Upload Portal

Name: QAP Final 01-05-16.docx
Size: 224.99 KB • Date: 1/6/16 3:10p
User: Jeanne Redondo [jeanne.redondo@azhousing.gov] (Arizona Department of Housing)

Details: Email: jeanne.redondo@azhousing.gov, First Name: Jeanne, Last Name: Redondo, Company: Arizona Department of Housing

Dates are displayed in UTC -7

[Click here to change how often ShareFile sends emails](#)

Powered By Citrix ShareFile 2016

Review Process

All Applications will be reviewed for:

- ▶ **Eligibility**
 - ▶ **Scoring**
 - ▶ **Threshold**
 - ▶ **Underwriting**
- 

Eligibility Review

- ▶ On-time Application submission (Form O)
 - ▶ Complete Application including Fees
 - ▶ Application Workshop Certificate
 - ▶ Compliance Training Certificate (2 day)
 - ▶ Authorized signatures
 - ▶ Current accounts
 - ▶ Satisfactory progress and compliance
 - ▶ Local government acknowledgement
 - ▶ No disqualifications listed in Section 2.5(I)
- 

Scoring & Threshold

»» **Jeanne Redondo**

Rental Programs Administrator

Scoring

What does my application need to be competitive?

Scoring

<u>Category</u>	<u>Points</u>
1. Developer Experience	10 points max
2. Project Readiness	15 points
3. Service Enriched Location	17.5 points max
4. Sustainable Development	19 points max
5. Transit Oriented Design	35 points max
6. Occupancy Preferences	20 points max

Scoring

<u>Category</u>	<u>Points</u>
7. Targeting Low Income Levels	35 points max
8. Local Government Contribution	5 points
9. Affordable Housing Preservation	5 points
10. Historic Preservation	1 point
11. QCT/DDA	1 point

Scoring

<u>Category</u>	<u>Points</u>
12. Rural Area Project	15 points
13. Applicant Entity	5 points
14. Project Based Rental Assistance	10 points
15. Waiver of Qualified Contract	10 points
16. Community Revitalization	1 point

Developer Experience

Tab 8

10 points possible:

▶ Projects Placed in Service

- One (1) project: 2 points
- Two (2) projects: 4 points
- Three (3) projects: 6 points
- Four (4) projects: 8 points
- Five (5) projects: 10 points

Project Readiness

Tab 9

15 points - Minimum fifty percent (50%) New Construction Units

- Site Design Review Approval
 - Completed site design review, and
 - Final site plan approval or equivalent
 - Tribal documentation of development approval
- ▶ Either Project Readiness or Affordable Housing Preservation points can be earned, *but not both*.

Service Enriched Location

Tab 13

17.5 points possible

- Facilities must be located within:
 - One (1) mile - Urban locations
 - Two (2) miles - Balance of State locations

Service Enriched Location

Tab 13

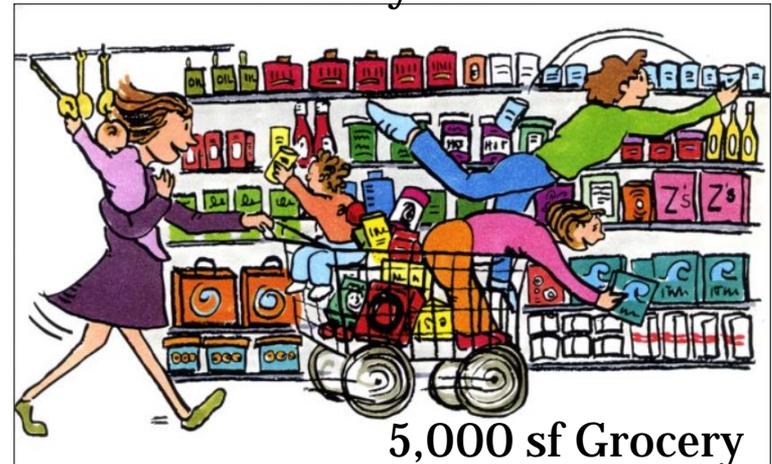


5 point facilities

With WIC Contract - 5 points

Without WIC Contract - 4 points

Grocery Store



Service Enriched Location

Tab 13

5 point facilities

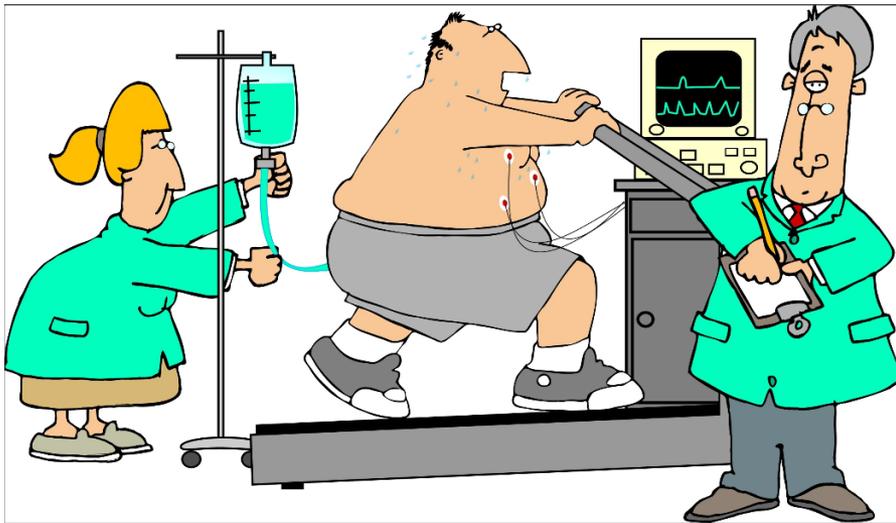


- ▶ School rated B or better by AZ Department of Education

Service Enriched Location

Tab 13

2.5 point facilities

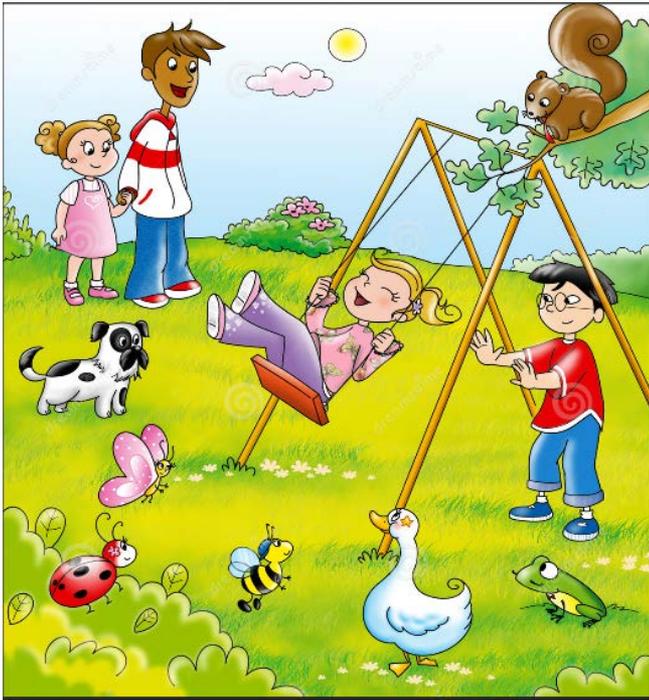


- ▶ Full Service Hospital
- ▶ Urgent Care Clinic
- ▶ Federally Qualified Health Center
- ▶ VA Health Center (Veterans Projects)

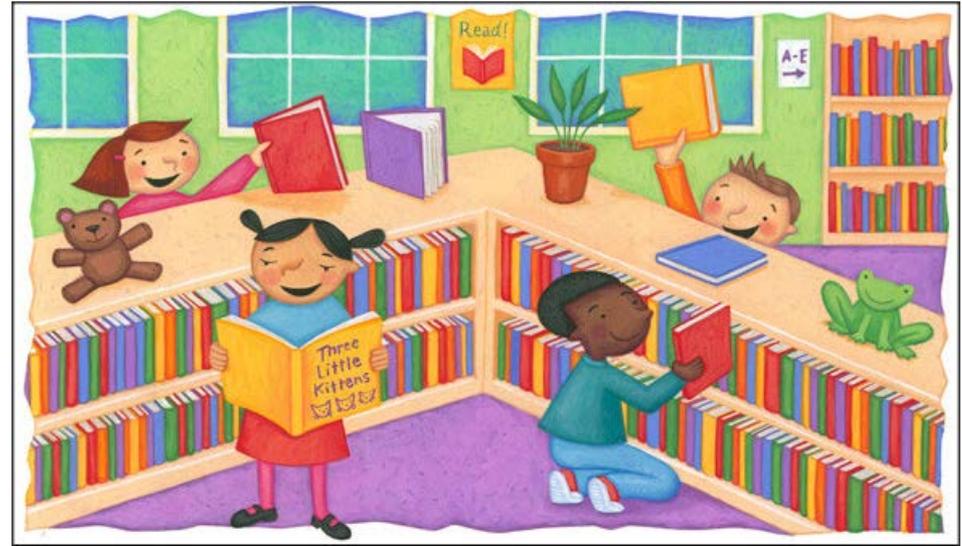
Service Enriched Location

Tab 13

2.5 point facilities



Public Park/Rec Center



Public Library

Sustainable Development

Tab 17

19 points maximum

- 19 points LEED for Homes Gold



Sustainable Development

Tab 17

19 points maximum

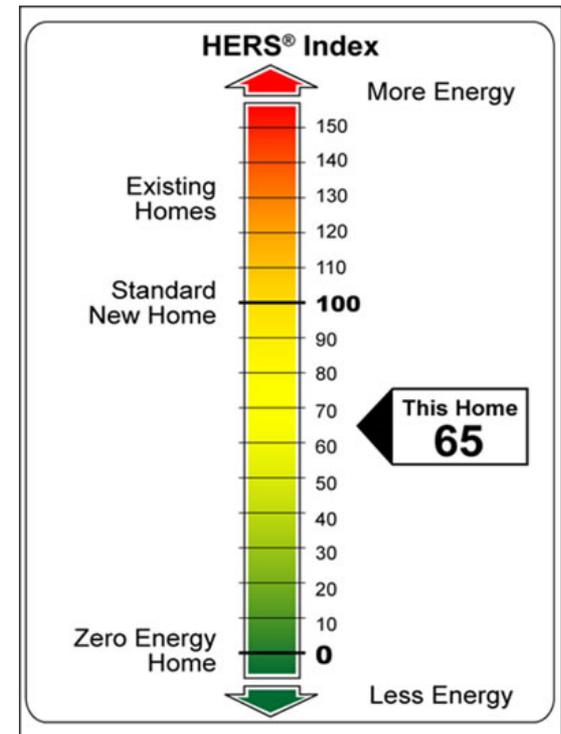
- Up to 10 points HERS Rating + 9 points Prescriptive (Materials, Indoor Air Quality, Water Efficiency)

This project would earn 4 points for HERS rating.

*HERS Baseline is 67

HERS Baseline 67 – HERS Score 65 = 2

2 points for every HERS Index point below 67



Sustainable Development

Tab 17

19 points maximum

- Up to 19 points for Prescriptive Path
 - Form 17
 - Items selected are commitments to the Project
 - Share it with your on-site construction team
 - Resources and Technical Support for “No Smoking” policies are available at www.AzSmokeFreeLiving.org

Transit Oriented Design

Tab 18

35 points possible

● Frequent Bus Transit - 15 Points

▶ Phoenix

- Headways: 6:00 am - 6:00 pm
30 minute weekdays / 1 hour weekends
- Service: 15 hours weekdays
12 hours weekends

▶ Tucson

- Headways: 6:00 am - 6:00 pm
30 minute weekdays / 1 hour weekends
- Service: 12 hours weekdays
10 hours weekends

Bus Stop with ¼ Mile of Site



Transit Oriented Design

Tab 18

35 points possible

- Frequent Bus Transit - 15 Points
 - ▶ Balance of State (population 25,000+)
 - Headways: 9:00 am - 5:00 pm
1 hour weekdays
 - Service: 8 hours weekdays
 - ▶ Balance of State (population >25,000)
 - Headways: 9:00 am - 3:00 pm
2 hour weekdays
 - Service: 6 hours weekdays

Bus Stop with ¼ Mile of Site



Transit Oriented Design

Tab 18



- Door to Door Transportation - 5 points
 - Points available for Balance of State Only
 - No cost to residents
 - On-call within 24 hours
 - 2 times per week minimum

Transit Oriented Design

Tab 18



- High Capacity Transit System - 20 points
 - Transit station within 1/2 mile of site including the following:
 - Light rail
 - Light rail planned 19th Avenue extension to Dunlap Avenue
 - Light rail planned to downtown Mesa including Mesa Drive and extension to Gilbert Road
 - Commuter rail
 - Intercity rail
 - Streetcar routes Tucson funded and under construction

Occupancy Preferences

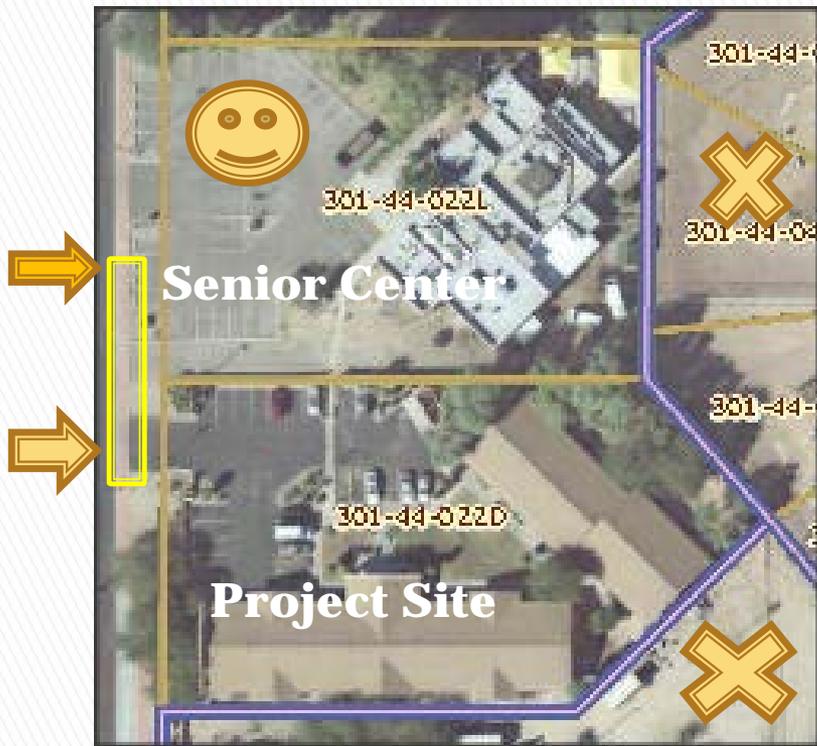
Tab 20

20 points possible

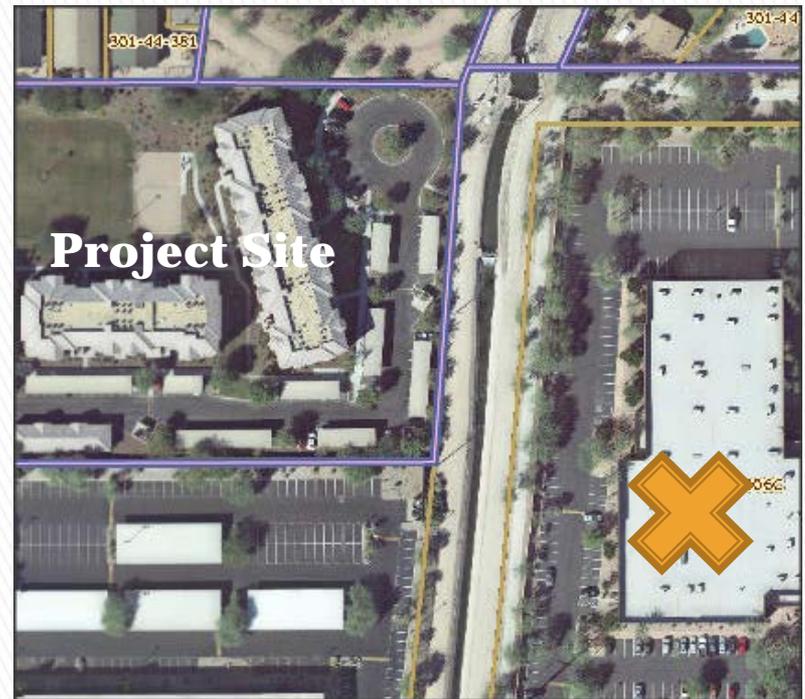
- Scoring Categories include:
 - Households with Children, Older Persons, Veterans, Special Populations or a combination of two of these
- Service Providers must be qualified
- Services must be provided
 - On-Site Only where applicable
 - On-Site or Contiguous and Accessible where applicable

Contiguous and Accessible

Acceptable



Not Acceptable



Occupancy Preferences

Tab 20

New Services:

- Food Pantry (QAP page 13)
 - 80 SF dry air conditioned storage
 - Monthly
 - No Cost to residents
- Habilitation/Life Skills training
 - Assist resident to thrive in their new environment
 - Veterans or Special Populations only

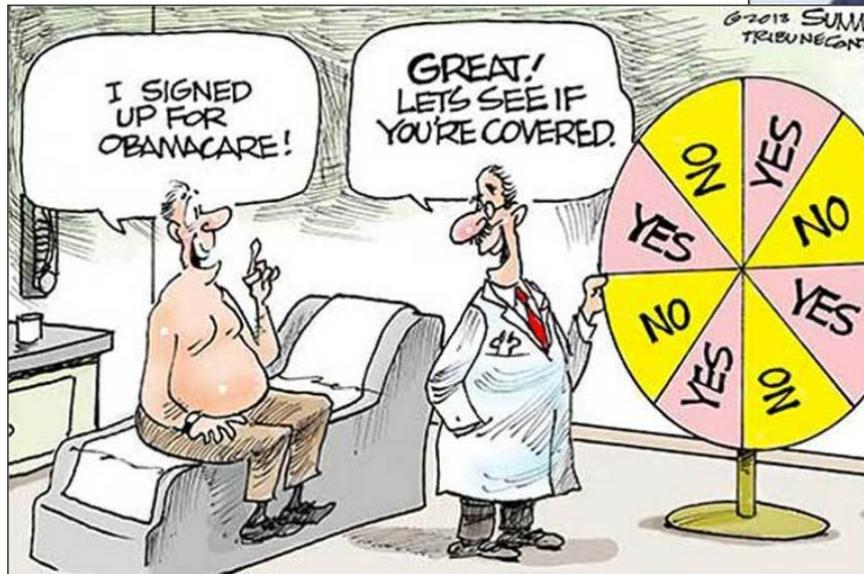


Occupancy Preferences

Tab 20

New Services:

- Benefits Specialist (QAP page 9)



Occupancy Preferences

Tab 20

20 points possible Households with Children

- 5 points Households with Children
 - 30% of units preferential basis to families with children
 - 30% of units 3 and 4 bedroom



Occupancy Preferences

Tab 20

- Up to 15 more points if you earn the above 5 points
 - 1 point Child Care Center within one (1) mile
 - On-Site
 - 1 point monthly nutrition classes
 - 5 points case management (PSH only)
 - 5 points Service Coordinator
 - On-site or Contiguous *and* Accessible to the Project
 - 1.5 points after school program on school days min 2 hours each day of school
 - 1 point computer training every two (2) months
 - 2 point job training every two (2) months
 - 1 point Financial Literacy Classes quarterly
 - 1 point Benefits Specialist
 - 3 points Food pantry



Occupancy Preferences

Tab 20

20 points possible Housing for Older Persons

- 5 points Housing for Older Persons Project
 - Meet definition on page 14 of QAP
 - No units larger than two (2) bedroom
 - Must offer supportive services



Occupancy Preferences

Tab 20

- 15 more points if you earn the above 5 points
 - On-Site
 - 1 point nutrition classes by third party (on-site every two (2) months)
 - 1 point on-site Financial Literacy Classes (on-site quarterly)
 - 5 points on-site Service Coordinator 40 hours per month
 - 3 points on-site no-cost transportation
 - On-site or Contiguous *and* Accessible to the Project
 - 1 points computer training (on-site or contiguous and accessible every 2 months)
 - 1 point on-site Benefits Specialist
 - 3 points on-site Food Pantry
 - 2 points health promotion/disease prevention/recreation/wellness class health screening every two (2) months (on-site or contiguous and accessible)



Occupancy Preferences

Tab 20

20 points possible Veterans projects

- 5 points
 - Fifty percent (50%) of units serve veterans
 - Twenty-five (25) units set aside for veterans
 - Supportive Services required



Occupancy Preferences

Tab 20

- ▶ Up to 15 more points if you earn the above points
 - 1 point Child Care Center within one (1) mile (30% HH w/ Children preference required)
 - On-Site
 - 1 point nutrition classes
 - 5 points case management (PSH only)
 - 5 points Service Coordinator
 - On-site or Contiguous *and* Accessible to the Project
 - 5 points after school program on school days min 2 hours each day of school (30% HH w/ Children preference required)
 - 1 point computer training every two (2) months
 - 2 point job training every two (2) months
 - 1 point Financial Literacy Classes quarterly
 - 1 point Benefits Specialist
 - 1 point habilitation/life skills training (HH w/ Chronic Homelessness)
 - 3 points Food pantry



Occupancy Preferences

Tab 20

20 points possible Special Populations Projects

- 5 points
 - Twenty-five percent (25%) of the units serve Special Populations experiencing:
 - Homelessness
 - HIV
 - Serious Emotional Disturbance
 - Serious Mental Illness
 - Developmental and Physical Disabilities
 - Domestic Violence
 - Chronic Substance Abuse



Occupancy Preferences

Tab 20

- **15 more points if you earn the above points**
 - **On-Site:**
 - 1 point Habilitation/Life Skills Training w/in 2 months of intake
 - 5 points Service Coordinator
 - 5 points Case Management
 - **On-Site or Contiguous and Accessible:**
 - 3 points Food Pantry
 - 1 point Benefits Specialist
 - 2 points job training every two (2) months
 - 1 point quarterly Financial Literacy Classes
 - 1 point computer training every two (2) months



Occupancy Preferences

Tab 20

20 points possible for Mixed Occupancy Projects

- 5 points for meeting requirements of two (2) of the following occupancy categories:
 - Households with Children
 - Housing for Older Persons
 - Veterans
 - Special Populations



Occupancy Preferences

Tab 20

- Up to 15 more points if you earn the above 5 points
 - 1 point Child Care Center within 1 mile (HH w/ Children only)
 - On-site:
 - 1 point Financial Literacy Classes quarterly
 - 1 point nutrition classes monthly
 - 3 points free weekly transportation (Housing for Older Persons)
 - 5 points assistance with Case Management services (Veterans/Special Populations)
 - 1 point habilitation/life skills training (Veterans/Special Populations)
 - 5 points Service Coordinator 40 hours per month
 - On-site or Contiguous and Accessible to the Project:
 - 5 points before/after school program on school days (Households with Children)
 - 1 point computer training every two (2) months
 - 2 points health promotion/disease prevention every two (2) months (Housing for Older Persons)
 - 2 point job training, search assistance &/or placement every two (2) months
 - 1 point Benefits Specialist
 - 3 points Food Pantry



Targeting Low Income Levels

Tab 22

35 points possible

- *Rural*
 - 50% AMI
 - 15 points 40%+
 - 10 points 21% to 39%
 - 5 points 10% to 20%
 - 40% AMI
 - 20 points 30%+
 - 15 points 16% to 29%
 - 10 points 5% to 15%

Targeting Low Income Levels

Tab 22

35 points possible

- *Urban*
 - 50% AMI
 - 15 points 45%+
 - 10 points 21% to 44%
 - 5 points 10% to 20%
 - 40% AMI
 - 20 points 35%+
 - 15 points 16% to 34%
 - 10 points 5% to 15%

Local Government Contribution

Tab 24



- Local Government provides new funding towards Development
- Donation of Land
- Cash or non-federal cash flow or deferred loan
- HOME or CDBG
- Development Fee Waivers

% Construction Cost	Population
1%	50,000
2%	100,000
3%	200,000
4%	400,000
5%	550,000
6%	more than 550,000

Affordable Housing Preservation

Tab 25

5 points possible

Placed in Service prior to 2001 AND:

- Income Restrictions through LURA, CC&Rs, Regulatory Agreement

OR

- Project Based Rental Assistance for 60% of Units



QCT or DDA/Rural Development/ Applicant Entity (Tab 3)

QCT or DDA

- 1 point QCT or DDA

Rural Area Project (QAP p. 20)

- 15 points available

Applicant Entity

- 5 points if Applicant is Ownership Entity that will receive LIHTCs

Project Based Rental Assistance

Tab 26

Project Based Rental Assistance

- 10 points
- Must be committed at time of application
- Minimum eighty percent (80%) of Units



Waiver of Qualified Contract -Tab 27

Community Revitalization - Tab 28

Qualified Contract

- 10 points to waive qualified contract option

Community Revitalization

- 1 point
- Project must be located in
 - HUD designated Neighborhood Revitalization Strategy Area (NRSA)
 - Designated revitalization area in a HUD Approved 5-Year Consolidated Plan or IHP
 - Promise Zone

Threshold Review

»» What do I need to include
in my application?

In Front of Tab 1

- ▶ \$5,000 Application Fee
- ▶ Gap Financing Fee (*if applicable*)
- ▶ Form O (two (2) copies)
- ▶ Application Certification and Indemnification
 - Signed and Dated

 Arizona Department of Housing Jan-15	Arizona Department of Housing Low Income Housing Tax Credit Application FORM 0	Form 0 Place 2 Copies in Front of Tab 1
<i>Confirmation of LIHTC Submission</i>		
Project Name: _____		Date: _____
Applicant: _____		
<input type="checkbox"/> Payment of \$5000.00 Application Fee included (2 copies of check enclosed)		
<input type="checkbox"/> Payment of \$1500.00 GAP Application Fee included (2 copies of check enclosed)		
<input type="checkbox"/> LIHTC Application		

Arizona Department of Housing
Low Income Housing Tax Credit Program

Applicant Certification and Indemnification

Tab 1

Documents

- ▶ Cover Letter
- ▶ Form 1 - Project Schedule
- ▶ Application Workshop Certificate
- ▶ Compliance Training Certificate
- ▶ Waiver Requests

Things to Remember

- ▶ Compliance Training is two (2) days
- ▶ Waivers must be supported
- ▶ No waivers for scoring

Tab 2

Documents

- ▶ Form 2 “Self Score Sheet”
- ▶ Form 2-1 “Set-Aside Election”

Things to Remember

- ▶ Check math
- ▶ Authorized Signatures
- ▶ May select all set-asides for which the project is eligible

Tab 3

Documents

- ▶ Form 3
- ▶ QCT Map
- ▶ Gap Financing Application
- ▶ Applicant Certification & Indemnification

Things to Remember

- ▶ Check details for consistency
- ▶ Signatures
- ▶ QCT Map is needed for points
- ▶ New - IRS Form 8821 only needed if specifically requested by ADOH.

Form 3 Resources

QCT Locator

- ▶ <https://www.huduser.gov/qct/qctmap.html>

Legislative Districts

- ▶ <http://azredistricting.org/districtlocator/>

QCT Map

MONDAY, DECEMBER 29, 2014

 **HUD.GOV**
U.S. Department of Housing and Urban Development
Secretary Julián Castro

 Site Map | Print | Font A A A | 

HOME ABOUT PD&R RESEARCH & PUBLICATIONS DATA SETS INITIATIVES QUICK LINKS EVENTS

QUALIFIED CENSUS TRACTS

The 2015 Qualified Census Tracts (QCTs) are effective January 1, 2015. The 2015 designation uses data from the 2010 Decennial Census and three releases of 5-year tabulations from the American Community Survey (ACS): 2006-2010; 2007-2011; and 2007-2012. The revised designation methodology using three years of ACS data is explained in the Federal Register notice published October 3, 2014 (http://www.huduser.org/portal/Datasets/QCT/DDA2015_Notice.pdf).

West Washington Street, Phoenix, AZ Go Select a State Select a County Go

Map Options : Clear | Reset

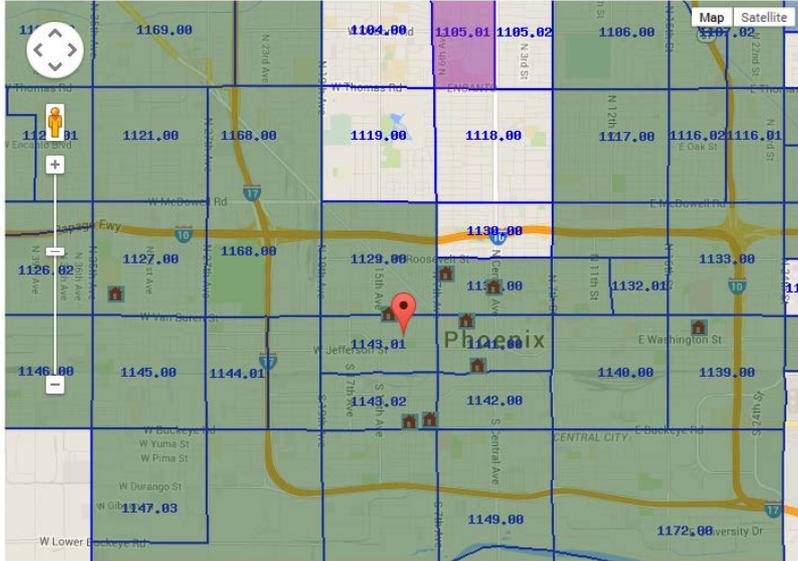
QCT Legend:  Tract Outline  Qualified Census Tracts (2014 Only)  Qualified Census Tracts (2015 Only)  Qualified Census Tracts (2014 & 2015)  LIHTC Project

QCT Options

13 Current Zoom Level

- Show Tracts Outline (Zoom 11+)
- Show LIHTC Projects (Zoom 11+)
- Color Qualified Tracts (Zoom 7+)

The Address "1110 West Washington Street, Phoenix, AZ" falls under Tract "04013114301". This tract is for 2013 or 2014



Legislative Districts



Arizona Independent Redistricting Commission



AZ.GOV
Arizona's Official Web Site

Select Language

Home

To find your Districts, enter your address and click [Find]

Location: Home > districtlocator >

Google Custom Search Search

District Locator

Address: **1110 West Washington Street, Phoenix, AZ** Find

example: 1100 W. Washington St Phoenix, Arizona 85007

DISTRICTS FOR THE ENTERED ADDRESS ARE*:

CONGRESSIONAL DISTRICT: 7 **LEGISLATIVE DISTRICT: 27**

NOTE: The address was located to a known point with a high degree of precision. See [DISCLAIMER](#) below for more information.

Map Layers:

Congressional Districts

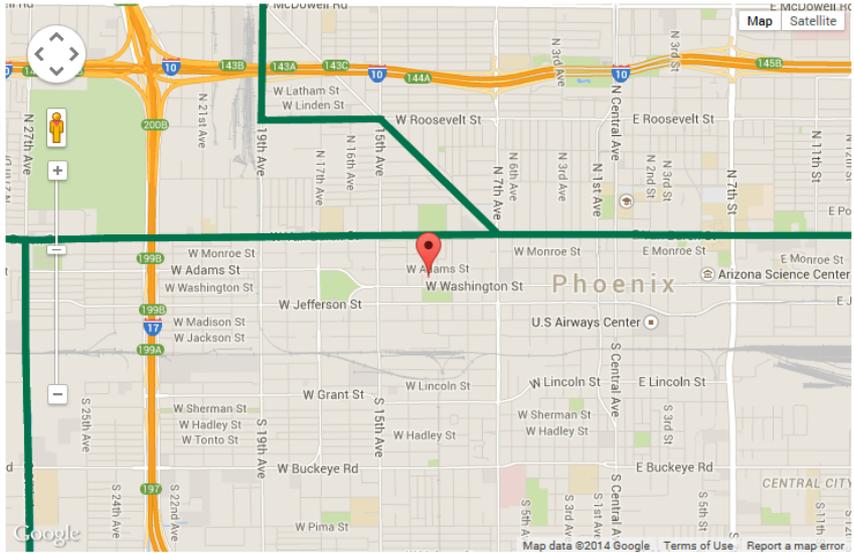
- Outline
- Fill

Legislative Districts

- Outline
- Fill

School Districts

- Unified
- Secondary
- Elementary
- Townships
- Counties
- Am. Indian Areas



Map data ©2014 Google. Terms of Use. Report a map error.

* **DISCLAIMER:** This address has been located based on a computer process using maps and geographic data

Tab 4 - 6

- ▶ **TAB 4 - CPA Opinion**

- Exhibit B

- ▶ **TAB 5 - Legal Opinion**

- Exhibit C

- ▶ **TAB 6 - Legal Formation**

- Duly formed legal entity
- Authority to transact business in State
- Certificate of good standing
- Public Housing Authorities must provide by-laws and copy of the resolution or ordinance from the government entity that authorized its formation
- Signature Block for Project Owner

Tab 7

Documents

- ▶ **Form 7 Certification**
- ▶ **501(c)3 or 501(c)4**
- ▶ **Articles/Bylaws**
- ▶ **Experience**
- ▶ **ROFR**
- ▶ **Board Members**
- ▶ **Financial Capacity**

Things to Remember

- ▶ **Non Profit is Developer**
- ▶ **Non Profit is MM/GP**
- ▶ **Non Profit not affiliated with For Profit**

Tab 8

- ▶ **Forms 8, 8-1, 8-2, 8-3**
- ▶ **Ownership Org Chart**
- ▶ **Agreement Authorizing Applicant to Bind Owner**
 - LP Agreement
 - Operating Agreement
 - Development Services Agreement
- ▶ **Developer Experience**
 - Narrative & Resumes
 - Evidence for Scoring
- ▶ **Financial Statements**
 - Two (2) calendar years
 - Guarantors (*if applicable*)
- ▶ **Explain Identity of Interest (*if applicable*)**
- ▶ **Compliance Monitoring Plan**
- ▶ **Management Experience**
- ▶ **Affirmative Marketing Plan**
- ▶ **Tenant Selection Plan (*required for Section 811/HOME*)**

Tab 9 - Appraisal

- ▶ New Construction - Land only appraisal
- ▶ Rehab or Adaptive Re-Use
 - Must break down land and building values



- ▶ Acquisition/Demolition and New Construction limited to “As If” Vacant Land Value
- ▶ Tribal Land Projects - Cost-based Appraisal
- ▶ Acquisition Cost in Development Budget is lowest of:
 - Original purchase price without extension fees
 - Appraised value at application
 - Construction Lender’s Appraisal at equity closing

Tab 9 - Site Control

- ▶ **All Projects:**
 - Title Commitment dated within sixty (60) days of Application
- ▶ **PSA/Options on land:**
 - Executed Binding Commitment
 - No contingencies except LIHTC
 - Initial term/closing date at least 180 days after March 1, 2016
 - Environmental Review Language
- ▶ **Land owned:**
 - Recorded Deed
 - Final Settlement Statement
 - No estimated settlement statements
- ▶ **Land leased:**
 - Lease Agreement
 - Minimum thirty (30) year term
 - Owner to execute LURA
 - Rent specified

Non-Government Land

Site Control (continued)

Tribal Land

▶ Tribal Land

- Lease or Agreement to enter into a lease
 - Between Tribe and Owner
 - Specify lease payment
 - Through LURA term
 - ADOH will consider length of lease to be original term plus term of option to renew if held solely by Applicant
- Approval from Tribe/BIA/ other government required
- Off-reservation - submit federal public law that established land as Tribal Land

Government Land

▶ Government Land Sale

- Title Commitment
- Government body approval
- Executed Binding Commitment
 - Only remaining contingency is LIHTC award; Environmental Review language
 - Closing date at least 180 days after March 2, 2016

▶ Government Land Lease

- Government body approval
- Lease Agreement
 - Thirty (30) year Extended Use Period
 - Lease rent specified
- Government to execute LURA

Tab 9

Environmental Reviews

- ▶ **Phase I**
 - Not more than one (1) year old
- ▶ **Asbestos/Lead Reports**
 - Not more than twenty-four (24) months old
- ▶ **HUD Format Environmental Review**
 - Federal funds/Rental Assistance
 - Flood Plain/Historic

Site Plan Approval

- ▶ **Scoring**
 - Fifty percent (50%) of units new construction
 - No points if claim Preservation points
- ▶ **Form 9 - Site Plan Review Approved**
 - Next step is develop and submit engineering and construction documents

Tab 10

Planning and Zoning Verification

- ▶ **Form 10**
 - Signed by Local Government
- ▶ **Copies of Code demonstrating that no further zoning approvals are required.**
- ▶ **Will Serve Letters (NC)**
 - Water/Sewer
 - Dated within 180 days of March 1, 2016
- ▶ **Utility Bill (Rehab)**
 - Water/Sewer
 - Dated within sixty (60) days of March 1, 2016

Tab 11

Letters of Interest/Intent

- ▶ **Tax Credit Syndicator**
 - Terms/Pricing
- ▶ **All Other Sources**
 - Term Sheet
 - Amount
 - Interest
 - Points/Fees
 - Amortization
 - Term
 - LTV
 - DSCR

Pro Forma/Operating Expenses

- ▶ Pro Forma consistent with Application and Financing
- ▶ Source for Operating Deficits
- ▶ Evidence of Rental Assistance
- ▶ Operating Expenses supported with data

Tab 12

- ▶ **Market Demand Study - Exhibit L**
 - Use most current data available
 - Straight Line Distances - ADOH determination for Scoring
 - Proposed Amenities - consistent with application
 - Must demonstrate that project has adequate new demand
 - Projects in markets where existing LIHTC projects have high vacancy may not be awarded regardless of score

Tab 13

- ▶ **New – Form 13**
 - Fill out completely (incomplete will not be awarded points)
- ▶ **Aerial Map showing existing LIHTC/Subsidized Housing within 5 miles straight line distance from Project**
- ▶ **Direct distances**
 - From edge of project property closest to facility
 - Measured to facility – not to parking lot
- ▶ **Measured from facility building/not mobile**



Tab 13

- ▶ **Aerial Map must include the following:**
 - **Name of Facility**
 - **Category/Type of Facility Claimed for Points**

Tab 13

▶ Grocery Store

- Name of Facility

- If not on list in definition - provide evidence that it meets definition (i.e. website pages, certification from store manager on letterhead)

- WIC Vendor Page

▶ School

- Evidence of “B” or better rating by Arizona Department of Education (See 2014 Ratings)

▶ Senior Center

- Evidence that it meets definition

▶ Hospital/Urgent Care

- Evidence that it meets definition

▶ Federally Qualified Health Care - insert pages from FQHC search engine - page 8

School

► Evidence of Rating

Arizona Department of Education

Font+ | Font-

SEARCH

HOME | ALL PROGRAMS | STAFF DIRECTORY | CONTACT ADE | FAQ | SCHOOL REPORT CARDS | COMMON LOGON | ADECONNECT

ACCOUNTABILITY

Home | Forms | Memoranda/Newsletters | State Accountability | Reports/Federal Accountability | Technical Assistance | Advisory Groups

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State Accountability

In 2010, the Arizona Legislature enacted Arizona Revised Statute §15-241 (A.R.S. §15-241) to create the A-F Letter Grade accountability system which was adopted in June 2011 by the State Board of Education. The A-F Letter Grades are designed to place equal value on current year achievement and longitudinal academic growth, specifically the growth of all students as well as a school's lowest achieving students.

[A-F Letter Grades](#) |
 [Alternative Schools List](#) |
 [Information for Parents](#) |
 [Information for Technical Users](#)

[2013-2014 A-F Letter Grades for All Schools](#) Updated 5-29-2015 **This Excel document contains six separate tabs (LEAs traditional schools, small schools, alternative schools, K-2 schools, and notes)**

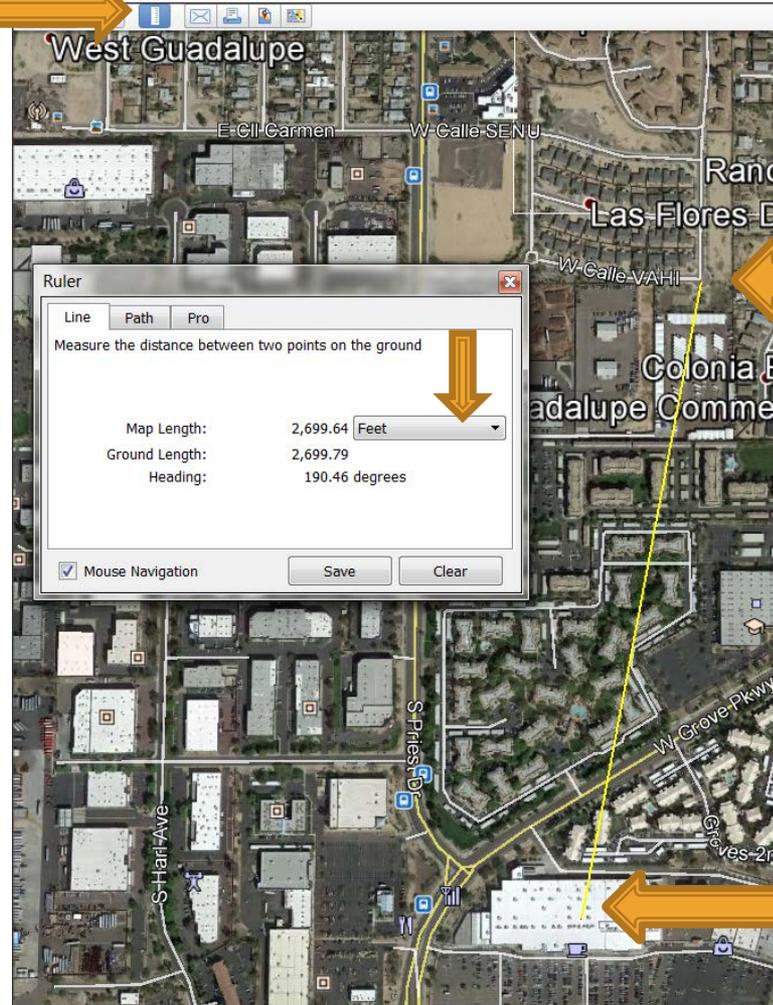
Entity	School Name	Charter	County	Growth Poir	Composite Poir	Total Poir	Final Letter Grade
87345	A Child's View School	Y	Pima	24	32	56	D
5958	A J Mitchell Elementary School	N	Santa Cruz	45	54	99	D
6344	AAEC - Paradise Valley	Y	Maricopa	55	57	112	A
5503	AAEC - SMCC Campus	Y	Maricopa	73	95	168	A
8132	Abia Judd Elementary School	N	Yavapai	58	92	150	A
5274	Abraham Lincoln Traditional School	N	Maricopa	59	89	148	A
5244	Acacia Elementary School	N	Maricopa	64	82	146	A

Tab 13

- ▶ **VA Health Center (Veterans Project only)**
 - Insert VA website pages
- ▶ **Recreation Center**
 - Name of Facility
 - Evidence Operated by Local Government/Tribe/Non-Profit
 - Low/No-Cost Programs
 - Identify which three (3) or more categories from definition are offered
- ▶ **Public Park**
 - Evidence Operated by State, Local Government or Tribe
- ▶ **Public Library**
 - Evidence that it meets definition
 - Primary purpose is maintaining and loaning a collection
 - No cost to borrow materials

Distance Calculation Example

Tape
measure
tool.

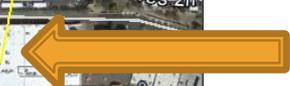


From edge of
Project property
line.

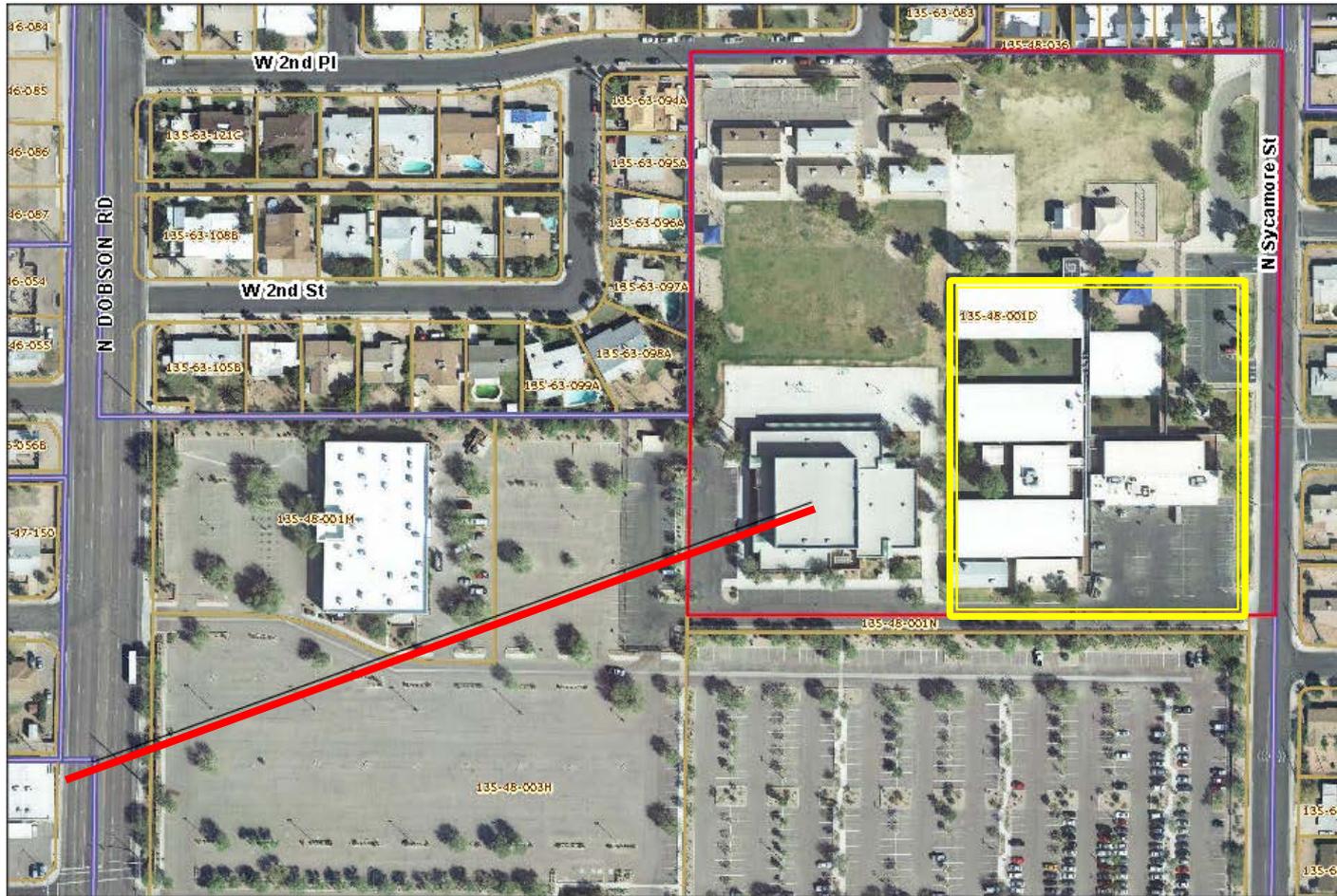


Use Google Maps with
measurements in feet.

To facility - not
property line.



Distance Calculation Example



The school on the right side of the parcel does not qualify for points.

Distance Calculation Example



This grocery store qualifies for points.

Distance Calculation Example



Distance is calculated to facility, not edge of shopping center.

Tab 14 - Utility Allowance Schedule

- ▶ **Energy Consumption Model**
 - Qualified professional not related to or controlled by Owner or Property Manager

- ▶ **Energy Consumption model not required for:**
 - Project Based Rental Assistance from USDA or HUD
 - 100% Owner Paid Utilities
 - PHA has controlling interest in Project

Tab 14 - RESNET Professional

RESNET
RESIDENTIAL ENERGY SERVICES NETWORK

LEARN ABOUT HERS® ASK AN EXPERT RESNET PROFESSIONALS

Home Energy Efficiency Financial Benefits Ratings & Audits **Use a RESNET Professional** About RESNET Contact

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Find out what it is, how it works and why it's important to you!

65

Select a Search Type

State

2 Search by State

Arizona

3 Select a Trade Type

Certified Home Energy Auditors/Raters

FIND A PROFESSIONAL NOW

http://www.resnet.us/directory/search

Find a Contractor, Auditor o... x

Search...

Tab 14 - Utility Allowance

▶ LIHTC Application

- Provide RESNET Certified Professional (Rater) with:
 - Plans (site, floor, elevations, etc.)
 - List of target design specifications
 - Mechanical system
- Insert Utility Allowance into Tab 14

▶ Upon Construction Completion

- Rater updates utility allowance based upon updated model
- Updated Utility Allowance used for 8609 underwriting and lease up phase (first year)
 - Obtain Utility Bill Release with leasing paperwork

Utility Allowance (continued)

- ▶ After twelve (12) months of consumption data
 - Submit Utility Bill Releases to utility company and request previous twelve (12) months of utility bill data for each occupied unit
 - Submit utility bill data to Rater
 - Rater provides letter to ADOH with updated utility allowance for the year
- ▶ Utility Allowance updated annually
 - Repeat steps above each year

Tab 15

- ▶ **TAB 15 – Property Design Standards, Drawings and Plans**
 - **Form 15 – Architect’s Certification**
 - **Exhibit D, Sustainable Development, Fair Housing Act, 504, Housing First**
 - **Architect Schedule (Form 15A)**
 - **Residential Floor Area of buildings**
 - **Residential Gross Floor Area of buildings**
 - **Non-Residential Floor Area**
 - **Non-Residential Gross Floor Area**
 - **Total Project Square Footage (Net and Gross)**
 - **Preliminary site plan – show outdoor amenities claimed on Form 3**
 - **Building layout with net floor area (Community Service Facility)**
 - **Floor plan and elevations for each proposed building and clubhouse**

Tab 17 - Sustainable Development

▶ Prescriptive Based Path

- Form 17
 - Completed and signed by architect
 - Used at Application and 8609
 - Check scoring maximums & self score sheet
- New - Product Cut Sheets at Equity Closing rather than Application
 - Environmentally Preferred Products
 - Fabricated in AZ
- Renewable Energy System Points
 - Include additional financial worksheet with all applicable incentives

Sustainable Development (continued)

- ▶ **LEED for HOMES Gold Certification Path**
 - Letter from Architect confirming pursuit of LEED Gold
 - LEED for HOMES Gold Certification Checklist
 - Check with your LEED Rater for proper form
 - ▶ At 8609, submit U.S. Green Building Council (USGBC) LEED Gold Certificate

- ▶ **Performance Based Path**
 - **Rater Consultant Certification**
 - Based upon projected energy efficiency of the least efficient dwelling units
 - Must have reviewed design and determined possible to meet rating
 - Required to meet rating prior to issuance of 8609s

Tab 17 - Inspections

- ▶ **All Projects must undergo plan review and be inspected**
 - **Submit to FSLHES@fsl.org prior to Equity Closing with copy to ADOH:**
 - **Full Set of Plans and Specifications**
 - **Copy of all energy analyses completed to date and**
 - **Project scope of work (i.e. LEED checklist)**
 - **Contact information for HERS Rater/LEED Green Rater**
 - **Credentials of HERS Rater/LEED Green Rater – in good standing**
 - **New Construction – FSL identifies concerns regarding Code and Exhibit D**
 - **Rehab – FSL identify concerns above plus Standard Work Specifications**
- ▶ **ADOH needs report from FSL prior to Equity Closing**
- ▶ **Inspection Fees Payable at Equity Closing**
 - **\$1,500 FSLHES / \$750 HERS or LEED / \$750 Re-inspection**

Inspections (continued)

▶ Pre-Drywall Review

- Performed by HERS Rater, LEED Green Rater or FSLHES
 - Insulation has no gaps, voids or compression
 - HVAC and Windows meet requirements
 - Ductwork meets R-Value

▶ Final Inspection – Schedule at least 10 days prior to CofO

- Performed by HERS Rater, LEED Green Rater or FSLHES
 - Room airflow on completed units
 - Room pressures on completed units
 - Windows meet requirements
 - Verify carbon monoxide detector installation (where required)
 - Verify HVAC efficiencies

Inspections (continued)

▶ If test fails

- Inspector discusses corrections with Superintendent
- Schedule re-test (pay re-inspection fee prior if FSLHES)

▶ When all tests pass

- HERS Rater/LEED Green Rater sends test results to FSLHES
- FSLHES reviews and sends its report to ADOH

▶ Sampling

- Check if RESNET Sampling Rater to perform 10% sampling
- Otherwise follow requirements of RESNET / LEED

▶ Have Superintendent on Site with appropriate equipment

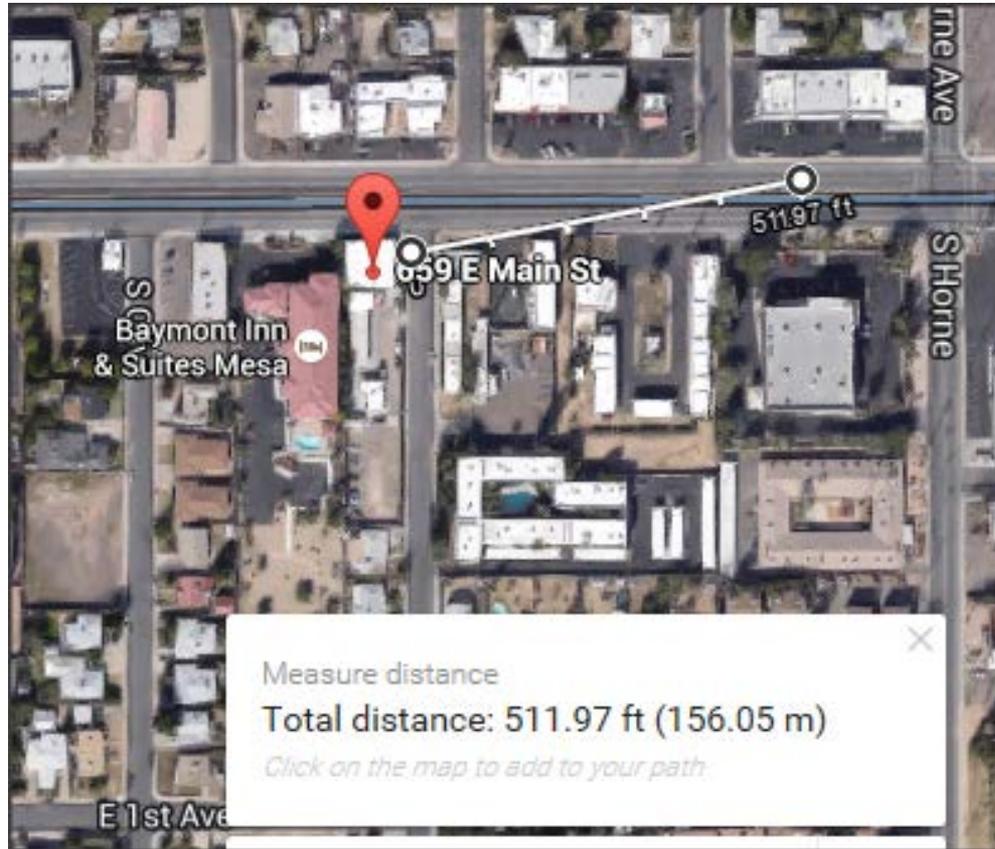
Tab 18 - Transit Oriented Design

- ▶ **Insert Form 18**
- ▶ **Frequent Bus Transit - ¼ Mile from Project**
 - Map
 - Bus route and schedule
 - Letter from Transit Agency confirming no plans to decrease service
- ▶ **High Capacity Transit - ½ Miles from Project**
 - Map
 - Light Rail/Tucson Modern Street Car schedule

Tab 18

- ▶ **Door-to-Door Transportation - No Charge to Resident**
 - **Insert Form 18A**
 - Attach site plan showing where residents will be picked up
 - Attach specific schedule - minimum twice weekly
 - Attach transportation route
 - Attach vehicle documentation

Frequent Bus Transit Map



Distance Calculation - Light Rail

Site located at or within a $\frac{1}{2}$ mile (2,640') straight line radius of a High Capacity Transit Station.



Tab 19 - Supportive Housing Development

- ▶ **Minimum thirty (30) committed units in project**
- ▶ **Supportive Services Plan - Exhibit N**
- ▶ **Project Based Voucher Threshold - Local Government Letter with:**
 - **Availability of Vouchers**
 - **Annual Housing Plan defining Process PBV**
 - **Targeted Population**
- ▶ **Documented Support from Local Government**
- ▶ **Preference for Veterans**

Tab 20 - Occupancy Preferences

- ▶ Description of design elements/programs
- ▶ Form 20
- ▶ Site Plan showing location of services
- ▶ Forms 20 A - M
- ▶ Support Letters (Veterans/Special Populations)
- ▶ Budget
 - Itemized Sources/uses breakdown
 - Below Line Operating Cost or evidence of third party funding

Child Care Center

- ▶ Form 20D
- ▶ Google Earth Aerial
- ▶ Evidence of Licensure



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Tabs 22

- ▶ **TAB 22 - Targeting Low Income Levels**
 - **Insert Form 22**

Tab 23 - Eventual Tenant Ownership

- ▶ Not a scoring category
 - Single Family/Duplex/Fourplex/Townhomes
 - Designed to meet code for home ownership
- ▶ LOI to purchase units
- ▶ \$4,000 Legal Review Fee
- ▶ Ownership Proposal
 - Exit Strategy with Valuation
 - Homeownership counseling
 - ROFR/eligible tenants
 - Pricing
 - Homebuyer assistance
 - Proposed sale agreement



Tab 24

▶ Local Financing Commitment

- Amount based upon percentage of Total Construction Cost on Line 55/Form 3)
- Source of contribution
- Commitment contingent only upon LIHTC award
- “Loans” must be cash flow or deferred
- Fee waivers must be for fees that normally require payment

Tab 24 - Local Government Contribution

- **Donation of Land**
 - Contract/Award Letter + Resolution Authorizing Donation
 - Supported by appraisal
- **Cash Contribution/Non-Federal Cash Flow Loan/Deferred Loan**
 - Contract or Award Letter and Resolution from Local Government
- **HOME/CDBG**
 - Contract or Award Letter
 - Resolution from Local Government
 - Contingent upon HOME/CDBG statutory requirements
- **HOPE VI or RAD**
 - HUD Approval Letter
 - Letter from Local Government
 - Commits HOPE VI funds to project
 - Commits other Local Government funds to project

Tab 25 – Affordable Housing Preservation

▶ Affordable Housing Preservation

- Projects claiming points for Project Readiness not eligible
- Capital Needs Assessment required - FORM 25
 - Prepared by qualified professional, architect or engineer who has no financial or identity of interest with the Developer
- Insert Most recent Certificate of Occupancy, Forms 8609 or HUD Date of Funding Availability (Tribal) to evidence PIS date
- Insert evidence of current Rental Assistance
- Insert copy of use restriction document(s) (LURA, CC&Rs)
- Relocation Plan
 - General Information Notices (GIN) at Initiation of Negotiations
- Prior to Equity Closing
 - ADOH will have an independent third party evaluate costs
 - Include \$5,000 line item in Development Budget

Tab 25 - Historic Preservation

- ▶ **Documentation of Historic Preservation**
 - National Register of Historic Places
 - Certification from National Parks Service, SHPO or equivalent
 - Historic Zoning
- ▶ **Section 106**
 - Letter from Certifying Local Government and SHPO
 - No Adverse Effect
 - Adverse Effect with Mitigation



Tab 26 - Project Based Rental Assistance

- ▶ Documentation of RA for eighty percent (80%) of units
- ▶ Commitments for continuing rental payments including
 - Term
 - Provisions for renewal



Tabs 27 - 28

- ▶ **TAB 27 - Waiver of Qualified Contract**
 - Form 27

- ▶ **TAB 28 - Community Revitalization**
 - Form 28
 - Include supporting documentation from HUD
 - NRSA
 - 5 Year Consolidated Plan or IHP – Project must be in a distinct area targeted for revitalization in the plan
 - Promise Zone

Tab 29 - Section 811

- ▶ 20% to 25% of units set aside for DD with ALTCS
- ▶ Tab 3 - indicate Units requested on Form 3
- ▶ Tab 8 - Tenant Selection Plan
 - Template will be provided if selected – not required at Application
- ▶ Tab 20 - Include specific design elements
 - Community Room
 - 3 offices for DES/DDD
- ▶ Greater of 10% or 2 of 811 Units must be Type “A”
- ▶ Must be eligible to earn Frequent Bus Transit or High Capacity Transit Station points
- ▶ No flags in HUD APPS for property management agent

Underwriting Standards

»» Is my Project feasible?

UNDERWRITING

- ▶ To ensure financial feasibility, a Project will be underwritten a minimum of four (4) times
 - Original Application Submission;
 - Prior to Equity Closing;
 - At 10% Test;
 - At 8609 - Final Allocation.

OPERATING REVENUE

- ▶ Rents may not exceed maximum allowable under Section 42
 - ▶ Rents will be verified against market study
 - ▶ Vacancy Rate - lesser of ten percent (10%) or market study
 - ▶ Additional income will be underwritten up to \$20 per unit per month
- 

REPLACEMENT RESERVES

- ▶ **New Construction of Elderly Projects - \$250 per unit per year**
 - ▶ **All other new construction and all acquisition/rehab projects - \$350 per unit per year**
 - ▶ **Maximum allowed capitalized in development budget shall not exceed an amount equal to one (1) year**
- 

OPERATING EXPENSES

- ▶ **Operating expenses will be underwritten at**
 - \$4,200 per unit per year for new construction
 - \$4,500 per unit per year for acquisition/rehabilitation
 - Asset management fees, reserves and support services are not included
 - ADOH compliance fees are part of Administrative costs
 - Assumes tenant pays all utilities except water/sewer/trash
- ▶ **Supportive services costs should be shown in the Project pro forma**
- ▶ **Management Company statement of reasonableness**

RATES OF INCREASE FOR PRO FORMA

- ▶ **All projects will be underwritten with the following percentage increases**
 - **Two percent (2%) for Project Income**
 - **Three percent (3%) for Operating Expenses**
 - **Three percent (3%) for Replacement Reserves**
 - **If applicable, include trending of any Partnership and/or Investor Fee(s)**

SOURCES & USES

SOURCES

- ▶ Supporting documentation
- ▶ **Maximize Primary Debt** (provide a copy of Permanent Lender's underwriting and/or assumptions)
- ▶ Letter of Credits (LOC's) are not considered a Permanent Source of Financing

USES

- ▶ DDF should be repaid within fifteen (15) years
- ▶ DDF should not exceed forty percent (40%) of the total developer fee
- ▶ Include all project costs including infrastructure, commercial and/or retail, common areas, and community facilities

DEBT SERVICE

- ▶ **Primary Mortgage**
 - Fully amortized for at least twenty-five (25) years
 - Loan term through Compliance Period
 - Competitive Interest Rate

DEBT SERVICE COVERAGE

- ▶ **Minimum 1.20 DSC ratio on primary mortgage**
- ▶ **1.15 DSC ratio for HUD or USDA/RD projects**

ELIGIBLE BASIS ANALYSIS

- ▶ **Maximum Allowable Eligible Basis for Construction Cost**
 - Rehabilitation cost will be reviewed by an independent cost estimator as outlined in Section 2.9(Y)(2)(a) to determine the reasonableness of costs.

ELIGIBLE BASIS ANALYSIS

- New Construction, the maximum allowable Eligible Basis for Total Construction Costs shall be determined by multiplying the following price per square foot costs (specific to project type) by the Total Project Square Footage.

Project Type	Construction Cost per Square Foot
Balance of State Project	<u>\$122.75</u>
Suburban Project	<u>\$128.28</u>
Urban Project	<u>\$135.47</u>
Housing for Older Persons-Balance of State Project	<u>\$132.93</u>
Housing for Older Persons-Suburban Project	<u>\$146.20</u>
Housing for Older Persons-Urban Project	<u>\$165.03</u>

ACQUISITION COSTS

- ▶ Verified with the appraisal submitted in the application
- ▶ The lesser of the purchase price or appraised value
 - If purchase price is above appraised value, only include appraised value in the Development Budget.

RELOCATION COSTS

- ▶ Relocation costs to be included in development budget

MAXIMUM DEVELOPER FEES

- ▶ Developer fees include overhead, profit, construction management fees, consultant, etc. Limit on fees

<u>Number of Units</u>	<u>Percent Allowed</u>
1-30	17%
31-60	15%
61+	14%

With four (4%) acquisition credits, ten percent (10%) of total developer fee allocated to four percent (4%) eligible basis column

MAXIMUM BUILDER FEES

- ▶ Builder's profit, overhead and general requirements fees are limited to:

Number of Units	1-15	16-30	31-45	46-60	61+
◦ Builder's profit	6.0%	5.75%	5.50%	5.25%	5.0%
◦ Builder's overhead	3.0	2.75	2.50	2.25	2.0
◦ General requirements	6.0	5.75	5.50	5.25	5.0
<hr/>					
◦ Total maximum percentage	15.0%	14.25%	13.50%	12.75%	12.0%

FINANCING COSTS

- ▶ Financing Terms will be verified from lender's term sheet, letter of intent or commitment letter.
- ▶ Construction Loan Finance Fee Limits - up to a maximum amount of two percent (2%) of construction loan
 - Construction Interest allowable
 - Construction Loan Amount multiplied by the MONTHLY Interest Rate, divided by two (2), multiplied by the number of months in the construction phase.
- ▶ Permanent Loan Financing Fee Limit - Origination and loan fees are capped at two percent (2%) of perm loan amount
- ▶ Applicant must maximize primary debt

DEVELOPMENT BUDGET RESERVE REQUIREMENTS

- ▶ Replacement reserve - shall not exceed one (1) year
 - \$250 per unit - new construction Housing for Older Persons only
 - \$350 per unit - all other projects

- ▶ Lease-Up reserve
 - Four (4) months of operating expenses plus four (4) months of primary debt service

- ▶ Operating reserve
 - Four (4) months of operating expenses plus four (4) months of primary debt service

EQUITY PRICING

- ▶ Projects in the 2016 round will be underwritten at the following rates:
 - Balance of State Projects 95 cents
 - Urban Projects 1.00 dollar

*** If LOI shows higher rate, project will be underwritten at the equity pricing in the LOI.***

APPLICABLE PERCENTAGE

- ▶ Applications should be submitted using a 9 percent (9.0%) credit rate, unless ineligible (i.e. 4% Credits).

CARRYOVER

- ▶ **Carryover Allocation Agreement after receipt of**
 - Updated Form 3
 - Certificate of Good Standing/Certificate of Existence
 - For Owner Entity
 - Updated within thirty (30) days of submittal
 - Updated Form 1 - Project Schedule
 - IRS Documentation of Employer Identification Number
 - Receipt of Reservation Fee

- ▶ **Submit hard copy and electronic copy**

EQUITY CLOSING

- ▶ Thirty (30) days prior to anticipated closing
 - **Submit complete package - not piecemeal**
 - **Hard copy and electronic copy**
 - Updated Form 3
 - Evidence of Land Ownership
 - Final Financing Documents
 - 15 year Pro Forma
 - Syndication/Investor Agreement
 - Executed Construction Contract
 - FSLHES submission
 - Construction Lender Appraisal
- Form 16
- Updated Project Schedule
- Unpaid Fees to ADOH
- Photo of Construction Sign
- Property Management Resume
- Form 8-4
- Form 8-5
- Federal Cross-Cutting
 - HUD Authority to Use Grant Funds
- Rental Assistance Award
- Additional documents requested

10% TEST

- ▶ **Due twelve (12) months from Reservation Letter**
 - Updated Form 3
 - Independent Auditor's Report (Exhibit F)
 - Certification of Costs Incurred (Exhibit F-1)
- ▶ **Submit hard copy and electronic copy**
- ▶ **\$250 per day late fee**
- ▶ **Required for Valid Carryover**

8609s

Prior to issuance

- Initial Monitoring Cleared
- Payment of all fees
- Complete 8609 Package
 - Updated Form 3
 - Fifteen (15) year Pro Forma
 - Updated Final Appraisal
 - Certificates of Occupancy
 - Final Cost Certification
 - Table A
 - Perm Lender terms
 - Executed documents upon closing
 - CC&Rs/LURA other sources
 - Deferred Developer Fee Note
 - LURA
 - 8x10 photo with signage

- First Credit Year form
- Fully executed Equity Docs
- Equity Investor Certification
- Exhibit W-1 (Architect)
- Construction Gross Area calculation
- Exhibit W-2 (Contractor)
- PIS Acknowledgement
- FSLHES Certification
- Exhibit X - (Operational Risk)
- Flood Insurance (or not in flood zone)
- Updated title report
- Form 17 (Sustainability)
- Final Allocation Fee
- As Built Survey
- Additional documents requested

LURA

Required by IRS to claim credits

- ▶ Executed and recorded prior to 8609s
- ▶ Request by November 15th if desired by year end
- ▶ Submit
 - Written request
 - Title Policy from Equity/Construction Closing
 - Date Down Endorsement

Housing Program Compliance

»» **Juan Bello**

Senior Compliance Officer

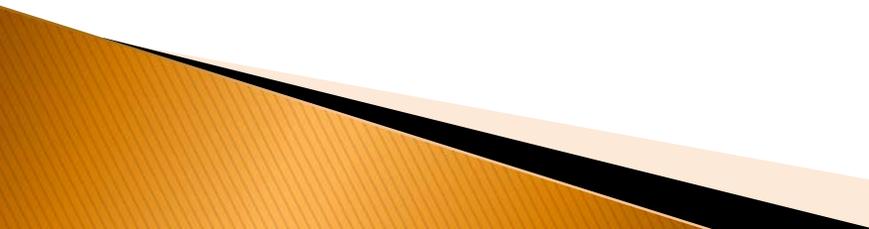
RESPONSIBILITIES

- ▶ What are the responsibilities of the Compliance Department?
 - ▶ How often is ADOH required to monitor and inspect projects?
 - ▶ What type of Physical Inspections are performed by ADOH?
- 

CLARIFICATION

- ▶ What are the responsibilities of the owner?
 - ▶ What changes are required to be reported to ADOH?
 - ▶ Are re-certifications mandatory?
- 

ANNUAL REPORTING

- ▶ What is required for Annual Reporting from the owner?
 - ▶ What happens when an Annual Report is not turned into ADOH?
 - ▶ What is required for monitoring fees?
 - ▶ What happens when fees are late or not received?
- 

REQUIREMENTS

- ▶ Things the owner needs to provide to the managing agent?
 - ▶ Is there GAP Financing on the property?
 - ▶ What is GAP Financing?
 - ▶ Are there more restrictive set asides due to the GAP Financing?
- 

TRAINING

- ▶ How often are the developers, co-developers or consultants required to attend Tax Credit Compliance Training?
- ▶ Who should attend?

UNCORRECTED 8823's

- ▶ How will an uncorrected 8823 affect you?

Contact Information

Juan Bello
Arizona Department of Housing
juan.bello@azhousing.gov
(602) 771-1074

ADOH Gap Financing

»» Items to remember

ADOH GAP FINANCING

- ▶ **ALL LOAN AND RELATED DOCUMENTS SHOULD BE FULLY EXECUTED PRIOR TO START OF CONSTRUCTION AND WITHIN 150 DAYS OF RESERVATION, OTHERWISE THE PROJECT MAY LOSE THE AWARD OF GAP FUNDS**
 - ▶ **PROVISION IN PARTNERSHIP OR OPERATING AGREEMENT**
- 

RFP Form



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Attachment D

ARIZONA DEPARTMENT OF HOUSING REQUEST FOR PAYMENT SUMMARY SHEET PAGE 1 OF 2

Recipient	ABC Apartments	Date	
Contract No	409-13	Contract Period: From	Pending through July 31, 2015
Activity	New Construction of a 31 unit permanent rental housing project	Pay Req. No/Mo	
Recipient Address	123 Main Street	Direct Wire Dep	Yes No
Contact Person	John C. Developer	Project City	Tempe
Phone	(602) 123-4567	Fax	(456) 789-0000
	Email jdeveloper@affordable.com	Zip Code	85281-0000
Program Specialist	Lori Hofer	Email	lori.hofer@azhousing.gov
		Project County	Maricopa

Itemized Payment Statement (Sheet 2 of 2) must accompany this form. Actual receipts, invoices, bank statements or copies of such items should not be included unless requested. ORIGINAL SIGNATURES are required for processing.

a	b	c	d	e	f	g	h
Budget Line Item or Activity No.	IDIS Act No.	HOME 2013		Total Amount Req. to Date	Balance in Account	Amount of this Request	New Balance
Construction Costs		\$190,598.00			\$190,598.00		\$190,598.00
Hard Cost Contingency		\$295,000.00			\$295,000.00		\$295,000.00
Professional Fees		\$541,904.00			\$541,904.00		\$541,904.00
Construction Loan Costs		\$357,380.00			\$357,380.00		\$357,380.00
Miscellaneous Soft Costs		\$59,500.00			\$59,500.00		\$59,500.00
10% will be withheld until project completion/monitoring.							
Total		\$1,444,382.00	\$0.00	\$0.00	\$1,444,382.00	\$0.00	\$1,444,382.00

Recipient Authorized Signature _____ Date _____ Title _____

Recipient Authorized Signatory certifies that all activities undertaken by the contractor with funds provided under this contract have been carried out in accordance with the contract. Attach wiring information if not previously submitted. Attach alternate mailing address if necessary.

Performance Reports	Current <input type="checkbox"/>	Not Current <input type="checkbox"/>	For ADOH Use Only
ADOH Program Specialist Approval	Date	ADOH Program Manager Approval	

Request for Payment included in Funding Agreement



HOME

Attachment D

ARIZONA DEPARTMENT OF HOUSING REQUEST FOR PAYMENT SUMMARY SHEET PAGE 1 OF 2

Recipient	ABC Apartments	Date	
Contract No	409-13	Contract Period: From	Pending through July 31, 2015
Activity	New Construction of a 31 unit permanent rental housing project	Pay Req. Not Mo	
Recipient Address	123 Main Street	Direct Wire Dep	Yes No
Contact Person	John C. Developer	Project City	Tempe
Phone	[602] 123-4567	Fax	(456) 789-0000
	Email: jdeveloper@affordable.com	Zip Code	85281-0000
Program Specialist	Lori Hofer	Email: lori.hofer@azhousing.gov	Project County
			Maricopa

Itemized Payment Statement (Sheet 2 of 2) must accompany this form. Actual receipts, invoices, bank statements or copies of such items should not be included unless requested. ORIGINAL SIGNATURES are required for processing.

a Budget Line Item or Activity No.	b IDIS Act No.	c HOME 2013	d	e Total Amount Req. to Date	f Balance in Account	g Amount of this Request	h New Balance
Construction Costs		\$950,167.00		\$0.00	\$950,167.00		\$950,167.00
Professional Fees		\$494,215.00		\$0.00	\$494,215.00		\$494,215.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
10% will be withheld until project completion/monitoring.							
Total		\$1,444,382.00	\$0.00	\$0.00	\$1,444,382.00	\$0.00	\$1,444,382.00

Recipient Authorized Signature	Date	Title
--------------------------------	------	-------

Recipient Authorized Signatory certifies that all activities undertaken by the contractor with funds provided under this contract have been carried out in accordance with the contract. Attach wiring information if not previously submitted. Attach alternate mailing address if necessary.

Performance Reports	Current <input type="checkbox"/>	Not Current <input type="checkbox"/>	For ADOH Use Only	
ADOH Program Specialist Approval	Date			ADOH Program Manager Approval



HOME

Attachment D

ARIZONA DEPARTMENT OF HOUSING REQUEST FOR PAYMENT SUMMARY SHEET PAGE 1 OF 2

Recipient	ABC Apartments	Date	
Contract No	409-13	Contract Period: From	Pending through July 31, 2015
Activity	New Construction of a 31 unit permanent rental housing project	Pay Req. No/Mo	
Recipient Address	123 Main Street	Direct Wire Dep	Yes No
Contact Person	John C. Developer	Project City	Tempe
Phone	(602) 123-4567	Fax	(456) 789-0000
Program Specialist	Lori Hofer	Email	ideveloper@affordable.com
		Email	lori.hofer@azhousing.gov
		Zip Code	85281-0000
		Project County	Maricopa

Itemized Payment Statement (Sheet 2 of 2) must accompany this form. Actual receipts, invoices, bank statements or copies of such items should not be included unless requested. ORIGINAL SIGNATURES are required for processing.

a	b	c	d	e	f	g	h
Budget Line Item or Activity No.	IDIS Act No.	HOME 2013		Total Amount Req. to Date	Balance in Account	Amount of this Request	New Balance
Construction Costs		\$950,167.00		\$379,525.04	\$570,641.96	\$370,709.53	\$199,932.43
Professional Fees		\$494,215.00		\$366,259.76	\$127,955.24	\$5,584.77	\$122,370.47
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
10% will be withheld until project completion/monitoring.							
Total		\$1,444,382.00	\$0.00	\$745,784.80	\$698,597.20	\$376,294.30	\$322,302.90

 Recipient Authorized Signature Date Title

Recipient Authorized Signatory certifies that all activities undertaken by the contractor with funds provided under this contract have been carried out in accordance with the contract. Attach wiring information if not previously submitted. Attach alternate mailing address if necessary.

Performance Reports	Current <input type="checkbox"/>	Not Current <input type="checkbox"/>	For ADOH Use Only
ADPH Program Specialist Approval	Date	ADPH Program Manager Approval	

All expenses should be shown from approved line items.



ARIZONA DEPARTMENT OF HOUSING REQUEST FOR PAYMENT -ITEMIZED PAYMENT STATEMENT PAGE 2 OF 2							
Recipient		ABC Apartments			Date		
Contract No		409-13			Contract Period: From Pending through 7/31/15		
					Pay Req. No		
Budget Line Item or Activity No	Description of Expense (List in according to funding source)	Paid (or Payable) to	Date Paid	Check # Invoice PO	Amount of Request Column C or D	Balance paid by other source	Name of other source
Construction Costs	Construction	Reliable Builders, Inc.	12/15/2014	2026	370709.53	100000	Alliant
Professional Fees	Soils Report	Geotech Services, Inc.	11/30/2014	2019	1264.75	0	
Professional Fees	Architecture	Design Services, Inc.	11/30/2014	2021	4243.05	3000	Alliant
Professional Fees	Legal & Accounting	Smith & Smith, PLLC	11/20/2014	2023	16.97	0	
Professional Fees	Legal & Accounting	Smith & Smith, PLLC	11/20/2014	2023	60.00	0	
Totals					376,294.30	103,000.00	

Approved line item reallocations on this sheet only.

Requests for Reimbursement

- ▶ **Items to Include in Request**
 - Request for Payment Form
 - Invoices
 - Unconditional Lien Releases
 - Copy of check paid to vendor

- ▶ **Tips to make reimbursement go quicker**
 - Communicate with your Project Specialist
 - Request approval for change orders as they arise
 - Check math
 - Don't make changes on page 1 of Attachment D
 - Complete documentation

Loan Terms

- ▶ Interest Rate 2%
- ▶ Term 20 Years
- ▶ Amortization 20 Years
- ▶ Not forgivable – Bona Fide Debt
- ▶ Waterfall – ADOH payment is only behind
 - Primary debt first mortgage
 - Supportive Services cost
 - Investor reasonable asset management fee
- ▶ Subordination Agreement

QUESTIONS?