

March 27, 2017

ASSET MANAGEMENT POLICIES AND PROCEDURES

Procedures for Changing the Owner, Managing Member/General Partner or Limited Partner/ Investor Member of a Low Income Housing Tax Credit property

Multi-family residential properties developed using Federal Low Income Housing Tax Credits (LIHTC) provided by the Arizona Department of Housing ("the Department") require the Department's approval for changes to the owner, or members of the Ownership Entity, namely the managing member (for a Limited Liability Company), general partner (for a Limited Partnership), limited partner (for a Limited Partnership), or an investor member (for a Limited Liability Company). This document provides the Department's Policies and Procedures for requesting an ownership change.

Key Considerations

The request must demonstrate that the new owner, managing member/general partner, or limited partner/investor member possess the experience and financial capacity necessary to own and operate the property consistent with the Department's objective of providing safe, decent, affordable housing. To this end, the new party must not be involved in any capacity in a project with any State agency that has excessive non-compliance violations, outstanding IRS 8823 Forms, or complaints about their performance and maintenance of existing projects. The Department expects that the seller will convey the property in good condition and; therefore, will only approve requests for properties in which there are no outstanding non-compliance issues.

Submitting the Request

To request a change of owner, managing member/general partner, or limited partner/investor member, please submit the following documents through the Asset Management Portal on the Department website:

1. A letter requesting a change to the owner, managing member/general partner, or limited partner/investor member stating the reason(s) for the change.
2. Purchase and Sale Agreement or Assignment and Assumption Agreement.
3. A completed Contact Sheet (see tab labeled "Contact Sheet").
4. Evidence the equity partner has approved the new managing member/general partner.

5. Organization chart illustrating the relationship whether through ownership, control, or contract within the ownership entity between the managing member/general partner and limited partner/investor member.
6. Copy of the limited partnership agreement, operating agreement for a limited liability company, a development services agreement, or similar agreement.
7. Resumes specifically identifying the officers or key employees of the managing member or general partner demonstrating the knowledge and experience necessary to successfully manage the property.
8. Financial Statements of the developer/parent company of the managing member or general partner for the prior two (2) fiscal years.
9. Evidence the new owner, managing member/general partner, or limited partner/investor member are duly formed legal entities authorized to transact business in the State of Arizona and in good standing with the Arizona Corporation Commission or the Arizona Secretary of State. See Exhibit A (tab labeled "Exhibit A") for specific requirements.
10. Fifteen (15) year operating pro forma.

Administrative Fees

Administrative Fees to process the request may be submitted by credit card through the Payment Portal on the Department's website or by check. The Fees are as follows:

- \$1,500 for owner or managing member/general partner change.
- \$500 for limited partner/investor member change.

Development Team

Project Name: _____ **Date:** _____

Applicant

<p>Name _____</p> <p>Agency _____</p> <p>Address _____</p> <p>City _____ State _____ Zip _____</p>	<p>Phone _____</p> <p>Fax _____</p> <p>E-mail Address _____</p>	<p><input type="checkbox"/> Individual</p> <p><input type="checkbox"/> Corporation</p> <p><input type="checkbox"/> Limited Partnership</p> <p><input type="checkbox"/> Limited Liability Company</p> <p><input type="checkbox"/> Other (Specify Separately)</p>
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List below all owners, officers and affiliates of the Applicant, with Controlling Interest or percentages of equity.

_____	%	_____	%
_____	%	_____	%

Owner

<p>Name _____</p> <p>Agency _____</p> <p>Address _____</p> <p>City _____ State _____ Zip _____</p>	<p>Phone _____</p> <p>Fax _____</p> <p>E-mail Address _____</p>	<p><input type="checkbox"/> Individual</p> <p><input type="checkbox"/> Corporation</p> <p><input type="checkbox"/> Limited Partnership</p> <p><input type="checkbox"/> Limited Liability Company</p> <p><input type="checkbox"/> Other (Specify Separately)</p>
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List below all owners, officers and affiliates of the Owner, with Controlling Interest or percentages of equity.

_____	%	_____	%
_____	%	_____	%

General Partner or Managing Member

<p>Name _____</p> <p>Agency _____</p> <p>Address _____</p> <p>City _____ State _____ Zip _____</p>	<p>Phone _____</p> <p>Fax _____</p> <p>E-mail Address _____</p>	<p><input type="checkbox"/> Individual</p> <p><input type="checkbox"/> Corporation</p> <p><input type="checkbox"/> Limited Partnership</p> <p><input type="checkbox"/> Limited Liability Company</p> <p><input type="checkbox"/> Other (Specify Separately)</p>
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List below all owners, officers and affiliates of the General Partner of Managing Member, with Controlling Interest or percentages of equity.

_____	%	_____	%
_____	%	_____	%

Developer

<p>Name _____</p> <p>Agency _____</p> <p>Address _____</p> <p>City _____ State _____ Zip _____</p>	<p>Phone _____</p> <p>Fax _____</p> <p>E-mail Address _____</p>	<p><input type="checkbox"/> Individual</p> <p><input type="checkbox"/> Corporation</p> <p><input type="checkbox"/> Limited Partnership</p> <p><input type="checkbox"/> Limited Liability Company</p> <p><input type="checkbox"/> Other (Specify Separately)</p>
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List below all owners, officers and affiliates of the Developer, with Controlling Interest or percentages of equity.

_____	%	_____	%
_____	%	_____	%

Co-Developer

<p>Name _____</p> <p>Agency _____</p> <p>Address _____</p> <p>City _____ State _____ Zip _____</p>	<p>Phone _____</p> <p>Fax _____</p> <p>E-mail Address _____</p>	<p><input type="checkbox"/> Individual</p> <p><input type="checkbox"/> Corporation</p> <p><input type="checkbox"/> Limited Partnership</p> <p><input type="checkbox"/> Limited Liability Company</p> <p><input type="checkbox"/> Other (Specify Separately)</p>
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List below all owners, officers and affiliates of the Co-Developer, with Controlling Interest or percentages of equity.

_____	%	_____	%
_____	%	_____	%

Arizona Department of Housing Contact Sheet

Development Team

Project Name: _____

Date: _____

Management Company

Name _____
 Agency _____
 Address _____

 City _____ State _____ Zip _____

Phone _____
 Fax _____
 E-mail Address _____

- Individual
- Corporation
- Limited Partnership
- Limited Liability Company
- Other (Specify Separately)

Syndicator

Name _____
 Agency _____
 Address _____

 City _____ State _____ Zip _____

Phone _____
 Fax _____
 E-mail Address _____

- Individual
- Corporation
- Limited Partnership
- Limited Liability Company
- Other (Specify Separately)

EXHIBIT A

Requirements for Legal Formation and Authorization to do Business in Arizona

Corporations: If the owner, managing member, or general partner is a corporation, provide the Articles of Incorporation and Bylaws. If the applicant, developer, or co-developer was incorporated in Arizona, provide a certificate of good standing issued by the Arizona Corporation Commission confirming the legal existence of the entity as of the date of the certificate ("Certificate of Good Standing") and dated not earlier than thirty (30) days prior to the deadline date. Applicants, developers, and co-developers incorporated in another state and doing business in Arizona must submit a certificate of good standing or its equivalent from the State of incorporation confirming the legal existence of the entity dated not earlier than thirty (30) days prior to the deadline date and a certificate of good standing to transact business in Arizona ("Certificate of Authority") for such foreign corporation issued by the Arizona Corporation Commission and dated not earlier than thirty (30) days prior to the deadline date.

Limited Partnerships: For general partners, provide a certificate of existence issued by the Arizona Secretary of State confirming the legal existence of the entity ("Limited Partnership Certificate of Existence") and dated not earlier than thirty (30) days prior to submission. General partners organized under the laws of another State and doing business in Arizona must submit the following: a limited partnership certificate of existence or its equivalent from the State of organization confirming the legal existence of the entity dated not earlier than thirty (30) days prior to the submission date and an Arizona Certificate of Authority from the Arizona Secretary of State dated not earlier than thirty (30) days prior to the submission date.

Limited Liability Companies: For managing members, provide the Articles of Organization and Operating Agreement. If the managing member is organized under the laws of Arizona, provide a certificate of existence issued by the Arizona Corporation Commission confirming the legal existence of the entity ("LLC Certificate of Existence") dated not earlier than thirty (30) days prior to the submission date. Managing members organized under the laws of another State and doing business in Arizona must submit the following: a certificate of existence or its equivalent from the State of organization confirming the legal existence of the entity dated not earlier than thirty (30) days prior to the submission date and an Arizona Certificate of Authority issued by the Arizona Corporation Commission for such foreign limited liability company dated not earlier than thirty (30) days prior to the submission date.