2020 LIHTC APPLICATION WORKSHOP

Where a conflict exists between this PowerPoint Presentation and the 2020 Qualified Allocation Plan ("QAP"), the QAP shall govern.

January 21, 2020 | Phoenix, AZ

WELCOME

Ruby Dhillon-Williams

Assistant Deputy Director, Housing & Community Development

Agenda

- Welcome
- Application Submission
 - Eligibility Review
- Scoring Overview
- Application Tabs
- Lunch
- Underwriting
- Post Application Submittals

Overview of 2020 Application Submission Process

Ruby Dhillon-Williams

Assistant Deputy Director,

Housing & Community Development

GENERAL INFORMATION

 The presentation materials provided today are a general overview of the 2020 Application submittal process.

It is the Applicant's responsibility to refer to the 2020 QAP for COMPLETE AND SPECIFIC requirements.

Bond Projects

Anticipated 2020 9% LIHTC is \$21.4 million

- Questions: <u>Jeanne.Redondo@azhousing.gov</u>
- Clarifications to QAP posted periodically on website.
- Requests for clarification will be accepted until noon Mountain Standard Time on February 28, 2020.

Application Submission

- Deadline: Wednesday April 1, 2020, 4:00 pm
- Submit early if you have any concerns regarding upload no late Applications are accepted.
 - 1. \$5,000.00 Application Fee
 - 2. Two (2) HARD COPIES of Form O (confirmation)
 - 3. Deliver one (1) HARD COPY of the following documents in an 8.5" x 11" three (3) ring binder to ADOH office:
 - All applicable documents listed in Section 2.4(1-11)
 - Items of significant volume (market study, appraisal, etc.) may be submitted as separate bound items
 - 4. Upload one (1) electronic copy of <u>entire</u> application to the ADOH LIHTC Portal

Application Submission

 Supporting documentation should be indexed and tabbed to correspond with Section 2.9 of the QAP

File Naming Protocol is "Project Name – Tab # - Tab Description"

Bookmarks or PDF Binder should be used to show where each document may be found in the Tab.

 *Tip – Check your electronic copies for completeness.
 Missing pages for scoring items can't be submitted Jater for points.

ADOH Website Navigation

At https://housing.az.gov select Housing Partners



ADOH Website Navigation

Then select "Rental Development" and Quick link to LIHTC Forms – "Any" for the complete LIHTC webpage

Arizona Department of Housing Leading with Solutions	Search
	NTS & LINKS TRAINING & EVENTS
ONLINE SERVICES PORTALS ESPAÑOL	
Rental Development	BONDS FORMS
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. Sources of funding include:	Rental Development
LOW-INCOME HOUSING TAX CREDITS	View Forms
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. Visit Low Income Housing Tax Credit (LIHTC) page for more	LIHTC FORMS
information.	Application Materials
PRIVATE ACTIVITY BONDS AND 501(C)(3) BONDS	
Private Activity Bonds may be used for the development of rental housing in Arizona. The Arizona Finance Authority & is responsible for allocating the State ceiling for Private Activity Bonds. Bonds must be issued by an Industrial Development	View Forms
Authority (IDA). The Arizona IDA @ issues bonds statewide. Local IDAs throughout the state also issue bonds for projects in their species areas. IBC Section 42(b)(4) allows low income barriers projects financed with tax exempt bands to be allolible.	

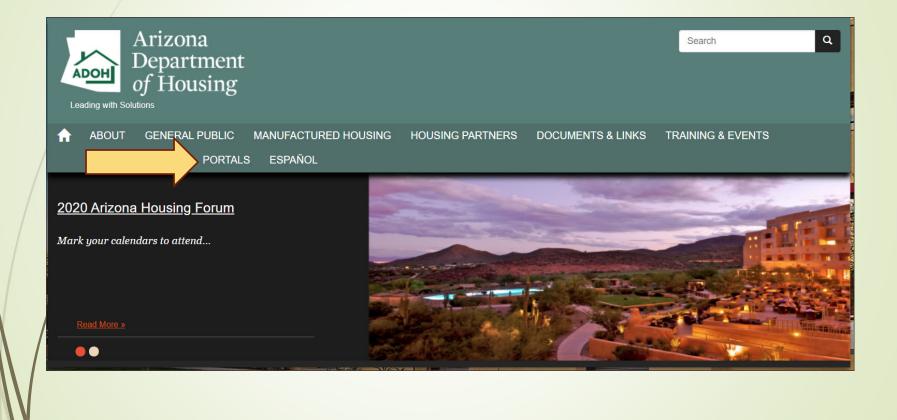
ADOH Website Navigation

Rental Development LIHTC Program

Fair Housing Forms Rent & Income Limits	CDBG Weatherization State Housing Fund				
Rental Asset Management Rental Development LIHTC Rental Development Bonds					
Rental Development Supportive Housing Ren	ntal Compliance Special Needs Special Needs-Continuum				
Public Housing Authority Forms					
- Any -					
APPLICATION MATERIALS					
1. 2020 LIHTC Form 3	2. Applicant Certifications				
3. 2020 LIHTC Additional Forms	<u>4. 2020 LIHTC Exhibits (A, B, E, I, J, K, L, L-1, M, M-1)</u>				
5. Ex C Market Demand Study Guider	<u>6. Ex D Design Requirements</u> &				
7. Exhibit F Bond Process Checklist&	Exhibit F Bond Process Checklist @ 8. Exhibit M-2 Contractors Cost Certification				
APPLICATION WORKSHOP					
2019 Application Workshop PowerPoint Presentation	(d ²				
LIHTC QUALIFIED ALLOCATION PLAN					
2020 Qualified Allocation Plan &	2020 QAP Clarification &				
RESERVATIONS & ALLOCATIONS					
LIHTC Tax Credit Projects - 1987 to Present	2019 LIHTC Reservation Listr과				
2019 LIHTC Application List @	2018 LIHTC Reservation List				
2018 LIHTC Applications Received ☞	<u>2017 LIHTC Reservation List</u> r				
2017 LIHTC Applications Received	2016 LIHTC Reservation Listr과				
2016 Applications Received &	<u>2015 Final Allocation List</u> &				
For questions concerning the Rental Development-LI	HTC, contact Rental Development Division				

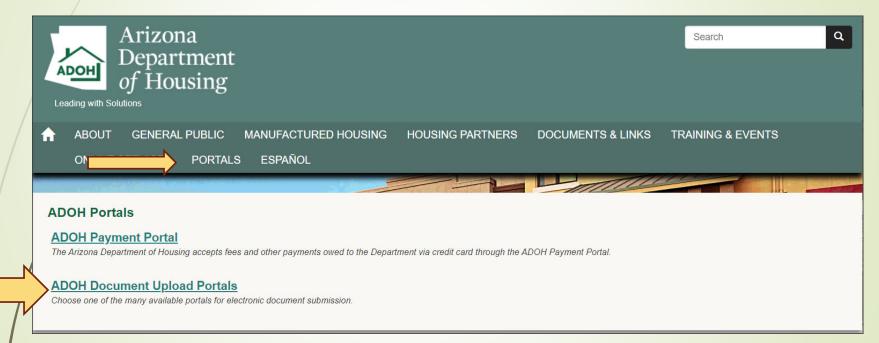
Upload Electronic Application

Enter the Portal through the Home Page



Upload Electronic Copy

After selecting "Portals", select "ADOH Document Upload Portals"



Upload Electronic Application

Select Rental Development Portal

RENTAL DEVELOPMENT PORTAL

Document Submission	Paper Copy Also Required
LIHTC Applications	Where Specified in the QAP
Carryover Applications	Where Specified in the QAP
10% Test Underwriting Submission	Where Specified in the QAP
Equity Package Underwriting Submissions	Where Specified in the QAP
8609 Application Underwriting Submissions	Where Specified in the QAP
Request for Payment Form (and all back-up documentation)	NO
Bi-Monthly Performance Report	NO
Other Documents Required by ADOH	As Requested by ADOH

Upload Electronic Copy

Rental Development Portal

Please fill out the required fields below and choose the file(s) for upload.

Email* jeanne.redondo@housingaz.gov	Document Type Options
First Name* Jeanne Last Name* Redondo Company* ADOH Project Name* Riverview Apartments Document Type (please see options to right)* 9% LIHTC Application	 9% LIHTC Application 4% LIHTC w/ Bonds Application Carryover Submittal Reservation Acceptance 10% Test Package 8609 Package 8609 Package Material Change SHF Application Equity Closing Package SHF Loan
	Closing • Other (please specify)
Drag files here Browse files	

Upload Electronic Copy

Drag or

Click "browse files", Select all of your files and click "open"

	w folder		1 === •	
/	^	Name	Date modified	Туре
	*	🗭 Mountainview Apartments - Tab 1 - Cover Letter, Form 1, Waivers.pdf	1/11/2018 1:29 PM	Adobe Acrobat
	*	🔁 Mountainview Apartments - Tab 2 - Self Score Sheet and Set Aside Election.pdf	1/11/2018 1:29 PM	Adobe Acrobat
		Mountainview Apartments - Tab 3 - Application and Certifications.pdf	1/11/2018 1:29 PM	Adobe Acrobat
	_ /	🔁 Mountainview Apartments - Tab 4 - Legal Formation, Licensing and Business Re	1/11/2018 1:29 PM	Adobe Acrobat
		🔁 Mountainview Apartments - Tab 5 Non-Profit Organization Information.pdf	1/11/2018 1:29 PM	Adobe Acrobat
	llag	🔁 Mountainview Apartments - Tab 6 - Development Team.pdf	1/11/2018 1:29 PM	Adobe Acrobat
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			Open	Cancel
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Upload Electronic Application

Click "Upload" to upload the files

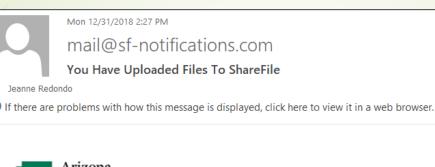
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			Upload				

Screen after upload:

Email*		Document Type Options	
jeanne.redondo@azhousing		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
First Name*	_		
Jeanne	👃 Mountainview Apa	artments - Tab 3	(Uploaded) 31.2
Last Name*	📕 Mountainview Apa	artments - Tab 4	- Le Uploaded 3
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Company*		Acceptance	
ADOH		 10% Test Package 	
Project Name*		 8609 Package Material 	
Riverview Apartments		Change	
Document Type (please see opti	ons to right)*	SHF Application	
9% LIHTC Application		 Equity Closing Package 	
		 SHF Loan Closing 	
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Mountainview Apartmo		specify)	
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Confirmation of Upload

Insert confirmation e-mail behind Form O.





Jeanne,

This message is confirmation that you have uploaded the following files at 12/31/18 2:27P:

Online Portals > Rental Development Upload Portal

Name: Mountainview Apartments - Tab 3 - Application and Certifications (2).pdf Size: 31.24 KB • Date: 12/31/18 2:27p

User: Jeanne Redondo [jeanne.redondo@azhousing.gov] (Arizona Department of Housing)

Details: Email: jeanne.redondo@azhousing.gov, First Name: Jeanne, Last Name: Redondo, Company: ADOH, Project Name: Riverview Apartments, Document Type (please see options to right): 9% LIHTC Application,

Name: Mountainview Apartments - Tab 4 - Legal Formation, Licensing an

d Business Registration (2).pdf Size: 31.24 KB • Date: 12/31/18 2:27p User: Jeanne Redondo [jeanne.redondo@azhousing.gov] (Arizona Department of Housing)

Review Process All Applications will be reviewed for: Eligibility Scoring **Threshold** Underwriting

Eligibility Review

- On-time Application submission (Form O and Confirmation of Application Upload email)
- Complete Application including Fees
 - Entire Application submitted electronically through the portal
 - Hard Copy of each item listed in Section 2.4(1-11) of the QAP
- Application Workshop Certificate
- Compliance Training Certificate (2 day)
- Authorized signatures
- Current accounts
- Spatisfactory progress and compliance
- Local government acknowledgement
- No disqualifications listed in Section 2.5(H)

Scoring & Threshold

Jeanne Redondo Rental Programs Administrator

Scoring

Category

Developer Experience
 Smoke Free Development
 Service Enriched Location
 Building Efficiency
 Transit Oriented Design
 Occupancy Preferences

Points

10 points max 2 points 5 points 15 points max 15 points 5 points

Scoring

Category

7. Targeting Low Income Levels 8. Historic Preservation 1 point 9. Applicant Entity 5 points 10. Waiver of Qualified Contract **1. New Construction**

35 points max 10 points 1 point

Points

Tribal Set-Aside Scoring

Category

<u>Points</u>

1. Accountability

Up to 15 points

- 2. Service Enriched Location Up to 5 points
- 3. Targeting Low Income Levels Up to 35 points
- 4. Tribal Local Govt Leverage 5 points
- 5. Applicant Entity 5 points
- 6. Proj Based Rental Assistance 10 points
- 7. Waiver of QC 10 points
- 8. Building Efficiency

Up to 15 points

Application Content

What needs to be included in each Tab to be competitive?

In Front of Tab 1

Form O (two (2) copies) Hard Copy

Arizona Department of Housing 2020	Arizona Department of Housing Low Income Housing Tax Credit Application	Form 0 Place two (2) copies in front of
	Application Receipt Form	
Project	Name: Date:	
Applicant		
□ Paym	ent of \$5,000.00 Application Fee included (<i>two</i> (2) copies of check enclose	ed)
🗆 Paym	ent of \$1,500.00 GAP Application Fee included (two (2) copies of check e	nclosed)
□ LIHT	C Application	

In Front of Tab 1

\$5,000 Application Fee

 Gap Financing Fee (Bond Projects, if applicable)

Evidence of Electronic Copy Upload Hard Copy



Mon 12/31/2018 2:27 PM mail@sf-notifications.com

You Have Uploaded Files To ShareFile

Jeanne Redondo

If there are problems with how this message is displayed, click here to view it in a web browser.



Jeanne,

This message is confirmation that you have uploaded the following files at 12/31/18 2:27P:

Online Portals > Rental Development Upload Portal

Name: Mountainview Apartments - Tab 3 - Application and Certifications (2).pdf Size: 31.24 KB • Date: 12/31/18 2:27p User: Jeanne Redondo [jeanne.redondo@azhousing.gov] (Arizona Department of Housing)

Details: Email: jeanne.redondo@azhousing.gov, First Name: Jeanne, Last Name: Redondo, Company: ADOH, Project Name: Riverview Apartments, Document Type (please see options to right): 9% LIHTC Application,

Name: Mountainview Apartments - Tab 4 - Legal Formation, Licensing an

d Business Registration (2).pdf Size: 31.24 KB • Date: 12/31/18 2:27p User: Jeanne Redondo [jeanne.redondo@azhousing.gov] (Arizona Department of Housing)

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
- Cover letter description and preferred order of award
- Waivers must be supported
- No waivers for scoring
- All items in Tab 1 are electronic – not original

	Arizona Department of Housing	Arizona Departm Low Income Housing Ta			Form 1 Insert at Tab 1	
		Project Sc	hedule			
	Project Name: Date:					
	Ownership Entity:					
			DATE	<u>COMMENTS</u>		
	A. Site Ac	quisition				
	Closing	g Date:				
	B. Financi	ing				
	1 <u>Cor</u>	nstruction Loan Commitment				
	2 <u>Per</u>	manent Loan Commitment				
	3 <u>Equ</u>	uity Investor Final Selection Completed				
	4 <u>Oth</u>	her				
	Sou	urce of Funds:				
	Firm	m Commitment/Award Date				
	5 <u>Oth</u>	her				
	Sou	urce of Funds:				
	Firm	m Commitment/Award Date				
\mathbb{N}	C. Enviro	nmental Review Completed (Ready to Publish)				
	D. HUD A	uthority to Use Grant Funds Issued				

	E. Site Plan Approved by Local Government ("LG")
	F. Plans (CDs & Specifications) Submitted to LG
	G. Plans (CDs & Specifications) Approved by LG
	H. Equity Closing Package Submitted to ADOH
/	I. Equity Closing (All Construction Period Financing)
	J. Building Permits Issued
	K. Notice to Proceed Issued
	L. Completion of Construction/Rehabilitation
/	M. Estimated Placed-in-Service Date
	N. Estimated First Credit Year
	O. Permanent Loan Closing (Permanent Period Financing)
	P. 8609 Package Submitted to ADOH

Tab 2

Documents

 Form 2 "Self Score Sheet"
 Tribal Set-Aside has separate Form 2
 Form 2-1 "Set-Aside Election"

Things to Remember

- Check math
- Authorized Signatures
- Items in Tab 2 are electronic.
- Submit correct Form 2

		Arizona Department of Housing 2020	Arizona Department of Housing Low Income Housing Tax Credit Application	Form 2 Insert at TAB 2
			Self-Score Sheet	
Λ		Project	Name: Date:	
		Arizona Department of Housing 2020	Arizona Department of Housing Low Income Housing Tax Credit Application	Form 2 Insert at TAB 2
	N		Self-Score Sheet - TRIBAL SET ASIDE ONLY	
		Project Na	me: Date:	

BUILDING EFFICIENCY	(15 points maximum)	(See Sections 2.7(D), 2.9(L) - TAB 12)	
Select Project Type based upon QAP definition and Sec	action 2.7(D):	Other 🔹	
Enter Residential Square Footage on both Form 12	2-1 and on the Architect's plans and drawing	g submitted with the Application: -	
Enter Total Project Square Footage on both Form 1	12-1 and on the Architect's plans and drawi	ngs submitted with the Application -	
Building Efficiency Ratio: #DIV/0!	Rounded Building Efficiency Ratio: ###	### #DIV/0!	
BUILDING EFFICIENCY	(15 points maximum)	(See Sections 2.7(D), 2.9(L) - TAB 12	
Select Project Type based upon QAP definition and Se	ed Housing for Olde	r Persons - Double Loaded Corridors	
Enter Residential Square Footage on both Form 12	2-1 and on the Architect's plans and drawin	ng submitted with the Appendix n: 32,500.00	
Enter Total Project Square Footage on both Form 12-1 and on the Architect's plans and drawings submitted with the 11 Son 50,000.00			
Building Efficiency Ratio: 65.00%	Rounded Building Efficiency Ratio: 6	55%	

SERVICE ENRICHED LOCATION	(5 points maximum)		2.9(Y)(2), 2.9(K) - TAB 1
Up to five (5) points are available to Projects	s with an existing Grocery Store located with Select Distance from Dropdown	in the straight line radius Score	of the Site.
Grocery Store:		0	
			0
SERVICE ENRICHED LOCATION	(5 points maximum)	(See Sections	2.9(Y)(2), 2.9(K) - TAB
Up to five (5) points are available to Projects	with an existing Grocery Store located with	in the straight line radius	of the Site.
	Select Distance from Dropdown	Score	
	Within 5 miles 🚽	5	
Grocery Store:			
Grocery Store:			5

Set-Aside Election		
Project Name: Date:		
Applicant elects to compete in the following Set-Aside Categories:		
	Supportive Housing: The Project provides a Supportive Housing Project as described in QAP Section 2.6 and complies with all requirements of Tab 16 and Tab 22.	
	Balance of State Set-Aside: The project is located in the following Council of Governments Area: Check the COG the project is located in:	
	Tribal Set-Aside: The Project is located on Tribal land and includes a preference for veterans. <i>Name of Reservati</i>	
	Non-Profit Set-Aside: To qualify for this set-aside, Applicant must comply with all requirements of IRC § 42(h)(5)(C), provide all documentation required at Tab 5 (Non-Profit Information) and the Project must meet the threshold requirements in Section 2.9(E) of the QAP.	
	State Special Project Set-Aside: To qualify for this set-aside, Applicant must indicate a request for consideration in the cover letter, meet all general and special goals, threshold and underwriting requirements of the QAP, score at least 60, and provide evidence that the project meets the following criteria <i>(select all that apply and explain them in the cover letter)</i> :	
	Project has received a CHAP or Choice Neighborhoods Implementation Grant.	
	Project is located in a QCT and it contributes to a concerted community revitalization plan.	
	 Project leverages other lunds to maximize outcomes. 	
	 Project provides housing and services to an underserved population. 	
	 Project provides housing and services which are unique to the area. 	
	 Public housing wait lists indicate a need for the type of units proposed. 	
	Date:	
	Applicant Signature:	
	Printed Name:	
	Title:	

Tab 3

Documents

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

Things to Remember

- Check details for consistency
- Signatures
- IRS Form 8821 only needed if specifically requested by ADOH.
- All documents in Tab 3 except Application Certification & Indemnification are electronic.
- Smoke-Free Development

Applicant Entity Section 2.7(I), Form 3

- 5 points
- Applicant must be final Owner of Project
 - Not partner, general partner, member, managing member, officer of final Owner
- Form 3 Applicant and Ownership Entities
- Documentation in Tabs 4 (Legal Formation) and Tab 6 (Development Team) must also be consistent with Form 3.

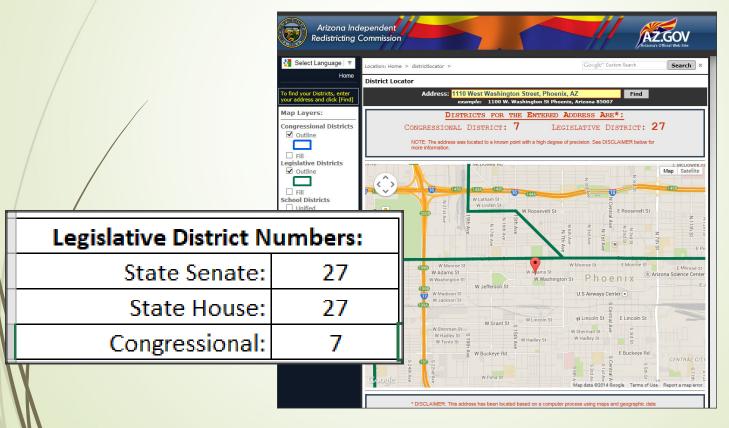
Form 3

Project Na	me:	Riverview A	partments							
Address:		200 River D	rive							
			1							
City	King	man	State:	AZ	Zip Code + 4	85401-6813				
				-	_					
	County: Mohave				Census Tract Number: 9538.00					
	Latitude:	35.21	13766	Longitude: -114040955						
				Check all th	at apply:					
Legislati	ive District N	umbers:		Qualified C	ensus Tract					
S	tate Senate:	4		🗌 Difficult De	velopment Area					
9	State House:	4		🗌 Rural - Nor	n MSA area					
Co	ngressional:	4		Project Preserves property at risk of losing affordable units						

Legislative Districts

Legislative Districts

<u>http://azredistricting.org/districtlocator/</u>

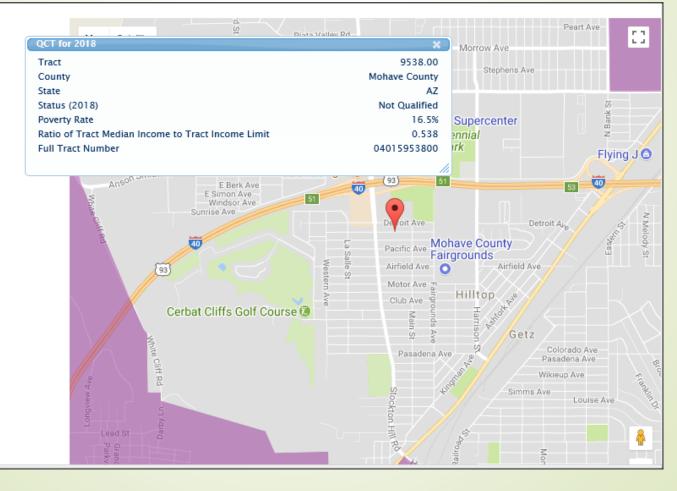


Form 3 – QCT/SADDA

QCT Locator

htm

<u>https://www.huduser.gov/portal/sadda/sadda_qct.</u>



QCT Map

		2018 and 20			
0 West Washington Street, Phoenix	(, AZ GO		Select a State	✓ Select a County	✓ Go
Map Options : Clear Reset Fu	II Screen				
QCT Legend:	- Tract Outline	💼 LIHTC Project	2019 Q	ualified Census Tracts	
SADDA Legend (%):	- FMR Boundary	- SADDA Boundary	2019 S	Small DDA	
		Hide the overview			

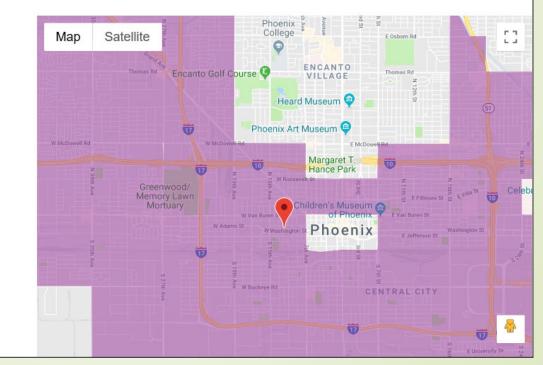
The 2019 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2019. The 2019 designations use data from the 2010 Decennial census and three releases of 5-year tabulations from the American Community Survey (ACS): 2010-2014; 2011-2015; and 2012-2016. The designation methodology is explained in the federal Register notice published October 22, 2018.

Map Options

13 Current Zoom Level Show Difficult Development Areas (Zoom 7+) Color QCT Qualified Tracts (Zoom 7+) Show Tracts Outline (Zoom 11+) Show FMR Outlines (Zoom 4+) Show LIHTC Projects (Zoom 11+) Click here for full screen map

Select Year

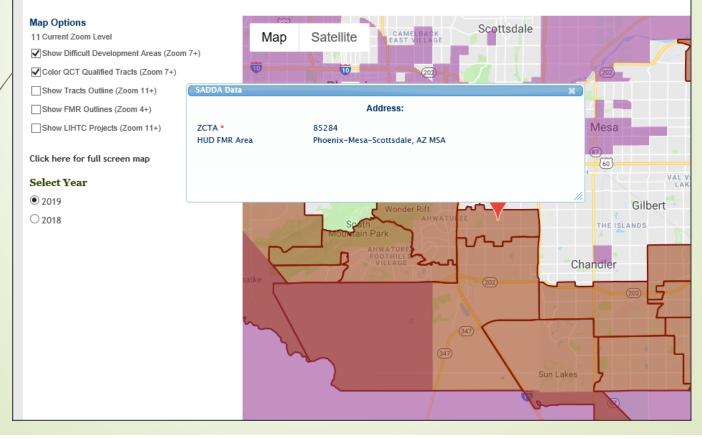
2019
2018



SADDA MAP



The 2019 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2019. The 2019 designations use data from the 2010 Decennial of three releases of 5-year tabulations from the American Community Survey (ACS): 2010-2014; 2011-2015; and 2012-2016. The designation methodology is explained in the fe Register notice published October 22, 2018.



Should mirror Tab 9 sources:

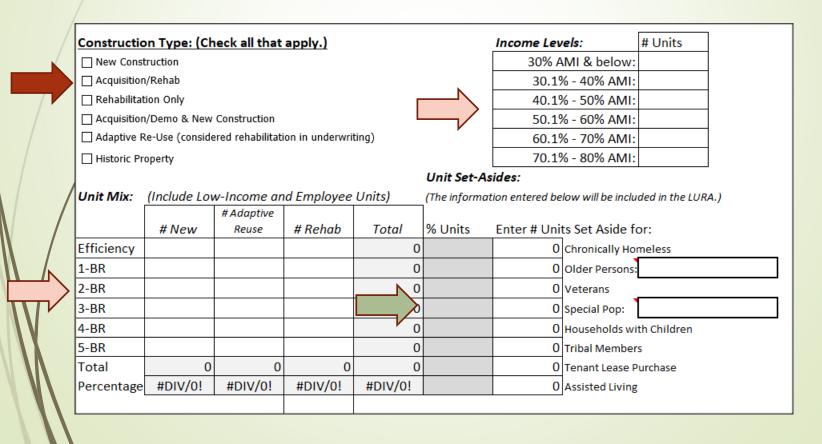
Financing Included in Capital Stack (check all that apply):

Rural Housing Services (RHS)	CDBG	National Housing Trust Fund
🗌 FHA Insurance	HOME	Section 202
Tax Exempt Bond Financing	HOPE VI	Section 811
🗌 FHA Risk Sharing	AHP	Rental Assistance Demonstration (RAD)
Project Based Section 8	NAHASDA	Veterans Affairs Supportive Housing (VASH)
McKinney-Vento Homeless	□ NSP	🗌 Freddie Mac / Fannie Mae Guarantee
Historic Tax Credits	Tax Credits	Other:

Consistent with Tab 12, Cover Letter, etc

Consistent with Page 6 of Form 3, Tab 12, Proforma, etc

Consistent with LURA, Cover Letter, Tabs 16, 17, 22



2) P	Prior Year Al		lete if Project rece First Year of Cre	 n of credits in a prior year)
3) N	/linimum Se	t Aside and Fed	deral Subsidy	-
Mini	☐ 20% ☐ 40%		ted & to be occupied by indited & to be occupied by indited & to be occupied by indit	
Fede	eral Subsidies:	Check here if Pro	ject has tax-exempt bonds.	
X				

Applicant Entity

Section 2.7(I), Form 3

	4) Applica	ant Information	Developer	🗹 Owner	r 🗌 Othe	r			
									
	Name	Jeanne Redondo					Phone	(602) 77	71-1031
1	Company	Riverview Apartments,	LLC			Phone Extension: N/A			
	Address	1110 West Washington	Street, Suite	280					
	City	Phoenix	State	AZ	Zip+4	85007	7-0000		
	Check all th	at apply:			E-n	nail Address	jeanne.red	ondo@azho	using.gov
	✓ For Profit	Entity 🗌 Non-Profit	Entity	🗌 Tribal Entit	φ [_ Local Govern	ment Entity		
	6) Owner	ship Information							
/	-								
	Entity	Riverview Apartments,	LLC				TIN*	12-34	56789
	Address	1110 West Washington	Street, Suite	280			DUNS No.*	n/	a
	City	Phoenix	State	AZ	Zip+4	85007	7- <mark>0000</mark>		
	Legal Statu	S:	d or 🔽 Formed		Corporation				
	0	—		λZ	Qualified 5				
		🗌 Limited Partr	nership						
		Limited Liabi			Local Gove				
			inty company						
	Name	of General Partner(s),					Ownership		
	Ma	naging Member(s)	TIN	I	Pho	one	%	Sta	tus
	Rivervie	w Development, Inc.	87-654	3210	602-77	1-1031	0.100%	✓ For Profit	🗌 Non Profit
		Jacob Shope	98-765	4321	602-77	1-1063	99.900%	For Profit	🗌 Non Profit
		*Project Owner must be du	ly formed, incor	porated, or o	therwise legal	ly existing at Co	arryover per QA	P Section 3.1]

Principal Contact Information

- Who should ADOH contact with questions?
- Possibly not be the authorized signer or "Principal"

5) Principal Contact Information

List the principal contact authorized to conduct business with the Arizona Department of Housing (ADOH) on behalf of the Applicant. ADOH is not responsible for contacting or distributing information to other affiliates listed herein.

					-				
Name	Lori Hofer					Phone	(602) 32	1-1000	
Title	Project Manager					Phone	Extension:		12
Company	Hofer Consulting						-		
Street	321 Beachview Drive				Suite:	101			
City	Gilbert	State	AZ	Zip+4	8520	2-0000			
				E-n	nail Address	lori.ho	ofer@hofer.	com	
Mailing Add	dress <mark>(</mark> if different than st	reet address	above)		_				
Address	P.O. Box 123								
City	Gilbert	State	AZ	Zip+4	8520	2-0123			
				-					

Secondary Contact Information

Who else is authorized to conduct business with ADOH on behalf of Applicant?

5a) Secondary Contact Information

List a second contact, if applicable, authorized to conduct business with the Arizona Department of Housing (ADOH) on behalf of the Applicant.

Name	Jacob Shope					Phone	(602) 771-1063
Title	Principal					Phone	e Extension: n/a
Company	Riverview Apartments, I	LLC					
Address	1110 West Washington	Street, Suite 2	80				
City	Phoenix	State	AZ	Zip+4	85007	7-0000]
				E-n	nail Address	jacob.sl	hope@housingaz.gov
					·		
11							

Developer Fee must be consistent with agreements in 2.9(E)(5) in Tab 5 and 2.9(I)(4) in Tab 9

Identities of interest must be explained in Tab 6.

Arizona Department of Housing 2020	Arizona Department of Housing Low Income Housing Tax Credit Prog		Form 3 Page 3 Insert at Tab 3	
7) Development T	eam Information][
	Name of Development Team Member	Developer Fee %	Identity	of Interest
Developer			☐ Yes	🗌 No
Co-Developer			🗌 Yes	□ No
Consultant	•		🗌 Yes	□ No
Contractor			🗌 Yes	□ No
Architect			🗌 Yes	□ No
Property Manager			🗌 Yes	□ No
Tax Attorney			🗌 Yes	No No
Accountant			🗌 Yes	□ No
Other (if applicable, explain here)			🗌 Yes	□ No

Site Control					Contract Expiration D	ate:
Site is currentl	y under control in the form	of: (check all that app	oly)			
🗌 Deed	Purchase Contract	Agreement to Lease	/p and a			
Lease	Purchase Option			Total Land Cost		
			Total La	nd Square Footage	:	
Is site part of a	a multi-phased Project?	Yes No		The site p	urchase is:	
-	a multi-phased Project? nulti-phased project, what p				urchase is: ingth/Non-Related Party purc	chase
-				Arm's Le		

If more than one is applicable, provide an explanation.

Contract expiration, land cost and land square footage must be consistent with purchase contract.

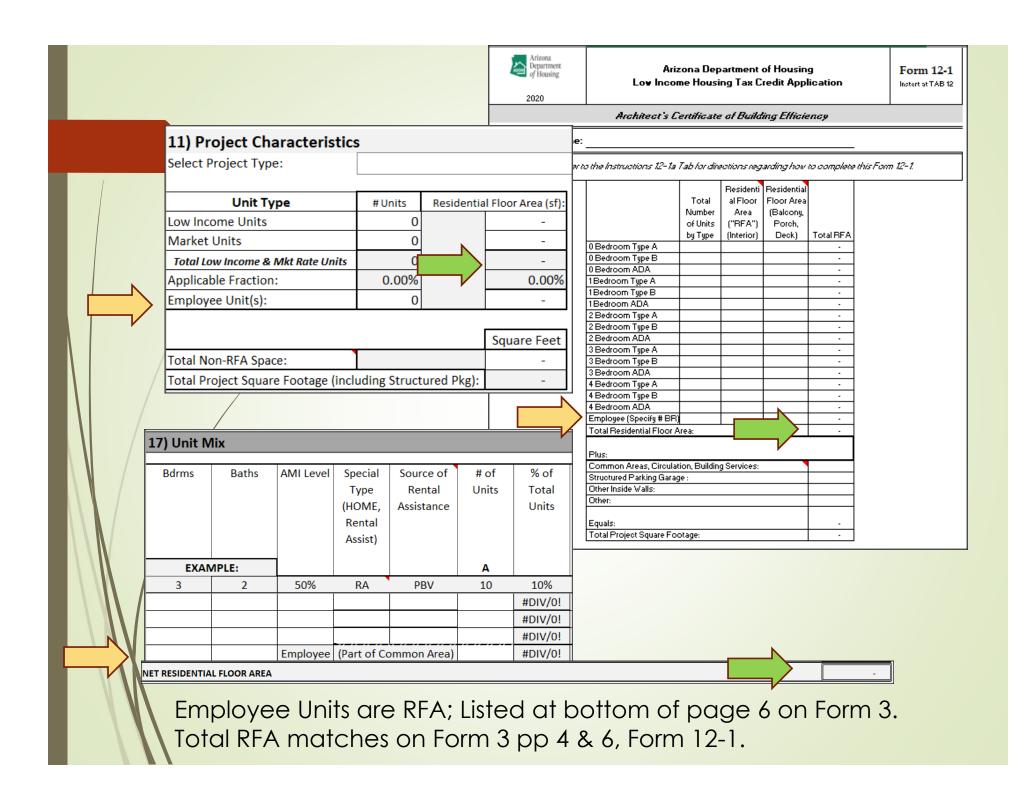
Off-site costs must be included in Development Budget on Tab 8-11

Principals in common = Non-Arm's Length Transaction

Information in this section should be consistent with Item 8 above.

	0(7)	acquired or to be acqu	ired from:		ed Party	Unrelate	d Party		
В	uildings a	re under control via:	Deed	Purcha	se Option		Lease		
L			Purchase Cor	itract 🗌 Agreen	nent to Lease/Leas	e Option			
D	oes Proje	ct include any relocati	on or displacem	ent of tenants	? 🗌 Yes 🛛 [] No			
F		Addresses of Buildi	ngs Under Control		Acquisition Buildin		Date Building Placed in Service by Current Owner	Proposed Date of Acquisition	Number o Units
F	1								
Γ	2								
	3								
	4								
	5								
Γ	6								
Γ	7								
	8								
	9								
	10								
			Use s	eparate page if n	nore than ten (10)	buildings.			

Arizona Department of Housing 2020		Arizona Department of Income Housing Tax C	0	n		Form 3 Page 4 Insert at Tab 3
11) Project Characteristic	;					
elect Project Type:			-			Maximum Allowable
Unit Type	#Units Re	esidential Floor Area (sf):		New	Rehab	Eligible Basis
ow Income Units	0	-	Efficiency	0	0	-
/larket Units	0	-	1-BR	0	0	
Total Low Income & Mkt Rate Units	0	-	2-BR	0	0	-
pplicable Fraction:	0.00%	0.00%	3-BR	0	0	
mployee Unit(s):	0	-	4-BR	0	0	-
			5-BR	0		-
otal Non-RFA Space:		Square Feet	Total			\$ -
	sistent v	vith Tab 12, Bui	Permanent Actual Tota Within Max	l Eligible B imum Eligi	asis: ble Basis	\$0 Pass
126 Total Development Cost		asis is limited or	n Tab 8-1	\$0	5	\$0 \$0
127 Maxir	num Allowable Eli	igible Basis on Line 126 is: \$				



Type of Units: (Check all that ap	ply.)							
Multifamily Residential Rental		Detached	l Single Family					
Garden Apartments		Single Room Occupancy (SRO)						
Duplex Four-Plex Other:								
Building Information	1-Story	2-Story	3-Story	4+ Stories	Total]		
Residential Buildings					0	Number of Elevators:		
Non-Residential Buildings					0			
Total	0	0	0	0	0			
12) Unit and Property Am Low Income Unit Amenities	Range, Rej	frigerator, L	-	Disposal, Kitch	nen Exhaus	st Fan, Microwave and Air Conditioning are required		
Ceiling Fans Other	ns 🗌 Window Coverings 📄 Washer & Dryer Appliances 📄 Washer & Dryer Hookups							

- This section must be consistent with Tab 12 and cover letter
- The amenities listed will be in LURA

Smoke-Free Development

Section 2.7(B), Section 2.9(C)/Tab 3

2 points:

- Enforce a "no smoking" policy
 - Ban Includes electronic smoking devices.
 - No smoking anywhere on site except:
 - Designated smoking area outdoors
- Resources and Technical Support for "No Smoking" policies are available through Az Smoke Free Living.
 - Flyers provided with your binder today.

Smoke-Free Development

Section 2.7(B), Section 2.9(C)/Tab 3

 Make sure to check the box on Tab 4 of the Form 3

Applicants who don't check the box will not receive the points.

Section 2.7(B) Smoke-Free Development Points:

By checking the box to the left, Applicant certifies that it will enforce a "no smoking" policy (including electronic smoking devices) in all common and individual living areas in all buildings and offer a designated smoking area outdoors on property.

Property Amenities	Included in Basis	Applicants will	be require	ed to provide amenities promised here:	
Community Room	BBQ Area	Sport Court (specify type:)		Carports - List # here:	0
Common Laundry Ar	ea 🗌 Picnic Area w/Tables	Security (specify type:)		# Garage/Podium Pkg Spaces:	0
Gated Community	🗌 Walking Trail	Pool(s) - List # here:	0	# Uncovered Pkg Sp:	0
Playground	Child Care Facility	Other:		Other:	
Property Amenities	Not Included in Basis	Describe amenities not included	in basis ar	nd list their corresponding costs here:	

- All amenities must be consistent with Tab 12 show on plans
- All amenities are included in the LURA.
- Form 3 and Cover letter must be consistent.

Utility Allowance

13) Utility Allowance Calculations

Source of Monthly Utility Allowance Calculation

Energy Consumption Model

Effective Date: 04/01/20

-

			S	elect Bedroom	Size, then E	nter Month	ly Allowand	es
	Utility Type	Paid By	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm
Heating	Electric	Tenant			\$ 0.71	\$ 0.76		
Cooling	Electric	Tenant			\$ 11.74	\$ 15.86		
Hot Water	Electric	Tenant			\$ 10.04	\$ 12.20		
Lights & Appliances	Electric Only	Tenant			\$ 26.58	\$ 30.92		
Photovoltaics								
Service Charges	Electric	Tenant			\$ 20.00	\$ 20.00		
Sewer	Municipal	Owner						
Water	Municipal	Owner						
Trash	Private	Owner						
Other								
		Total:	\$	> -	\$ 69.07	\$ 79.74	\$ -	\$ -

- Take calculations from RESNET Rater Utility Allowance
- Utility allowances always round UP.

	17) Unit I	Vlix						Choose the	Cour	nty in whi	ch the Project is l	oca	ited	1	Maricopa	•	
	М	onthly Utility	y Allowance	Calculation	5		% of	Residential	Ma	aximum	Market/Subsid	/	Utility Allowance		Net Rent	Total Monthly	
Bill	Туре	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Total	Floor Area	All	owable	Adjustments	Adjustments				Rent	
Heating	Electric			\$0.71	\$0.76		Units	for Unit	Т	C Rent			(-)		(B)+(C)+(D)		
Cooling	Electric			\$11.74	\$15.86						(-) or (+)					(A) x (E)	
Hot Water*	Electric			\$10.04	\$12.20												
Lights & Appl.	Electric			\$26.58	\$30.92					в	с		D		E	F	
Solar	N/A						10%	850	\$	820	\$	(0)	\$ (4	5)	\$ 765	\$ 7,650	
Service Charges	N/A		N	\$20.00	\$20.00		50%	896.00	\$	821.00	\$		\$ 70)	\$ 891	\$ 891	
Total Monthly				\$69.07	\$79.74		50%	1,135.00	\$	948.00	\$	-	\$ 80		\$ 1,028	\$ 1,028	
* If blank, centr		ing paid by ow	ner services	-	-												

14) Annual Operating Costs	
	per unit
Total Administrative	- #DIV/0!
Management Fee	#DIV/0!
Legal, Audit & Compliance	#DIV/0!
Office Supplies	#DIV/0!
Advertising	#DIV/0!
Wages and Salaries - total	#DIV/0!
Maintenance -	#DIV/0!
Office and Administrative -	#DIV/0!
On-site Manager -	#DIV/0!
OPERATING	
Total Operating <i>(lump.sum)</i>	- #DIV/0!
Gas & Electric -	#DIV/0!
Water & Sewer -	#DIV/0!
Trash & Snow Removal -	#DIV/0!
Cable & Internet	#DIV/0!
MAINTENANCE	
Total Maintenance //ump.sum/	- #DIV/0!
Repairs -	#DIV/0!
Supplies -	#DIV/0!
Pest Control -	#DIV/0!
TAXES & INSURANCE	
Total Taxes & Insurance	- #DIV/0!
Real Estate Taxes	#DIV/0!
Rental Tax -	#DIV/0!
Insurance -	#DIV/0!
Other (Describe)	#DIV/0!
Total Operating Expenses	- #DIV/0!
Annual Replacement Reserve per Unit \$ -	- #DIV/0!
Total Annual Operating Expenses (Dio <u>NO</u> T include Supportive Services Cost)	- #DIV/0!

- Annual Operating Costs must be consistent throughout Application.
 - Check pro-forma and financing letters at Tab 9

Total Annual Operating Expenses (Do <u>NOT</u> include Supportive Services Cost)

- #DIV/0!

- #DIV/0!

SUPPORTIVE SERVICES COST (Permanent Supportive Housing Set-Aside only)

*Explanation and budget for supportive services to be provided to chronically homeless population must be provided at Tab 16.

Note: ADOH restricts the costs in the operating budget to the costs directly associated with operating the real estate. Supportive Service costs for Permanent Supportive Housing Projects are in addition to ADOH PUPY operating expense minimums. Master-metered Projects - see QAP Section 7.1(C)(2) regarding operating expense minimums.

15) Real Estate Taxes

ADOH requests that the Applicant explain below the formula used to determine the real estate taxes to be assessed to the property: If the property is exempt from property taxes, a written certification from the Treasurer or Assessor Office of the appropriate jurisdiction will be required at the time of application. If verification of the property tax exemption is not provided or available, property taxes must be included in the operating expenses at the time of application.

Rental Assistance

	16) Rental Assistance
/	Will any low-income units receive Rental Assistance? THAP Contract THUD PBV w/ AHAP CACC Contract
	Cher:
	Number of Units Receiving Rental Assistance Length of Rental Assistance Contract Years Rental Assistance must be documented at Tab 22

Must be consistent with Tab 22 documentation.

17) Uni	it Mix						Choose the	Cou	nty in whi	ch the Proje	ct is loca	nted	Mari	copa		•
	3drms	s Baths	AMI Level	Special	Source of	# of	% of	Residential	м	aximum	Market/Su	ıbsidv	Utility Allowance	Ne	et Rent	Tota	l Monthl
				Туре	Rental	Units	Total	Floor Area		lowable	Adjustm						Rent
				(HOME,	Assistance	0	Units	for Unit		C Rent	, lajuotini		(-)	(B)-	+(C)+(D)		
				Rental	Assistance		onits		'	enen	(-) or (1)		(-)	(0) (0)		A) x (E)
				Assist)							(-) 01 (-)				`	
				Assisty													
	E	XAMPLE:			A B C D		D	E		F							
	3	2	50%	RA	PBV	10	10%	850	\$	820	\$	(10)			765	\$	7,65
	0	1	30%	RA	PBV	1	20%	475.00	\$	383.00	\$	222	\$-	\$	605	\$	60
	0	1	30%	RA	PBV	1	20%	475.00	\$	383.00	\$	162	\$ 60	\$	605	\$	60
	1	1	50%	LH		1	20%	700.00	\$	684.00			\$ 70	\$	754	\$	75
	1	1	60%	HH		1	20%		\$	821.00			\$ 70	\$	891	\$	89
							0%		Ś	-				\$	-	\$	
		2019 ARIZONA R	ENT LIMITS											\$	-	\$	
														\$	-	\$	
														\$	-	\$	
								State of	of Ari	zona State	Housing Fund	Programs				\$	2,85
	/		ONA COUNTI	ES				HOME, S	tate F	ITF, NSP and	CDBG Program	n Rent Lim	its				
	/	E	ffective June 28, 2019			EFFICIEN	NCY 1 BEDI	ROOM 2 BEDRO	OOM	3 BEDROC	OM 4 BEDROO	M 5 BEE	PROOM 6 BEDROOM				
		Elagetaff A7	Coconino Coun		LOW HOME REN	IT 668	71	6 860		993	1108	1	223 1337				
		Flagstall, AZ	coconno coun	ty	HIGH HOME REN		91			1257	1383		507 1632				
		For information	only:	1	Fair Market Rent	898	10	07 1232	7	1611	1948	2	240 2532				
					50% Rent Limit	668	71			993	1108		223 1337				
				(65% Rent Limit	850	91	2 1096	6	1257	1383	1	507 1632				
		Lake Havasu C	ty - Kingman		LOW HOME REN	T 477	51	1 613	3	708	791	5	372 953				
		Mohave Count			HIGH HOME REN		61			888	971		053 1135				
		For information	only:		Fair Market Rent	556	61			1119	1218		401 1583				
					50% Rent Limit 65% Rent Limit	477 601	51 64			708 888	791 971		953 953 1135				
					50 % Rent Emili	001				000	,,,,		1100				
		Phoenix, AZ M	faricopa/Pinal C	ounties	LOW HOME REN		_			948	1057		166 1275				
		T			HIGH HOME REN		86			1209	1329		448 1567				
		For information	only:		Fair Market Rent 50% Rent Limit	638				1551 948	1776 1057		042 2309 166 1275				
					65% Rent Limit	818	87			1209	1329		448 1567				

Limited to lesser of LIHTC Rent and HOME Rent.

Additional Monthly Income (Describe here)	= \$ - per unit per month	+	-
Less Provisions for Vacancy/Loss	% of Gross Rental Income	-	-
Less Other Deductions		-	-
EFFECTIVE GROSS MONTHLY INCOME		=	-
EFFECTIVE GROSS ANNUAL INCOME			-
Annual Operating Expenses	#DIV/0! per unit	-	#DIV/0!
Replacement Reserves	\$ - per unit	-	-
NET OPERATING INCOME (NOI)			#DIV/0!
NET RESIDENTIAL FLOOR AREA			-

No more than \$20/PUPM

From Market Study

Department of Housing 2020			L.	ow Income H	ousing Tax Ci	redit Program	۱ 			11	aqa 7 t at Ta
Project N	lame:							Date:			_
18) Source	s of Fi	inancing									
	A	В	С	D	E	F	G	Н			
	Priority of Payme nt	Lender Name Contact Name Contact Phone	Amount During Construction Period	Amount During Pormanont Financing Poriod	Interest Rate or CF	Amortization (Years)	Term (Years)	Perm Period Annual Payment (Debt Sevice)	Commitment Date	Final Feder: Local G	
LIHTC Equity]			l			
Hirteric Tex Cı	aditr]			1			
					1						
Construction L <i>(Hord Inc.</i> dr)					1					Yes	
Primery Dabt	1							\$0.00		Yes	
(Herd dabs)											
Second Mortqu	2							\$0.00		Yes	0'
(Herd dabs)											
Deferred Feer	3							\$0.00			
ADOH Gep	4		-					\$0.00 \$0.00		Yes	
Other Debt <i>(Soft foods</i>)								\$0.00		∏Yes	1
Other Debt	6				1		1	\$0.00			
(5a/t /aadr)						L		\$0.00		Yes	
Other Debt	7							\$0.00		□Yes	ים
(5a/1 /aa do)											
GP Equity										□Yes	
Other Equity										Yes	
Other Equity										Yes	
		TOTAL SOURCES:	-	-	ΤΟΤ	FAL HARD DE	BT SERVICE:	\$0.00			
		ce to Proceed to Certificat cate of Occupancy to stabil			4	RVICE COVE rimary & Second Ma (All Hard Dobt inci	vrtgage Hard Debt)				

Must be consistent with documentation in Tab 9 & Form 1.

ADOH	Arizona Department of Housing
	2020

Arizona Department of Housing Low Income Housing Tax Credit Program

Yes

Ŧ

Project Name:

19) Development Budget

Are Davis Bacon Wages Included in Direct Construction Costs?

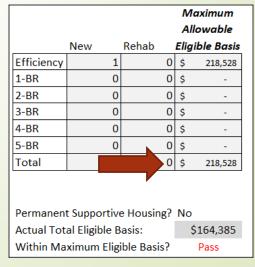
Line #	Line Items		Development Budget	9% Eligible Basis	4% Eligible Basis	Explain Budget Changes below and attach supporting documentation.
4	7 Direct Construction Costs Sub-Total		\$100,000	\$100,000	\$0	<u> </u>
4	8	Maximum Allowable:				
4	9 General Requirements	\$6,000.00	\$6,000	\$6,000		
5	0 Builder's Overhead	\$3,000.00	\$3,000	\$3,000		
5	1 Builder's Profit	\$6,000.00	\$6,000	\$6,000		
5	2Sales Tax		\$1,000	\$1,000		
5	3 HC Contingency (10% max) Line 47	\$10,000.0	\$10,000	\$10,000]]
5	4 Hazardous Waste Contingency (7% max) Line 47	\$7,000.00	\$7,000	\$7,000		
5	5	Total Construction Cost	\$133,000	\$133,000	\$ 0	
5	6					
5	7 III. Professional Fees & Indirect Construction Costs					
5	8 Architect Fee - Design	PASS	\$2,000	\$2,000		
5	9 Architect Fee - Supervision		\$2,000	\$2,000		
6	0 Engineering Fee (Consult CPA for Eligible Basis guidance.)	Arch/Eng/Soils/HERS is:	\$4,000	\$3,000	(i.e., the grading pl	an is tied to the land.)
6	1 Soils Report (Consult CPA for Eligible Basis guidance.)		\$500		(i.e., soils report is	tied to the land.)
6	2 HERS Rater/Green Consulting		\$500	\$500		

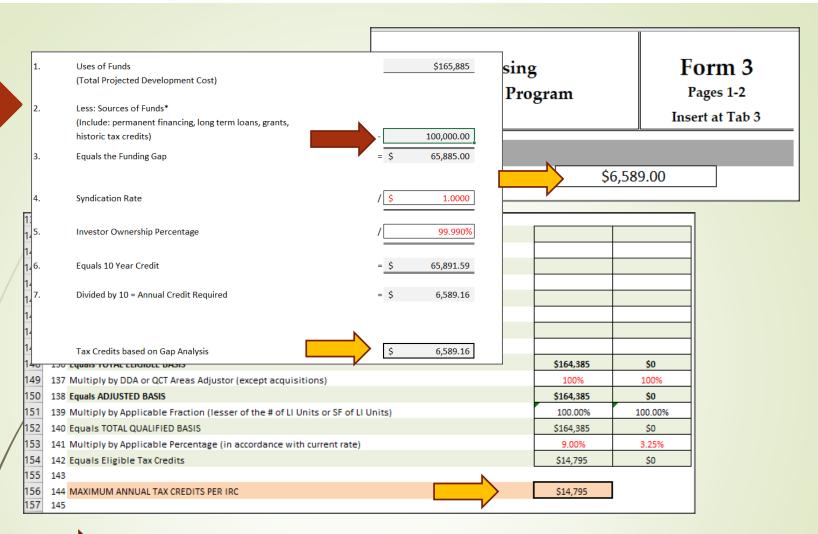
	Line			Development		
	#	Line Items		Budget	9% Eligible Basis	4% Eligible Basis
	111	VIII. Developer's Overhead & Fees				
	112	Developer's Overhead/Fee	PASS	\$10,000	\$10,000	
	113	Co-Developer Fee	Maximum Allowable	\$10,000	\$10,000	
1	114	Non-Profit Fee	is:	\$1,000	\$1,000	
	115	Consultant Fee	\$ 23,885.00	\$2,885	\$2,885	
	116	Total Dev	eloper Fee & Overhead	\$23,885	\$23,885	\$ 0
	117					
	118	IX. Project Reserves				
	119	N				
	120	Lease-Up Reserves	\$-			
	121	Operating Reserves	\$-			
	122	Describe other reserve here (waiver required):				
	123	Describe other reserve here (waiver required):				
	124		Total Reserves	\$0	\$ 0	\$ 0
	125					
	126	Total Development Cost			\$164,385	\$ 0
	127	Maximum Allowable Eligible Basis on Line 126 is:	\$ 218,528.00			

Developer Fee must be consistent with Tab 9 QAP Section (2.9(J)(4) & Developer Fee Limits at QAP Section 7.1(C)(4)(f).

Eligible Basis limits

Replacement Reserves not capitalized.





Does not include LIHTC Equity or Deferred Fees.



Lesser of Eligible Basis Analysis or Gap Analysis. Not more than LIHTC requested on Form 3 p. 1-2.

		each of the ge. I Year of Operation
Gross Rent Revenues (less Rental Tax & Tenant Security I		444,852.00
Other Income to Project	* \$	1,000.00
Equals: Total Operating Income	\$	445,852.00
Less: Vacancy & Bad Debt	* *	44,585.20
Effective Gross Income		44,585.20
Effective Gross Income	\$	401,266.80
Leastha (allassia a Diseat Ossantia a Fasta a		
Less the following Direct Operating Expense	₽5: ▼ <u>\$</u>	00 500 00
Payroll Utilities	*	63,500.00
	8	40,000.00
Marketing	• \$	1,000.00
General Administrative Expenses limited to:		0 500 00
Software	\$	3,500.00
Telephone, Cable & Internet	\$	2,500.00
Travel	\$	250.00
Office supplies	\$	250.00
Bank Service Charges	\$	100.00
ADOH training fees	\$	265.00
ADOH Compliance Fees	\$	3,750.00
Repairs and Maintenance	\$	36,900.00
Property Real Estate Taxes	\$	34,000.00
Property Insurance	\$	22,000.00
Accounting/Tax Preparation & filing fees	\$	4,000.00
Property Management fees	\$	21,066.00
Annual state filing/registry fees	\$	250.00
Tenant-related legal fees	\$	2,000.00
Supportive Services (to extent permitted in QAP)	\$	•
Total Direct Operating Expenses	\$	(235,331.00
Equals Net Operating Income	\$	165,935.80
Surplus Cash Flow Calculation:		
Net Operating Income	\$	165,935,80
Less:	÷	100,000.00
Primary Annual Debt Service		
(paid in equal installments over the loan term)		\$123,000.00
Annual Reserve Contributions		\$123,000.00
(increasing 3% annually)	\$	17,500.00
Deferred Developer Fee	÷	17,000.00
(paid in equal installments over 13 years)	\$	3,000.00
	÷	3,000.00
Reasonable Investor Asset Management Fee		
(increase 3% annually)	\$	5,000.00
Required Subordinate Arms-Length Debt Payment		
(paid in equal installments over the term)	\$	-
Total Below the Line Payments	\$	148,500.00
Equals Surplus Cash Flow	\$	17,435.80

			_	
14) Annual Operating Costs				
ADMINISTRATIVE			per unit	
Total Administrative		99,931.00	1998.62	
Management Fee	21,066.00		421.32	
Legal, Audit & Compliance	10,265.00		205.3	
Office Supplies	4,100.00		82	
Advertising	1,000.00		20	
Wages and Salaries - total	63,500.00		1270	
Maintenance #####			0	
Office and Administrative ######			0	
On-site Manager ######			0	
OPERATING				
Total Operating <i>(lump sum)</i>		45,600.00	912.00	
Gas & Electric	20,600.00		412	
Water & Sewer	19,400.00		388	
Trash & Snow Removal	3,100.00		62	
Cable & Internet	2,500.00		50	
MAINTENANCE				
Total Maintenance <i>(lump.sum)</i>		33,800.00	676.00	
Repairs	20,000.00		400	
Supplies	1,400.00		28	
Pest Control	12,400.00		248	
TAXES & INSURANCE				
Total Taxes & Insurance		56,000.00	1,120.00	
Real Estate Taxes	34,000.00		680	
Rental Tax			0	
Insurance	22,000.00		440	
Other (Describe)			0	
Total Operating Expenses		235,331.00	4,706.62	
Annual Replacement Reserve per Unit \$350.00		17,500.00	350.00	
		11,000.00	000.00	
Total Annual Operating Expenses (Dio <u>MOT</u> include Supportive Services Cost) 252,831.00				

- Expenses of p. 14 match pp. 4.
- Loans consistent with p. 7 and Tab 9.
- Reserves QAP Section 7.1(C)(2)(b).
- Investor Fee consistent with Tab 9

Maximize Primary Debt

Page 14: Average Operating Expense Ratio Calculation			
Instructions: Enter the information requested for each			
	1st Full Year of Operations	Year 15	
DSCR (Adjusted for Reserves)	1.21	1.20	DSCR at Year 15 may not be greater than 1.20 or less than 1.10
Average Cash Flow	\$ 17,326.50		
Divided by Average Total Operating Expenses	\$ (291,793.40		
Equals: Average Operating Expense Ratio	5.94%		This ratio may not be higher than 10%.
Average DSCR	1.2		

See Section 7.1(C)(3)(vi) on p. 109 of QAP.

Tab 3



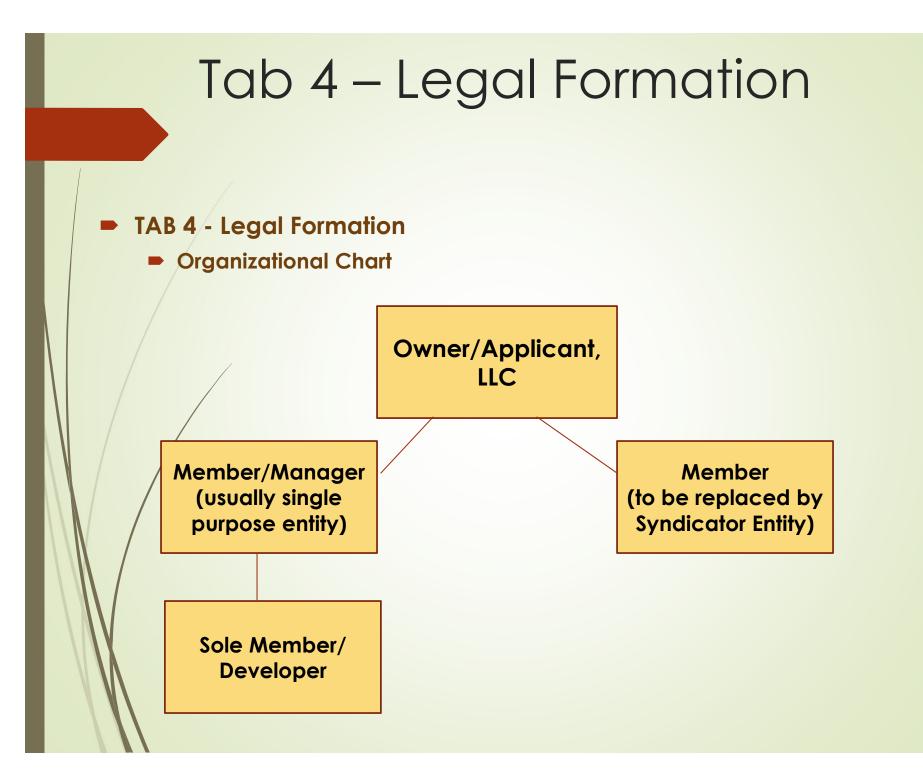
- ORIGINAL
- Signed, Dated and Notarized

Place behind QCT/DDA Map

Arizona Department of Housing Low Income Housing Tax Credit Program Applicant Certification and Indemnification

APPLICANT: (insert signature block for Applicant Entity here below)

Fill in signature block



Tab 4 – Legal Formation

TAB 4 - Legal Formation

- Signature Block for Project Owner
 - Applicant/Owner, LLC
 - By: Member/Manager (of LLC)
 - By: Sole Member (of Member/Manager)
 - By: Principal of Sole Member who will sign
- Entity Documents & all amendments for Owner/Applicant/Developer/Co-Developer
 - Provide each layer of entity documents tying the Principal who will sign with the Applicant/Owner, etc.
 - Articles of Incorporation & By Laws
 - Certificate of Existence & Limited Partnership Agreement
 - Articles of Organization & Operating Agreement
- Must demonstrate authority of Applicant to bind Owner.

Tab 4 – Legal Formation

TAB 4 - Legal Formation

- Duly formed legal entities
- Authority to transact business in State of Arizona
- Certificates of good standing
- Resolution specifying the name of the natural person who is authorized to execute documents on behalf of the Project
 - The natural person authorized in the resolution must be the natural person who signs the Application documents requiring execution.
 - Highlight where that individual is empowered to execute documents in the resolution or within the formation documents.
 - The person authorized can't authorize themselves.
- Public Housing Authorities must provide by-laws and copy of the resolution or ordinance from the government entity that authorized its formation

Tab 5 – Non-Profit

Documents

- Form 5 Certification
- 501(c)3 or 501(c)4
- Officers/Member
 Experience
- LOI ROFR
- Operating Plan (if more than one Non-Profit)
- Board Members
- Sources of Funds for annual expenses & programs

Things to Remember

- Non Profit is Developer
- Non Profit is MM/GP
- Non Profit not affiliated with For Profit
- Hard Copy of Operating Plan

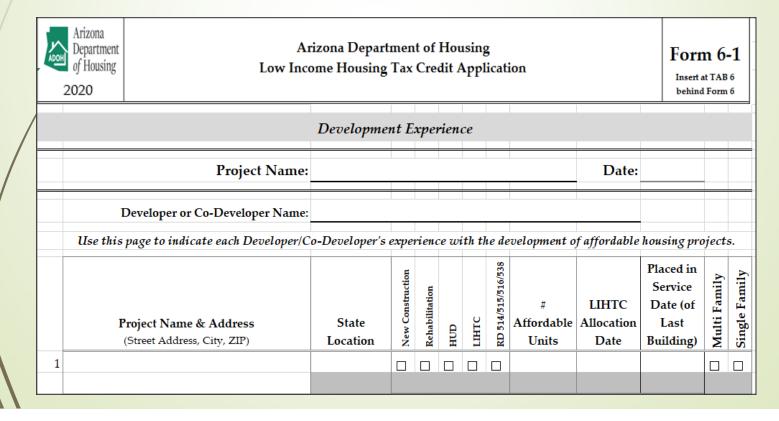
Tab 6 – Development Team

- Form 6 Development Team
- All Persons providing services must be listed on Form 6
 - Add additional sheet if necessary
- Identities of Interest from Form 3 are explained behind Form 6

			Developm	ent Team Experience					
Р	roject Name:				Date:				
Applican	.+								rm 3
Аррисан	u							Pa	ge 3
Name				Phone		Individual		Insert	at Tab 3
Agency				Fax		Corporation			
Address						Limited Part	nership		
_				E-mail Address		Limited Liab	ility Company	/	<i>c</i> .
City _		State	Zip			Other (Speci	fy Separately)	intity o	of Interest
List below all	owners, officers and aff	iliates of the Applicant, wit	th Controlling Intere	at or percentages of equity.				es	No No
			0.000%				0.000%	es	□ No
			0.000%				0.000%	es	No No
	F							_ l es	□ No
	A	rchitect						Yes	□ No
	Р	roperty Manager						Yes	□ No
	Т	ax Attorney						Yes	□ No
	A	ccountant						Yes	□ No
	0	ther (if applicable, explain here)						Yes	🗌 No
Provide explanation of all identities of interest behind Form 6 Tak							m 6 Tab 6.		

Tab 6 – Development Team

- Form 6-1 Include all Affordable Developments
- Complete & sign certification on bottom
 - Foreclosures, Removal of Developer, Fraud
- Form 6-1 used in scoring Developer Experience



Developer Experience

Section 2.7(A) , 2.9(F)/Tab 6

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
- Projects claimed for points must be LIHTC or Federally Subsidized.

Tab 6 – Development Team

- Form 6-2
- Complete for <u>each</u> State (including Arizona)
- All Forms 6-2 compiled match <u>LIHTC</u> experience on Form 6-1.

	Arizona Departm of Housin	ng	Arizona Department of Housing Low Income Housing Tax Credit Application Insert at TAB 6 behind Form 6-1						
Λ	Authorization for Release of Information of Developer/Co-Developer								
	Proj	ect Name:		Date:					
	(includin	ng Co-Develo	orm for each State (<i>including Arizona</i>). List every Tax Credit propers or affiliates) has participated on the Form 6-2 for that State.		he Developer				
			Administrator						
	Hou	ising Credit A	Agency:						
		Street A	PROJECT NAME	<u>OWNERSHII</u>	<u>P ENTITY</u>				
	1	1							

Tab 6 – Development Team

- Form 6-3
- Complete for all Real Estate Owned/Controlling Interest
- May request waiver to provide all information on excel sheet in same order vs. actual form.

Arizona Department of Housing 2020	Arizona Department of Housing Low Income Housing Tax Credit Application						FORM 6-3 Insert at TAB 6 behind Form 6-2		36				
	Project Name	:						_ Date: _					
Developer Name: Information as of:													
Instructions:	Input fields are highlighted in g	<u>green</u> Property Type (Land, Residential, Multifanüly, Office, Retail, Industrial, etc.)	Ownership Percentage	Date Purchased	Original Purchase Price	Market Value	Original Loan Amount	Current Outstanding Balance	Debt Service	Net Operating Income / (Loss)	DSCR	Loan-to- Value (LTV)	Loan-to- Cost (LTC)
Property Name: Address:	XYZ Estates 1110 W. Washington Phoenix, AZ 85007	Office	100%	11/13/13	\$500,000	\$750,000	\$250,000	\$225,000	\$25,000	\$35,000	1.40	30.0%	45.0%
Property Name: Address:											#DIV/0!	#DIV/0!	#DIV/0!

Developer Experience

- Explain differences (if any) between Forms 6-1, 6-2 and 6-3
 - Was property sold?
 - Still under development?
- Form 6-1 asks for all Developments Completed and Placed in Service
 - Certify any prior foreclosures, removals from Development Team
 - Explain any convictions or current circumstances where Developer is accused of fraud or misrepresentation
- Form 6-2 also includes currently funded projects under development
- Form 6-3 includes projects in current operations.

Tab 6 – Development Team

- Development Experience Narrative
- Resumes
 - Officers/Supervisory personnel with experience
 - Each Person listed on Form 6
- Explain specific roles of Developer/Co-Developer
- Financial Statements 2 full calendar years

Tab 7 – Appraisal (ORIGINAL)

- "As-Is" Market Value
 - New Construction Land only appraisal
 - Rehab or Adaptive Re-Use
 - Must break down land and building values
 - "As If" Vacant Land Value
 - Acquisition/Demolition and New Construction land
- Cost-based Appraisal
 - Tribal Land Projects only
- Appraisal Validation



Tab 7 - Site Control

Non-Government Land

All Projects:

- Title Commitment dated within sixty (60) days of Application
- PSA/Options on land:
 - Hard Copy Executed Binding Commitment
 - No contingencies except LIHTC
 - Initial term/closing date at least 180 days after April 1, 2019
 - Environmental Review Language

- Land owned:
 - Recorded Deed
 - Final Settlement Statement
 - No estimated settlement statements
- Land leased:
 - Hard Copy Lease Agreement
 - Minimum thirty (30) year term
 - Owner to execute LURA
 - Specify even rent payments over lease term

Site Control (continued)

Tribal Land

Tribal Land

- Hard Copy 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
 - Hard Copy Executed Binding Commitment
 - Only remaining contingency is LIHTC award; Environmental Review language
 - Closing date at least 180 days after April 1, 2019
 - Government Land Lease
 - Government body approval
 - Hard Copy Lease Agreement
 - Thirty (30) year Extended Use Period
 - Lease rent specified
 - Government to execute LURA

Tab 7

Environmental Reviews

- Floodplains
 - Floodway ineligible
 - 100 Yeør Floodplain
 - LOMA, LOMR, LOMR-F from FEMA required, or
 - HARD COPY 8-Step Process

Historic

- HARD COPY Section 106 Process completed
- CLG/SHPO Letters No Adverse Effect/Mitigated

Site Plan

- Site Plan <u>approval</u> is not a scoring category.
 - A site plan is required as a threshold item at Tab 12, however the site plan does not need to be approved by the Local Government until Equity unless it is required to meet the requirements of Tab 8 - Zoning

Tab 8

Planning and Zoning Verification

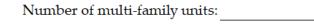
- Form 8
 - Signed by Local Government
- Copy of Code section.
 - Will Serve Letters (NC)
 - Water/Sewer
 - Dated within 180 days of April 1, 2020

- Utility Bill (Rehab)
 - Water/Sewer
 - Dated within sixty (60) days of April 1, 2020

Form 8

2) The current zoning status of the above-named Project is as of the date of this certification of which is a zoning classification that permits construction of the Project as detailed below without further zoning or variances or use permit approvals.

The proposed multifamily low income housing tax credit rental Project will include:



Number of buildings:

Building height (in feet):_____

Size of project site (acres):

Square footage of commercial space (if applicable):

3) Describe any remaining processes to pull permits and begin construction of the Units described above.

Land currently zoned.

Units, buildings, acreage, etc must match Form 3.

The Project, as proposed, must be able to be built on the parcel, as of the Application Deadline.

Tab 9 – Financial Ability to Proceed

Letters of Interest/Intent

- Tax Credit Syndicator
 - Terms/Pricing
 - ROFR
 - Average Income Election
- All Other Sources
 - Term Sheet
 - Amount
 - Interest Rate (not just index)
 - Points/Fees
 - Amortization
 - Term
 - LTV
 - DSCR

Other Funding

- Local Government;
 - Submit letter conditioned only on an award of Tax Credits and city council approval
 - See Section 2.9(I)(2)
 - If denied by city council up to 150 days from Reservation to secure same amount from alternate source
- Federal Home Loan Bank AHP
 - Copy of Application
 - If not awarded up to 150 days from Reservation to secure same amount of funding from alternate source

Tab 9

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 9

- Developer Fee & Consulting Agreements
- List of Persons receiving a portion of Developer Fee
 - i.e. All Consultants listed on Form 6
 - Amount to be paid to each
- List supported by agreements describing services and amounts

Tab 10 – Market Demand Study

Market Demand Study - Exhibit L

- HARD COPY
- 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
 - Explanations required where:
 - Gross Capture Rate higher than 10%
 - Net New Household Capture Rate higher than 20%

Service Enriched Location

Section 2.9(K)/Tab 11

15 points possible – Non-Tribal Set-Aside

- Grocery Store must be located within:
 - Two (2) miles Urban locations
 - Five (5) miles Non-Tribal Balance of State løcations

Service Enriched Location

Sections 2.9(K)/Tab 11 & 2.9(Y)(3)/Tab 25

15 points possible – Tribal Set-Aside Projects

- Grocery Store must be located within applicable distance
 - Points vary based upon distance
 - 5 miles / 10 miles / 15 miles

Tab 11 – Service Enriched Location

Form 11

- Fill out completely (incomplete will not be awarded points)
- Grocery Store must be in place and operational April 1, 2020
- Aerial Maps
- Direct distances
 - From edge of project property closest to Grocery Store
 - Measured to Grocery Store not to parking lot, property line, etc.
- Measured from Grocery Store building/not mobile:





Tab 11 – Service Enriched Location

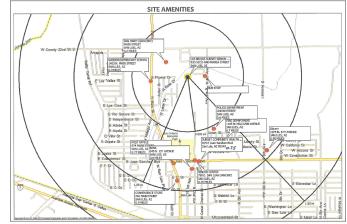
- Map existing LIHTC and other government subsidized housing within 5 miles of Project site.
- Each Grocery Store Aerial Map must include the following:
 - Name of Grocery Store
 - Distance
 - Scattered Sites on Tribal Land:
 - Distance measured from subdivision that contains the most housing Units
 - If all subdivisions have equal number of housing Units, measure distance from parcel that earns most points in conjunction with Tab 15

Aerial Map

OK



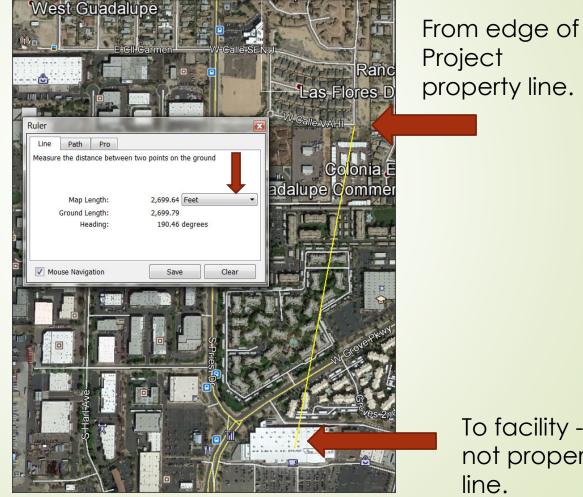




Distance Calculation Example

Tape measure tool.

Use Google Maps with measurements in feet.



To facility not property

Distance Calculation Example



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

Grocery Store



- Aerial Map applicable distance
- Evidence meets Grocery Store definition
 - If on list in QAP:
 - Name, address and phone on Form 11
 - Not on list in QAP:
 - Name, address, and phone on Form 11
 - Size of facility
 - Provide evidence that it meets definition (i.e. website pages, store ads, certification from store manager on letterhead)
- Evidence store exists at the location claimed.
 - Website page, store advertisement, WIC vendor page, etc.

Property Design Standards, Drawings and Plans Section 2.7(D), 2.9(L) / Tab 12

- Insert the following:
- Form 12 Architect's Certification
- Form 12-1 Architect's Certificate of Building Efficiency
- Site Plan
 - Topography (unless site generally flat)
 - Streets bordering site
 - Outdoor amenities claimed on Form 3
- Conceptual Plans must support building efficiency certification
- Review Exhibit D for further Design Requirements

Property Design Standards, Drawings and Plans Section 2.7(D), 2.9(L) / Tab 12

- Conceptual Plans & Elevations for each Building
 - Clubhouse/Common Areas
 - Each Unit Type
 - Each Building Layout
 - Net Floor Area of common areas
 - Residential Floor Area of each Unit Type
- Plans must adhere to Exhibit D

Building Efficiency Section 2.7(D), 2.9(L)/Tab 12



15 points possible



Ratio for score must be maintained to avoid loss of Project





Building Efficiency

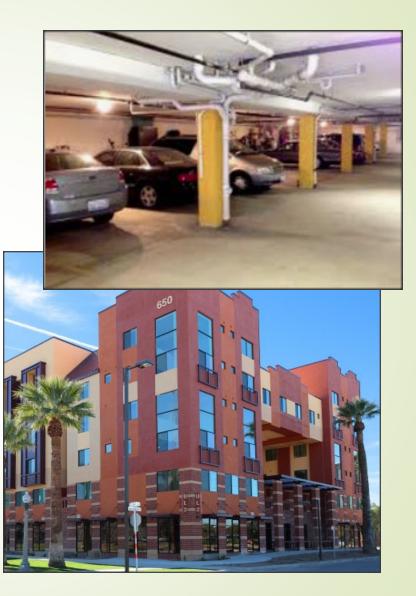
Urban Structured Parking Project

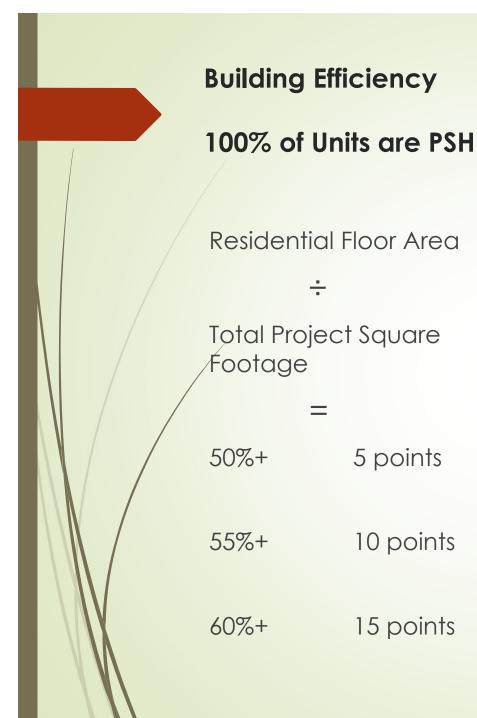
Residential Floor Area

Total Project Square Footage

÷

50%+	5 points
55%+	10 points
60%+	15 points

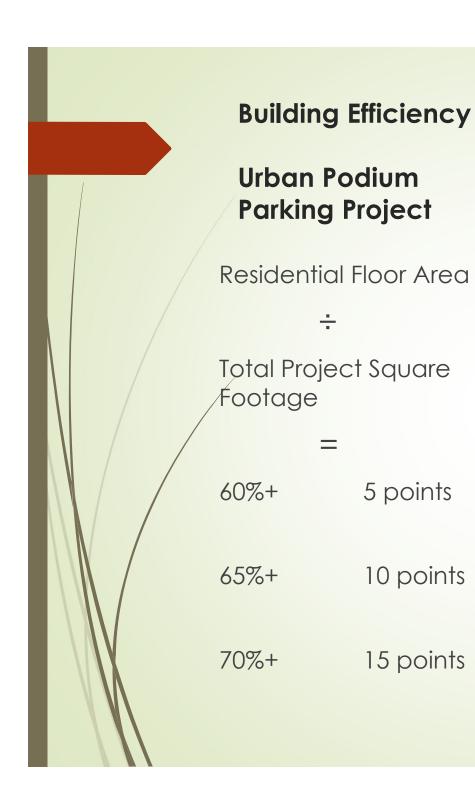




Residential Floor Area ÷ Total Project Square Footage 5 points 10 points 15 points



Camelback Pointe and La Mesita III Units are 100% set aside for Chronic Homeless Households



÷

5 points

10 points

15 points

Building Efficiency

HOP with 100% of Units on Double Loaded Corridors

Residential Floor Area

Total Project Square Footage

÷

60%+ 5 points
65%+ 10 points
70%+ 15 points



Building Efficiency

Single Family or Duplex Subdivisions on Tribal Land or Balance of State Area

Residential Floor Area

Total Project Square Footage

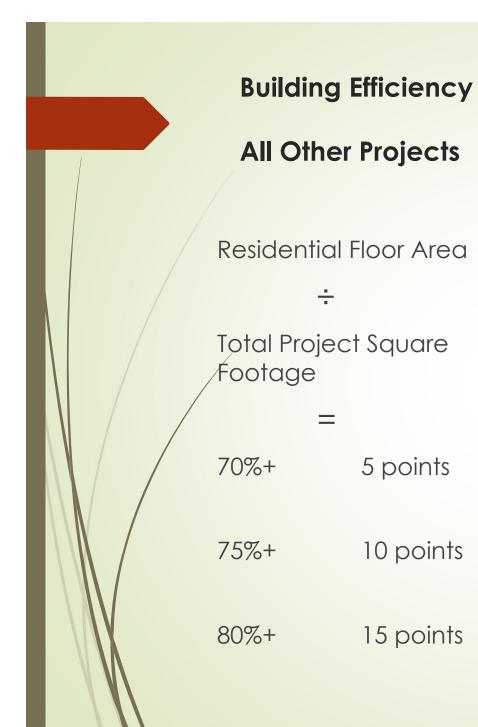
÷

60%+	5 points						
65%+	10 points						
70%+	15 points						









acimari	
÷	
al Projec tage	t Square
=	
+	5 points
+	10 points
+	15 points



Tab 12

The following must match:

*the Architect's Certificate of Building Efficiency

*Form 3 page 4

*Form 3 page 6

Unit Type	# Units	Residentia	l Floor Area (sf):
Low Income Units	57		37,232
Market Units	0		-
Total Residential Rental Units	57		37,232
Applicable Fraction:	100.00%		100.00%
Employee Unit(s):	0		-
			Square Feet
Total Non-REA Space:			5 673

	Square reet
	5,673
uding Stri	42,905
Building Efficiency:	0.86777765

		Residenti	l Floor	
	Total	al Floor	Area	
	Number	Area	(Balcony,	
	of Units	("RFA")	Porch,	
	by Type	(Interior)	Deck)	Total RFA
0 Bedroom Type A	4	438	0	1,752
0 Bedroom Type B	1	440	0	440
0 Bedroom ADA	1	440	0	440
1 Bedroom Type A	40	575	0	23,000
1 Bedroom Type B	18	580	0	10,440
1 Bedroom ADA	2	580	0	1,160
Employee (Specify # BR)				-
Total Residential Floor A	rea:			37,232
Plus:				
Common Areas, Circula	tion, Buildi	ng Services:	:	3,712
Structured Parking Gara	age (Do not	include par	king	
created by podium.):	.0- (0	-
Inside walls (Do not incl	ude walls t	o interior cl	osets):	1,861
Other (Explain on separa				100
Equals:			•	5,673
Total Project Square Foo	tage:			42,905

NET RESIDENTIAL FLOOR AREA

37,232

Unit Square Footage

Building Efficiency Scoring is based upon RFA within QAP limits.

Porch/Deck/Balcony

• Up to 100 s.f./Unit allowed

Single Family/Duplex Garage on Tribal Land/BOS

- 2/3 BR Up to 300 s.f.
- 4/5 BR Up to 600 s.f.

Unit Type	Minimum Residential Floor Area	Maximum Residential Floor Area
	(excluding Balcony, Porch or Deck)	(excluding Balcony, Porch or Deck)
Efficiency:	380 square feet	585 square feet
One (1) Bedroom:	575 square feet	735 square feet
Two (2) Bedroom:	800 square feet	973 square feet
Three (3) Bedroom:	1,050 square feet	1,243 square feet
Four (4) -Bedroom:	1,200 square feet	1,360 square feet
Five (5) Bedroom:	1,350 square feet	1,700 square feet

Tab 13 - Utility Allowance Schedule

Energy Consumption Model

RESNET Rater 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

HOME Units – must use UA based upon consumption even if PBV

Tab 13 – Utility Allowance

R http://www.resnet.us/directory/search	🔎 – 🗘 🖪 Find a Contractor, Auditor o ×	
	RESOLENTIAL ENERGY SERVICES NETWORK	Search Q
	Home Energy Efficiency Financial Benefits Ratings & Audits Use a RESNET Professional	About RESNET Contact
	Find a RESNET Qualified Home Energy Professional Add value to your home, reduce energy costs and make your home more comfortable by finding a RESNET qualified Home Energy Professional today.	Energy Efficiency Tips & Articles Browse through our articles section for tips, articles and facts on energy efficiency.
	Select a Search Type State Search by State	The HERS Index Find out what it is, how it works and why it's important to you!
	Arizona	
	Select a Trade Type Certified Home Energy Auditors/Raters C FIND A PROFESSIONAL NOW	

RESNET Rater prepares both the Utility Allowance in Tab 13 and the HERS Index inserted in Tab 14.

Tab 13 - 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 13
- 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

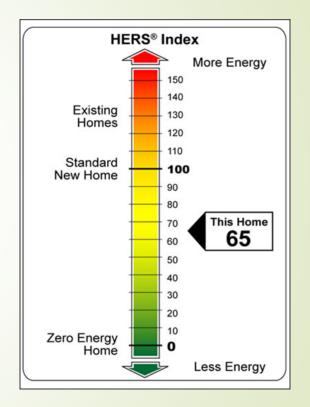
Utility Allowance (continued)

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 14 - Energy Conservation Section 2.9(N)/Tab 14

- All New Construction required to achieve a weighted average HERS Index of 65.
- All Rehabilitation must improve the weighted average HERS Index by 15%.
- Insert Evidence of HERS Index into Tab 14.



Tab 15 – Transit Oriented Development



Transit Oriented Design Section 2.9(O)/Tab 15

15 points possible

- Frequent Bus Transit 15 Points
- Phoenix City Limits
 - Headways: 6:00 am 6:00 pm 30 minute weekdays / 1 hour weekends
 Service: 15 hours weekdays 12 hours weekends
 Tucson & balance of Greater Phoenix Area
 Headways: 6:00 am - 6:00 pm 30 minute weekdays / 1 hour weekends
 Service: 12 hours weekdays 10 hours weekends

Bus Stop with 1/2 Mile of Site



Transit Oriented Design

35 points possible

- Frequent Bus Transit 15 Points
- Balance of State (population 35,000+)
 - Bus Stop within One Mile of Project
 - Headways: 9:00 am 5:00 pm
 - 1 hour weekdays
 - Service: 8 hours weekdays
- Balance of State (population >35,000)
 Bus Stop within One Mile of Project
 Headways: 9:00 am 3:00 pm
 2 hour weekdays
 Service: 6 hours weekdays



USDA Rural Development Sites in Maricopa and Pima Counties are scored under Balance of State criteria.

Transit Oriented Design

Tab 15



- High Capacity Transit System 15 points
 - Transit station within ½ mile of site including the following:
 - Existing operating Phoenix Metro Light rail stations and Tucson Streetcar stops
 - South Central Light Rail Extension to Baseline Road
 - Northwest Phase II Light Rail Extension Dunlap Ave to Metrocenter
 - Tempe Streetcar
 - Commuter rail
 - Intercity rail

Tab 15 - Transit Oriented Design

Insert Form 15

Frequent Bus Transit

- Map evidencing applicable straight line distance to Bus Stop
- Bus route and schedule
- Letter from Transit Agency confirming no plans to decrease service

High Capacity Transit

- Map evidencing ½ mile straight line distance to Transit Stop
- Light Rail/Tucson Modern Street Car schedule

Frequent Bus Transit Map



Distance Calculation - Light Rail

Site located at or within a ½ mile (2,640') straight line radius of a High Capacity Transit Station.





Tab 16 - Supportive Housing Development

- Minimum thirty (30) committed PSH Units in project
 - Must have Rental Assistance
- Supportive Services Plan Exhibit B & Contract
- 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

SMI Housing Trust Fund Contacts

- Mercy Care (Phoenix/Maricopa Central)
 - Jennifer Page <u>PageJ4@mercycareaz.org</u>
 - 602-453-8054
- Health Choice Arizona (Mohave, Yavapai, Coconino, Apache, Navajo, Gila - North)
 - Eric Marcus <u>Eric.Marcus@Steward.org</u>
 - 928-214-2354
- Az Complete Health (Tucson/Pima, La Paz, Cochise, Graham, Greenlee, Pinal, Yuma, Santa Cruz – South)
 - Mayday Levine-Mata <u>mayday.r.Levine@azcompletehealth.com</u>
 - **520-809-6347**

Occupancy Preferences Section 2.7(F), 2.9(Q)/Tab 17

5 points possible

- Scoring Categories include:
 - Households with Children
 - Older Persons
 - Veterans
 - Special Populations
 - Must insert description of Project's specific design elements that serve the needs of the target population to receive points.
 - Must insert letters of support and collaboration (Veterans and Special Populations) to receive points.

Households with Children

- 5 points Households with Children
 - 40% of units preferential basis to families with children
 - 40% of units must include at least two of the following unit types: 2, 3 and 4 bedroom
 - Insert Description of Design Elements

that serve individuals with children



Housing for Older Persons

- 5 points Housing for Older Persons Project
 - Independent Living
 - 80% of Units Age Restricted 55+
 - 100% of Units Age Restricted 62+
 - HUD Determination
 - No units larger than two (2) bedroom
 - Insert Description of Design Elements that serve Older Persons



Veterans projects

- 5 points
 - Fifty percent (50%) of units serve veterans
 - Twenty-five (25) units set aside for veterans
 - Insert Description of Design Elements that serve Veterans
 - Insert Letters of Support and Collaboration



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 Disabilities
- Physical Disabilities
- Domestic Violence
- Chronic Substance Abuse



Insert:

Description of Project's Design Elements that will be integrated with the needs of the Special Needs Population targeted.

Description must address Fair Housing Act

Above & beyond UFAS

Letters of Support and Collaboration that demonstrate population-specific resources and services



Tab 18 – Targeting Low Income Levels

Insert Form 18

40*	22=	880	
50*	22	1100	
60*	22=	1320	
		3300	
	:		•
		3300/66	
		50.0000	percent
40%	6 x 22=	8.8000	
50%	6 x 22=	11.0000	
60%	6 x 22=	13.2000	
		33.0000	
		33.0000 /	66
		50.0000%	

Applicants may earn 35 points if the average income of the Low-Income Units, not including any Units set aside for employees, is 50.0000% or lower as calculated below on this Form 18. Indicate in the unshaded spaces provided below, the number of units to be set-aside for each income level and the number of income levels (bands). Applicants may only select up to four income levels. Units may only be counted once. Elections made on Form 18 are binding on the Applicant, in the event that they are inconsistent with Form 3. Income limits must be equally distributed among bedroom sizes (other than a single Unit per AMI limit if necessary due to odd numbers). Where the number of Units per income band below is not a whole number, Applicant shall designate Units in a whole integers surrounding that number (i.e. 3.75 Units per income band would be allocated among 15 Units as 4 + 4 + 4 + 3 = 15 Units).

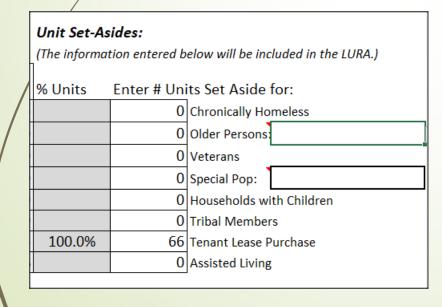
	<u>0 Bedroom</u>	<u>1 Bedroom</u>	2 Bedroom	<u>3 Bedroom</u>	<u>4 Bedroom</u>	<u>5 Bedroom</u>	<u>Total Units</u>
AMI	Number of Units	Number of Units	Number of Units	Number of Units	Number of Units	Number of Units	
30%	0	0	0	0	0	0	0
40%	2	20	0	0	0	0	22
50%	2	20	0	0	0	0	22
60%	2	20	0	0	0	0	22
70%	0	0	0	0	0	0	0
80%	0	0	0	0	0	0	0
Employee	0	0	0	0	0	0	0
Market	0	0	0	0	0	0	0

Total LIHTC Units Employee Market Rate Units TOTAL UNITS	66 0 0 66	Average 4 Income Bands Max? Equal Distribution?	50.0000% Pass Pass
		Points:	35

Tab 19 - Eventual Tenant Ownership

Insert letter from Local Government at Tab 19 evidencing that Project design will meet the subdivision and building code requirements, including fire department requirements.

Indicate on pp. 1-2 of Form 3





Tab 20 – Relocation Plan

- Existing Tenants on Project Site
- Insert Relocation Plan Uniform Relocation Assistance Act
 - Dates notices to be issued
 - Estimate all costs
 - Temporary Relocation
 - Permanent Relocation
 - Replacement Housing Payments
- See Section 2.7(K) for New Construction Projects
 - Initial replacement unit rent at PIS may not exceed RA rent

Tab 20 – Capital Needs Assessment

- Insert Form 20 Certification
- Rehab/Adaptive Re-Use Costs based upon CNA
- ADOH Cost Estimator will review plans with CNA
 - Applicant responsible for cost of Cost Estimator
- Support relocation costs with relocation plan (URA)
- Rehabilitation cost will be reviewed by an independent cost estimator as outlined in Section 2.9(T)(2)(b) to determine the reasonableness of costs.
 - Allow up to \$5,000 for this cost in the Development Budget

Tab 21 - Historic Preservation Section 2.7(H), 2.9(U)/Tab 21

- One point possible for Historic Preservation Project as defined in QAP.
 - Insert:
 - Evidence the Section 106 Review is completed
 - CLG or SHPO certification letter (applicable agency)
 - Evidence Project is Historic:
 - Individually Listed National Register of Historic Places
 - Contributes to Register District
 - Documentation required regardless of points claimed.
- ADOH will also refer to site plan at Tab 12 to confirm that Historic Preservation Project definition is met.

Project Based Rental Assistance Tab 22 / Section 2.9(V) and 2.9(Y)(7)

- Tribal Set-Aside Only 10 points
- Insert documentation at Tab 22
- At least 80% of the Units must have Rental Assistance committed as of the Application Deadline.
- Include documentation of the Rental Assistance and commitments for continuing rental payments
 - Term of commitment
 - Provisions for renewal
- "RAD" program Insert "CHAP"



Waiver of Qualified Contract Section 2.7(J), 2.9(W)/Tab 23

Ten points

Insert Form 23 signed by Applicant

Arizona Department of Housing 2020			Department of Housing Iousing Tax Credit Application		Form 23 Insert at TAB 23
		Waive	r of Qualified Contract		
Name o	of Applicant: of Project:	Riverview Apartme Riverview Apartme			
	poses of IRC Section and	42(h)(6)(E)(i)(11), the	Riverview Apartments, LLC	, an Applicant make	s the

Waiver of Qualified Contract

Section 2.7(J), 2.9(W)/Tab 23

Form 23 continued:

is	1st	_ day of	April	, 20 _20 .	
Applicant	t Signature:		Jeanne	Redondo	
rinted N	lame:		Jeanne Redondo		
itle:			Managing Member		

Title is the position held in the entity, not person's job title.

Concerted Community Revitalization Plan Tab 24 / Section 2.9(X)

- State Special Project Criterion
- Not a scoring category.
 - ADOH will consider:
 - Geographic specificity
 - Clear direction for implementation
 - Provides jobs, transportation, commercial amenities, child care centers, healthcare centers, educational facilities, safe open spaces within the geographic boundary covered by the plan
 - Demonstrated need for revitalization
 - Community and stakeholder participation in drafting plan
 - Clear strategy to obtain committed resources to implement the plan.

Tab 25 Tribal Set-Aside

Non-General Pool Scoring Categories

Tribal Set-Aside

- Tribal Applicants typically entities formed by TDHE
 - All Tribal Applicants must insert resolution from the Tribe that authorizes the Tribal Applicant to act on behalf of the Tribe to develop the Project
- Not more than one Project on a Tribe's Tribal Land
- See instructions for other Tabs as follows:
 - Tab 11 Grocery Store
 - Tab 12 Building Efficiency
 - Tab 3 & 4 Applicant Entity
 - Tab 22 Project Based Rental Assistance for 80% of Units
 - Tab 23 Waiver of QC

Accountability Section 2.9(Y)/Tab 25

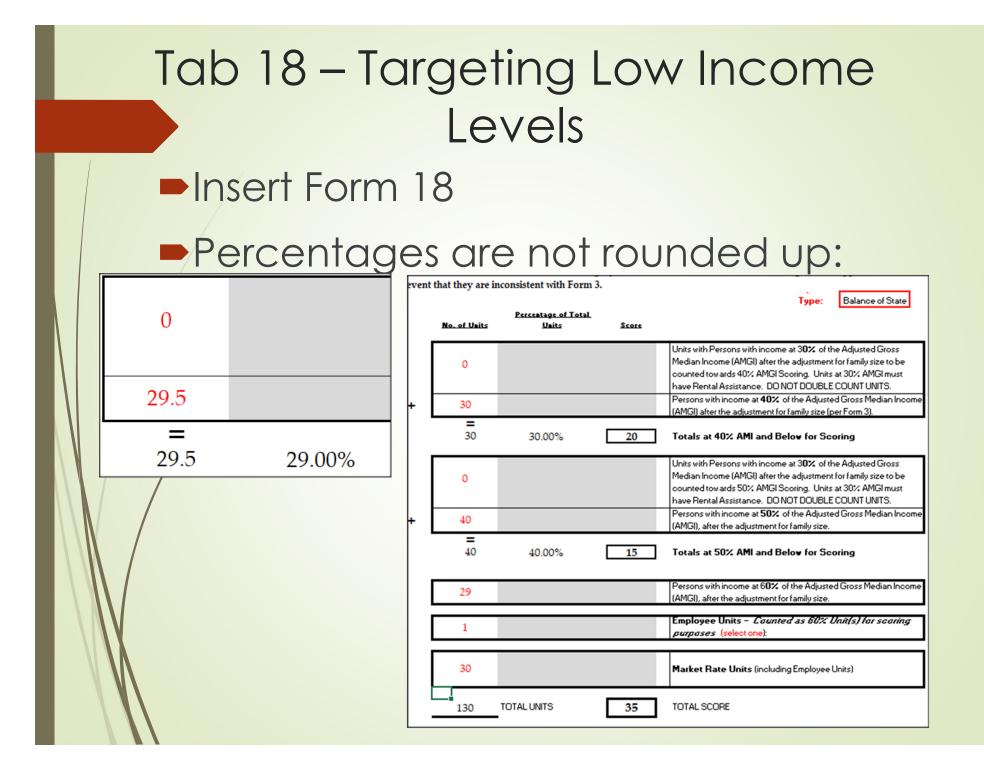
- 15 points if:
- Less than one full year of NAHASDA funds unexpended
- 10 points if:
- Less than two full years of NAHASDA funds unexpended

Insert evidence from HUD LOCCS system at Tab 25.

Targeting Low Income Levels

35 points possible

- Tribal Set Aside Only:
 - **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%



Tribal Local Government Leverage Section 2.9(Y)(5) / Tab 25

- New funding towards Development Budget
- Commitment from Tribe
 - NAHASDA or other Tribal funding
- Based upon Tribal Enrollment (HUD NAHASDA Itr)
 - 3% Tribal Enrollment 25,000+
 - 2% Tribal Enrollment <15,000</p>
 - 1% Tribal Enrollment <5,000</p>
 - .5% Tribal Enrollment <1,000</p>



Common Issues

- Project Characteristics inconsistent with other documents
- Pro Forma differs from Form 3
- Financing LOI does not specify interest rate assumption
- Square Footages don't match between documents

- Equity LOI needs to specify pricing for credits
- Information in 3rd Party Reports are inconsistent with packages submitted
- Failure to document points claimed

4% Bond Projects

- Contact Arizona Finance Authority for Volume Cap
- Application must include all non-scoring items in Sections 2.9, and all documents required at Carryover and Equity Closing (See Exhibit F)
- Volume Cap Confirmation
- 50% Test must be included in CPA Opinion
- Must meet all non-scoring requirements (i.e. underwriting, design standards)

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 Carryover Allocation;
 - Prior to Equity Closing;
 - At 8609 Final Allocation.
 - ADOH also reviews the 10% Test.

Operating Pro Forma

OPERATING REVENUE

Rents may not exceed maximum allowable under Section 42

Rents will be verified against market study

• Any reduction from maximum allowable must be fully justified in market study as necessary for feasibility

Vacancy Rate - lesser of ten percent (10%) or market study stabilized vacancy rate

 Additional income will be underwritten up to \$20 per unit per month

REPLACEMENT RESERVES

Not capitalized – during operations only

New Construction of Elderly Projects - \$250 per unit per year

All other new construction and all acquisition/rehab projects - \$350 per unit per year

OPERATING EXPENSES

Operating expenses will be underwritten at

- \$4,700 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
 - If Owner pays HERS Rater UA added to base above
 - Employee Unit(s) included
- Supportive services costs should not be shown in the Project pro forma
- Management Company statement of cost reasonableness
- Land Lease Payments are operating expenses, paid evenly throughout lease term

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)

DEBT SERVICE

- Primary Mortgage
 - Fully amortized for at least twenty-five (25) years
 - Loan term through Compliance Period (15 years)
 - Competitive Interest Rate
- Must maximize primary loan
 - Trending 2%/3%
 - DSCR not greater than 1.20 or less than 1.10 at loan maturity
 - Average Surplus Cash Flow may not exceed 10% of Direct Operating Expense

Debt Service Coverage

Page 14: Average Operating Expense Ratio Calculation fo	r a Fifteen Year loan term:					
Instructions: Enter the information requested for each o	f the yellow-shaded cells.					
	1st Full Year of Operations	Year 11	Year 12	Year 13	Year 14	Year 15
Surplus Cash Flow Calculation:						
Net Operating Income	\$ 165,935.80	\$ 172,876.80	\$ 173,171.69	\$ 173,377.59	\$ 173,489.89	\$ 173,503.7
Less:						
Primary Annual Debt Service						
(paid in equal installments over the loan term)	\$123,000.00	\$ 123,000.00	\$ 123,000.00	\$ 123,000.00	\$ 123,000.00	\$ 123,000.00
Annual Reserve Contributions						
(increasing 3% annually)	\$ 17,500.00	\$ 23,518.54	\$ 24,224.09	\$ 24,950.82	\$ 25,699.34	\$ 26,470.32
Deferred Developer Fee						
(paid in equal installments over 13 years)	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$-	\$-
Reasonable Investor Asset Management Fee		r				
(increase 3% annually)	\$ 5,000.00	\$ 6,719.58	\$ 6,921.17	\$ 7,128.80	\$ 7,342.67	\$ 7,562.95
Required Subordinate Arms-Length Debt Payment	\$ 5,000.00	\$ 0,715.50	\$ 0,521.17	\$ 7,120.00	\$ 7,542.07	\$ 7,502.55
(paid in equal installments over the term)	s -	s -	Ś -	Ś -	s -	Ś-
Total Below the Line Payments	\$ 148,500.00	\$ 156,238.12	\$ 157,145.26	\$ 158,079.62	\$ 156,042.01	\$ 157,033.27
Equals Surplus Cash Flow	\$ 17,435.80		\$ 16,026.43	\$ 15,297.97	\$ 17,447.88	\$ 16,470.50
	+ 1,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	+ 10,000,000	+ 10,020110	+ 10,20,107	+ 11,11100	÷ 10,00
Surplus Cash Flow divided by Operating Expenses	7.41%	5.26%	4.92%	4.56%	E.0504	4.63%
DSCR (Adjusted for Reserves)	1.21	1.21	1.21	1.21		1.20

Average Operating Expense Ratio

Page 14: Average Operating Expense Ratio Calculation f	for a Fifteen Y	ear loan term:
Instructions: Enter the information requested for each	of the yellow	-shaded cells.
	1st Full Y	lear of Operations
Surplus Cash Flow Calculation:		
Net Operating Income	\$	165,935.80
Less:		
Primary Annual Debt Service		
(paid in equal installments over the loan term)		\$123,000.00
Annual Reserve Contributions	r i i i i i i i i i i i i i i i i i i i	
(increasing 3% annually)	\$	17,500.00
Deferred Developer Fee		
(paid in equal installments over 13 years)	\$	3,000.00
Reasonable Investor Asset Management Fee		
(increase 3% annually)	Ś	5,000.00
Required Subordinate Arms-Length Debt Payment		5,000.00
(paid in equal installments over the term)	\$	
Total Below the Line Payments	\$	148,500.00
Equals Surplus Cash Flow	\$ \$	17,435.80
Equals Surplus Cash Flow	Ş	17,455.80
Surplus Cash Flow divided by Operating Expenses		7.419
DSCR (Adjusted for Reserves)		1.21
Average Cash Flow	\$	17,326.50
Divided by Average Total Operating Expenses	\$	(291,793.40
Equals: Average Operating Expense Ratio		5.949



Cash Flow "Waterfall"

- Actual Operating Expenses
- Primary Debt
- Permanent Supportive Housing Supportive Services
 - Limited to amount in pro-forma
- Reasonable Investor/Syndicator Asset Management Fee
- Deferred Developer Fee (included in Eligible Basis)
- ADOH Gap Financing (if applicable)
- Local Government Gap Financing
- Seller Carryback Loans and Related Party Loans

SOURCES & USES

SOURCES – Disclose ALL 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
- Cash from Operations not acceptable as Development Budget source

USES

- DDF should evidence repayment within fifteen (15) years
- DDF may 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

ACQUISITION COSTS

Verified with the appraisal submitted in the application

- Acquisition Cost in Development Budget is lowest of:
 - Original purchase price with documented extension fees/reasonable carrying costs
 - "As-Is" Appraised value at Application
 - "As-Is" Construction Lender's Appraisal at Equity closing
 - "As-If" values are not acceptable form of valuation

Acquisition Costs

- Acquisition/Demolition and New Construction
 - Limited to "As-If" Vacant Land value.
 - Don't include value of buildings to be demolished in Development Budget
- Acquisition/Rehabilitation
 - Value of land limited to "As-If" Vacant Land value
 - Remaining value of development allocated to building(s)
- Land Lease
 - Don't include upfront capitalized payment of a land lease in Development Budget

Acquisition Costs

- Principals in common between seller and buyer:
 - Equity to remain in Project as soft seller financing
- See Form 3 page 13
- Scenario 1: Daisy Fuentes purchased Park Place Apartments in 2001. Five units are income restricted. She will participate in an entity that will be the managing member of the LLC that will own the Project. A Seller Carryback loan is required.
- Scenario 2: John Smith is an affordable housing consultant who owns land. He wants to sell the land to his client, who is a developer. The developer will develop a LIHTC Project on the land. Mr. Smith will not be a participant in any entity including the LLC that will own the Project or any of the subsidiary entities. No Seller Carryback loan is required.

Acquisition Costs

- Scenario 3: A developer created a single purpose entity to act as a participant in the entity structure of an existing LIHTC Project and wants to re-syndicate the Project to bring in needed capital to rehabilitate the Project. The developer plans to create another single purpose entity to participate in the new ownership structure. A Seller Carryback loan is required.
- Scenario 4: Larry Jones owns a parcel of vacant land and wishes to develop affordable housing on the parcel. The land is conveyed to the Project Owner entity at the appraised value of the land (see 2.7(G)). Larry Jones may participate in the Owner without a Seller Carryback loan.

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 <u>must</u> maximize primary debt

DEVELOPER FEES

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

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

- Not increased if Project costs increase
- Up to 40% may be deferred, portion over \$2.5M must be deferred
 - 9% Projects Acquisition credits Dev Fee allocated to 4% column if no principals in common

Excludes the Eligible Basis for Building Acquisition if Principals of Seller are related to Principals of Owner, Developer, Co-Developer or Consultant.

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
F Total maximum percentage	15.0%	14.25%	13.50%	12.75%	12.0%

REQUIRED RESERVE LIMITS

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

- ADOH will underwrite to pricing in LOI
- Update LOI at Carryover
- ADOH will question pricing that is out of the norm for the round.
- ADOH will adjust LIHTC at equity submittal.
 - LIHTC may be reduced, but are not increased

TAX CREDIT PERCENTAGE

9% Competitive Round:

- 9% Floor for new construction and rehabilitation
- Use March or April percentage for 4% acquisition credits
 - ADOH will adjust credits if June's credit percentage is higher.
- Tax Exempt Bond Projects:
 - Use the percentage published for the month the Application is submitted.

ADOH Gap Financing

Not available in 9% Round

May be available for Non-Profit 4% Projects

MARKET DEMAND STUDY

Follow Market Demand Study Guide

- Check for consistency with Application
 - What is being proposed
 - Amenities
 - ►SF

ELIGIBLE BASIS ANALYSIS

Maximum Allowable Eligible Basis in TDC per Unit

Unit Size	New Construction	Acq/Rehabilitation
Efficiency	\$218,528	\$138,281
One (1) Bedroom	\$243,746	\$150,890
Two (2) Bedroom	\$296,526	\$177,280
Three (3) Bedroom	\$324,450	\$191,242
Four(4) Bedroom	\$335,161	\$196,598
Five (5) Bedroom	\$387,217	\$222,625

PSH eligible for up to additional \$107,557 per Project

TDC per Unit – Max EB

	Α	В	С	D	E	F	
11	Line #	Line Arizona Department of Housing		Development Budget	9% Eligible Basis	4% Eligible Basis	
138	126	Total Development Cost			\$13,598,523	\$ 0	
139	127	Maximum Allowable Eligible Basis on Line 126 is:	\$ 13,598,523.00				
140	128	Less portion of federal grant used to finance qualifying costs					
141	129	Less amount of non-qualifying non-recourse financing					
142	130	Less non-qualifying units and/or excess portion of higher quality units					
143	131	Less any cost directly attributed to non-residential mixed use square foota	ige				
144	132	Less Historic Tax Credits					
145	133	Less Solar Tax Credits					
146	134 Less Other Reduction: (explain here)						
147	135						
148	136	Equals TOTAL ELIGIBLE BASIS			\$13,598,523	\$ 0	
149	137	Multiply by DDA or QCT Areas Adjustor (except acquisitions)			130%	100%	
150	138	Equals ADJUSTED BASIS			\$17,678,080	\$0	
151	139 Multiply by Applicable Fraction (lesser of the # of LI Units or SF of LI Units)			100.00%	100.00%		
152	140	140 Equals TOTAL QUALIFIED BASIS			\$17,678,080	\$0	
153	141	Multiply by Applicable Percentage (in accordance with current rate)			9.00%	3.18%	
154	142	Equals Eligible Tax Credits			\$1,591,027	\$0	
155	143						
156		MAXIMUM ANNUAL TAX CREDITS PER IRC			\$1,591,027		

Post Application

Jeanne Redondo, Rental Programs Administrator

Within 30 days of Reservation

- Reservation Fee must be received by ADOH by the deadline specified in the Reservation (30 days)
- Acknowledgement of Loss of Tax Credits
 - Building Efficiency

Post Reservation Submittals

- Performance Report
- Updated Project
 Schedule
- Progress Narrative
- Architect's Field Report (during construction)

- Change Orders
- Materials Changes
- Inspections

Common Issues – Post Application

- Documentation of PIS is inconsistent with 8609s
- Failure to check with syndicator re PIS date
- Failure to include DDF Note
- CofO inconsistent with other documents
- Last minute submittals
 - Plans
 - Closing Docs

- RFPs not correctly filled out – change line items
- Failure to submit Change Orders for ADOH approval
- Changes to Project Material Change
- Format Upload entire pkg / Hard copy as required in QAP
- Files not all one pdf

Consistency & Accuracy

Deficiencies, Inconsistencies and/or Conflicting Data/Information

Carryover/Equity Closing/8609 Package

- Three or fewer
- List provided
- 5 business days to respond
- If response not timely submittal is placed at end of queue

- Four or more
- List of first 4 provided
- Package returned to Applicant for correction of all errors and resubmittal of <u>entire</u> package
- Resubmittal placed at end of queue

Carryover Application

- Due 120 Days after Reservation
- Upload entire package to Rental Development Portal
- Submit hard copies where specified in QAP.
- Submit complete package not piecemeal
- Include response to Threshold list attached to Reservation all together in front of Carryover

EQUITY CLOSING

Thirty (30) days prior to anticipated closing

- Submit complete package not piecemeal
- Upload entire package to Rental Development Portal
- Submit hard copies where specified in QAP.
- LURA recorded at equity closing

Building Efficiency Plan Review

- Submit Approved Plans at least 30 days prior to closing
- Must include sufficient information for ADOH to calculate RFA and Total Project Square Footage along with architect's calculations
- Only one opportunity to go back to Local Government and re-submit to ADOH

Equity Closing

- Within 5 days after closing:
 - Building Permits
 - Copies of all executed financing and equity documents
 - Evidence LURA recorded

LURA

Required by IRS to claim credits

- Recorded at Equity Closing
 - Allow sufficient time to obtain approvals
- Includes
 - Rent and Income Restrictions
 - Amenities and Design Features promised in Application
 - Supportive Services promised in Application (PSH)

10% TEST

Due twelve (12) months from Reservation Letter

- Updated Form 3
- Independent Auditor's Report (Exhibit L)
- Certification of Costs Incurred (Exhibit L-1)
- Sybmit to Rental Development Portal
- \$250 per day late fee
- Required for Valid Carryover

8609s

- Request materials upon Certificate of Occupancy
- Prior to Issuance:
 - Initial Monitoring Clearance
 - Payment of Fees
 - Complete 8609 package

Compliance

Section 8 of QAP explains requirements Developer must attend Compliance Training Contact ADOH if further questions

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