



# GHURA

Guam Housing and Urban Renewal Authority  
Aturidat Ginima' Yan Rinueban Siudat Guahan  
117 Bien Venida Avenue, Sinajana, GU 96910  
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Oct. 17, 2011

To All Interested Parties: SUBJECT: 2011 QAP

**Eddie Baza Calvo**  
Governor of Guam

**Ray Tenorio**  
Lt. Governor of Guam

**David J. Sablan**  
Chairman

**Ricardo A. Calvo**  
Vice Chairman

**Rosie Ann Blas**  
Member

**Luis L.G. Paulino**  
Member

**Roland M. Selvidge**  
Resident Member

**Cecile B. Suda**  
Member

**Deanne S.N. Torre**  
Member

**Marcel G. Camacho**  
Executive Director

**Ray S. Topasña**  
Deputy Director

The Guam Housing and Urban Renewal Authority (the "GHURA") is pleased to present the 2011 Application for GHURA's LIHTC program.

Please review the Application Index listing of applicable information required and attachments for submission. Applications are due Dec. 2, 2011, 4:00 pm at the GHURA main office in Sinajana, it is anticipated that the award will be issued Dec. 15, 2011, subject to the availability of LIHTC volume cap.

An application fees in the amount of \$1,500.00 shall be due and payable on submission in the form of a cashier's check and must be submitted with the completed application by the deadlines set forth herein. Cashier's checks shall be made payable to the "Guam Housing and Urban Renewal Authority". (No personal or corporate checks will be accepted.)

**Please note:**

1) The GHURA's receipt of an application does not constitute acceptance of the application. GHURA reserves the right to return an application to the applicant at any time without taking further action on the application due to, but not limited to, the following:

- a. Failure to meet application submittal requirements (e.g., timeliness, correct application fees, cashier's check, correct number of copies).
- b. Failure to meet individual program criteria (e.g., income set-aside requirements, minimum periods of affordability, amount of tax credits requested per low income units).
- c. Failure to disclose in the application any known material defects about the development of the project, any misrepresentation, or fraud.

2) The awarding of funds is subject to the availability of funds and the approval by GHURA

3) Attach the documentation listed under the Index of Application and Exhibits.

4) Submit each item in the order requested and number the documents as indicated. If certain sections are not applicable, then insert a page with the statement "THIS SECTION IS INTENTIONALLY OMITTED" typed on it, along with a brief explanation as to why that exhibit is not applicable.



## As a Reminder

### AWARDING OF CREDITS/RESTRICTIVE COVENANT DOCUMENT

Each application will be ranked and tax credits awarded to the applicants according to the Qualified Allocation Plan and as determined by GHURA.

**A Restrictive Covenant Document must be executed and recorded prior to the release of the IRS Form 8609 allocating the taxpayer the low-income housing tax credits. This document will be revised to reflect any representations made by the applicant herein, specifically in regards to the number of years that the project will be kept in low-income housing tax credit use.**

### COMPLIANCE MONITORING

The GHURA shall monitor compliance with all applicable Federal and Guam Program requirements for the period a project is committed to providing low-income rental units. GHURA will require that all qualified tenants of a project be certified upon occupancy and be recertified annually to ensure compliance. Project shall be required to maintain copies of the income certification for each tenant on forms approved or provided by the GHURA. GHURA may perform an audit at least once a year, but shall have access to all books and records upon notice to the project owner. If GHURA becomes aware of non-compliance, the Internal Revenue Service shall be notified in accordance with federal and Guam regulations.

### FEES

1. The **application fee** is \$1,500. This fee is non-refundable.
2. Upon **allocation** of the federal and Guam tax credits, 10 percent of the first year's federal tax credit amount shall be delivered to GHURA as a good faith deposit, at the time the executed Binding Agreement is submitted to the GHURA. Upon **issuance of the IRS Form 8609**, 40 percent of the deposit shall be refunded to the applicant, and 60% shall be retained by GHURA as an administrative fee.
3. A **compliance monitoring** fee of up to \$200 per unit per year will be assessed. This amount is subject to change and may be adjusted annually.

#### **Final Comments to Applicants:**

- Attach a cover letter, if you so desire.
- Complete and sign Application
- Please remember to number each Exhibits.
- A Table of Contents and a List of Attachments is highly recommended.
- Complete the forms whenever possible.
- Check to ensure the application is completed and all attachments are included.



**THE ORIGINAL AND FIVE COPIES OF THE FINAL APPLICATION AND YOUR CASHIER'S CHECK MUST BE RECEIVED BY GHURA UPON SUBMISSION**

The applicant is responsible to review the applicable federal/Guam laws as they relate to ensure compliance with current regulations.

In addition to the attach 2011 LIHTC Application we have attach the 2011 QAP Plan which describes the basis that GHURA will use to allocate LIHTCs. GHURA may allocate \$2,465,000.00 in LIHTCs for the 2011 program year and unused tax credit of \$1,168,241.00 from the 2010 program year.

Thank you for your interest in the program.

Sincerely,

**Marcel G. Camacho**

Executive Director

Attachment: 2011 Application  
2011 QAP Plan

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY  
LOW-INCOME HOUSING TAX CREDIT PROGRAM**

**2011 APPLICATION**

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# 2011 APPLICATION

TC or OID Number	Date and time received
AGENCY USE ONLY (Do not fill in shaded area)	

**PROJECT NAME:** \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ Zip: \_\_\_\_\_

County: \_\_\_\_\_ Census Tract #: \_\_\_\_\_

## I. APPLICANT INFORMATION

**Legal Name of Applicant:** \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

**Contact for Legal Notices<sup>1</sup>:** \_\_\_\_\_

Title and Entity: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

**Contact for Project<sup>1</sup>:** \_\_\_\_\_

Title and Entity: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

<sup>1</sup> List only one name for each contact person.

**The taxable year of the Applicant is:**

- (Check One)  the calendar year  
 the fiscal year ending: \_\_\_\_\_

**Applicant's federal identification number:** \_\_\_\_\_

**In which state is the Applicant incorporated or organized?** \_\_\_\_\_

**The Applicant is what type of entity:**

- (Check One)  Corporation  
 Limited Partnership  
 Limited Liability Company  
 General Partnership  
 Individual

**PARTNERSHIP, OR LIMITED LIABILITY COMPANY INFORMATION<sup>2</sup>**

Name	Address	Phone	Entity Type <sup>3</sup>	Federal ID Number	Ownership Percentage

**Applicant Experience Check the appropriate box<sup>4</sup>:**

- Applicant has no prior experience in developing or owning affordable rental housing.**  
 **Applicant has prior experience in developing or owning affordable rental housing.**

<sup>2</sup> If the Applicant is a Partnership, provide the information requested for each General Partner.  
 If the Applicant is a Limited Liability Company that has one or more Managing Members, provide the information requested for each Company Manager (including each Managing Member).  
 If the Applicant is a Limited Liability Company that has no Managing Members, provide the information requested for each Company Member and any Company Manager.  
<sup>3</sup> If the Applicant is a Limited Liability Company, also indicate whether the party is a Managing Member, Company Member, or Company Manager.  
<sup>4</sup> If the Applicant/Developer has experience in developing or owning affordable housing, provide listing of experience of the Applicant/Developer as developer and owner of affordable housing projects.

# IDENTITY OF INTEREST INFORMATION

If any individual or entity for the Project is Controlled By, In Control Of, Affiliated With, a Related Party to, or has an Identity of Interest with any of the other individuals or entities for the Project, mark each applicable box with an "X." If there is an "X" marked for any of the individuals or entities for the Project, **include as an attachment to the Application a detailed description of the relationship between the parties and Resume' for each member of the project team to include Resume' for key staff involved in the development ownership of this project from the sponsor and developer.**

Applicant	Applicant	Developer(s)	General Partner(s)	Managing Member(s) of a Limited Liability Company	Company Member(s) and any Company Manager(s) of Limited Liability Companies	Seller/Lessor of Land or Building(s) to be included in Project	General Contractor(s)	Project Management Consultant(s)	Engineer(s)	Architect(s)	Subcontractor(s)	Material Supplier(s)	Attorney(s)	Accountant(s)	Lender(s)	Property Manager(s)	Syndicator(s)	Other: _____	Other: _____
Developer(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Partner(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managing Member(s) of a Limited Liability Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Company Member(s) and any Company Manager(s) of Limited Liability Companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Seller/Lessor of Land or Building(s) to be included in Project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Contractor(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project Management Consultant(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engineer(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Architect(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subcontractor(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Material Supplier(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attorney(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accountant(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lender(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Manager(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Syndicator(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## DEVELOPMENT TEAM INFORMATION<sup>5</sup>

**Developer:** \_\_\_\_\_  
**Contact Person and Title:** \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Responsibilities: \_\_\_\_\_

**Project Management Consultant:** \_\_\_\_\_  
**Contact Person and Title:** \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Responsibilities: \_\_\_\_\_

**Property Management Company:** \_\_\_\_\_  
**Contact Person and Title:** \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Responsibilities: \_\_\_\_\_

**Architect:** \_\_\_\_\_  
**Contact Person and Title:** \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_

<sup>5</sup> If the Project has more than one Developer, Project Management Consultant, Property Management Consultant, or Architect, attach information on each. Enter "none" if a selection has not been made.

**LEGAL COUNSEL & PROFESSIONAL REPRESENTATIVES INFORMATION<sup>6</sup>**

**Legal Counsel:** \_\_\_\_\_  
**Contact Person and Title:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
\_\_\_\_\_  
**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_  
**E-mail:** \_\_\_\_\_  
**Responsibilities:** \_\_\_\_\_

**Tax Advisor:** \_\_\_\_\_  
**Contact Person and Title:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
\_\_\_\_\_  
**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_  
**E-mail:** \_\_\_\_\_  
**Responsibilities:** \_\_\_\_\_

**Accountant:** \_\_\_\_\_  
**Contact Person and Title:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
\_\_\_\_\_  
**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_  
**E-mail:** \_\_\_\_\_  
**Responsibilities:** \_\_\_\_\_

Is the accountant an Independent Certified Public Accountant?  Yes  No

**Syndicator:** None  
**Contact Person and Title:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
\_\_\_\_\_  
**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_  
**E-mail:** \_\_\_\_\_  
**Responsibilities:** \_\_\_\_\_

<sup>6</sup> If the Project has more than one professional representative in a category, attach information on each.

II. PROJECT NARRATIVE INFORMATION

**PROJECT DESCRIPTION**

Please provide a brief narrative summary of the proposed project. Please include location in the community, project type (new v. rehab), target population, any unique project characteristics, etc.

**Construction Type:**

**Occupancy Type:**

**Target Income Group:**

**Unit Mix:**

**Unit Amenities:**

**Community Amenities:**

**Energy Efficiency and Green Building Practices:**

**LENGTH OF AFFORDABILITY COMMITMENT**

How long will your project commit to affordability restrictions and program compliance?

\_\_\_\_\_ Years

**EXTENDED USE AGREEMENT ELECTION**

By way of signature below,

- The applicant hereby agrees that if it is allocated the low-income housing tax credits applied for herein to an extended use period of: \_\_\_\_ years, collectively consisting of a compliance period of 15 years and an additional use period of \_\_\_\_ years.
- The applicant hereby agrees that if it is allocated the low-income housing tax credits applied for herein waive its right to exercise a request for a qualified contract pursuant to Section 42(h)(6)(E)(i)(II).

### III. PROJECT INFORMATION

#### SITE INFORMATION

Site Control is in the form of:

- (Check one and attach)  Deed  Purchase Option  
 Purchase Contract  Lease Option  
 Lease  Other: \_\_\_\_\_

Expiration date of option or purchase contract: \_\_\_\_\_

Exact area of Project site (i.e., acres): \_\_\_\_\_

Number of Existing Buildings on the Project site: \_\_\_\_\_

Total cost of Land and Existing Buildings for the Project:<sup>7</sup> \$ \_\_\_\_\_

Is the Project site properly zoned for the Project?  Yes  No

If yes, attach.  Yes  No

If no, is the site currently in the process of rezoning?  Yes  No

Are there any anticipated changes to the Project's legal description?<sup>8</sup>  Yes  No

Is the Project located in a Qualified Census Tract (QCT)?  Yes  No

Is the Project located in a Difficult to Develop Area (DDA)?  Yes  No

#### SELLER/LESSOR INFORMATION<sup>9</sup>

Legal Name of Seller/Lessor: \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

Address: \_\_\_\_\_

City: Sinajana State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Is the seller/Lessor a Related Party to the Applicant?  Yes  No

Has the Applicant or a Related Party previously owned any Building in the Project?  Yes  No

#### TYPE OF TAX CREDIT REQUESTED

<sup>7</sup> If the Site Control document includes Land and/or a Building(s) in addition to that which will be used for the Project, include a narrative description and supporting documentation describing how the total cost of Land and any Buildings for the Project was established.

<sup>8</sup> If changes are expected, include a narrative description and drawings with Site Control documentation.

<sup>9</sup> If the Project has more than one seller/lessor, attach information on each.

- (Check One)  New Construction without Federal Subsidies ("9%")  New Construction with Federal Subsidies ("4%")
- Rehabilitation without Federal Subsidies ("9%")  Rehabilitation with Federal Subsidies ("4%")
- Acquisition/Rehabilitation without Federal Subsidies ("4%"/"9%")  Acquisition/Rehabilitation with Federal Subsidies ("4%")

## **MINIMUM LOW-INCOME HOUSING SET-ASIDE ELECTION**

- (Check One)  A minimum of **40%** of the Total Housing Units will be rented to Residents with incomes at or below **60%** of the Area Median Gross Income (AMGI)
- A minimum of **20%** of the Total Housing Units will be rented to Residents with incomes at or below **50%** of the Area Median Gross Income (AMGI)

## **TYPE OF ALLOCATION**

- (Check One)  The Applicant requests an Allocation of Credit for 20\_\_ (project will PIS in 20\_\_)
- The Applicant requests a Carryover Allocation of Credit (project will PIS after 20\_\_) the applicant is also requesting an allocation of 20\_\_ Credits

## **TAX CREDIT FACTOR**

**Note: This Tax Credit Factor selection establishes the absolute minimum Tax Credit Factor for the project.**

The Applicant selects the following Tax Credit Factor: 0.720

Three decimal points only (i.e., 0.775). The minimum Tax Credit Factor for this year is 0.720

## **QUALIFICATION FOR CREDIT**

**Is there any aspect of the Project which might disqualify it in whole or in part for the Credit such as all student or transient housing or HUD Section 8 Moderate Rehabilitation assistance?**

Yes  No

**Is any Building in the Project intended to be occupied by the Applicant or a related person (within the meaning of Section 42(i)(3)(C) of the Code)?**

Yes  No

If the answer to either question is yes, attach an explanation.

## HISTORIC REHABILITATION TAX CREDITS

A. Residential Qualified Rehabilitation Expenditures <sup>10</sup> :	\$ _____
B. Commercial and other Non-Residential Qualified Rehabilitation Expenditures <sup>9</sup> :	\$ _____
C. Total Qualified Rehabilitation Expenditures <sup>9</sup> :	\$ _____
D. Historic Rehabilitation Tax Credit Percentage:	_____ x .20
E. Total Historic Rehabilitation Tax Credits (multiply C by D):	\$ _____
F. Tax Credit Factor for the Historic Rehabilitation Tax Credits:	\$ _____
G. Net Historic Rehabilitation Tax Credit Proceeds (multiply E by F):	\$ _____
H. Net Historic Rehabilitation Tax Credit Proceeds - residential portion only (multiply A by D, then multiply by F):	\$ _____
(Include on page 32 to determine total sources of the Project)	
I. Historic Rehabilitation Tax Credit - residential portion only (multiply A by D):	\$ _____
(Include on page 25 to determine maximum annual Credit)	

## UNIT INFORMATION

A. Low Income Units	_____
B. Market Rate Units	_____ 0
C. Common Area Units	_____
(Units occupied by resident manager or maintenance personnel)	
D. Total Units in the project (A+B+C):	_____
E. Total housing units in the project (A+B):	_____
F. Floor Space Fraction for Low-Income Units:	_____ %
G. Unit Fraction for Low-Income Units:	_____ %

## BUILDING INFORMATION

Attach building specifications, schematic drawings, site plan and evidence of utilities and site access, if available.

	<u>Number</u>	<u>Floor Area (Square Feet)</u>
Residential Buildings <sup>11</sup> in the Project:	_____	Square Feet: _____
Accessory Buildings in the Project:	_____	Square Feet: _____
Commercial Space:	_____	Square Feet: _____
Common Area	_____	Square Feet: _____
TOTAL:	_____	Square Feet: _____

<sup>10</sup> As defined in section 42(c)(2) of the Internal Revenue Code.

<sup>11</sup> Ibid.



## BUILDING ACQUISITION INFORMATION<sup>12</sup>

Address of Building or Building Number	Placed-In-Service Date of Building by the Most Current Owner <sup>13</sup>	Actual/Proposed Date of Acquisition by Applicant	Number of Years Between Last Placed-In-Service & Acquisition <sup>14</sup>
--	--	--	--

Are there any tenants covered by the Landlord/Tenant Act living in any Building on the Project site at the time of the Application?  Yes  No

If yes, how many Units are currently occupied? \_\_\_\_\_

<sup>12</sup> If the Applicant has acquired or plans to acquire an Existing Building, complete the table for each Building.  
<sup>13</sup> Enter date of the most recent Non-qualified Substantial Improvement made by the most current Owner (or the former Owner if the Applicant is the current Owner), if the Non-qualified Substantial Improvement is more recent than the Placed-In-Service date.  
<sup>14</sup> If less than 10 years and the Applicant is requesting an acquisition Credit, include an explanation immediately following this page.

## IV. CREDIT SET-ASIDES AND ALLOCATION CRITERIA

### CREDIT SET-ASIDES

THIS IS AN IRREVOCABLE ELECTION

- A. Qualified Nonprofit Organizations Credit Set-Aside  
 B. No Credit Set-Aside selected  
 C. Tax-Exempt Bond financed

### NONPROFIT ORGANIZATION INFORMATION

The entity which qualifies the Project for Credit Set-Aside category A above is a:

(Check One)

- 501(c)(3) Organization                       501(c)(4) Organization  
 Public Housing Authority                       Public Development Authority  
 Exempt from taxation under Section 501(a) (specify): \_\_\_\_\_

The entity which qualifies the Project for Credit Set-Aside Category A above:

is incorporated in \_\_\_\_\_ state, and  
has its principal office in \_\_\_\_\_ state.<sup>15</sup>

Do the articles of incorporation include a stated exempt purpose of the "fostering of low-income housing?"<sup>16</sup>                       Yes                       No

<sup>15</sup> The principal office will typically be the entity's headquarters from which it directs the operations of the organization.

<sup>16</sup> This is a requirement to meet the definition of a Qualified Nonprofit Organization.

## **ALLOCATION CRITERIA**

For each Allocation Criterion selected, enter the number of points requested in the right margin. By making a selection, the Applicant agrees that, if it receives an Allocation of Credit, it will comply with all the requirements related to the selected Allocation Criteria as set forth in the *Qualified Allocation Plan*. The Applicant is responsible for demonstrating that the Project qualifies for all selected Allocation Criteria and ensuring that all appropriate attachments are submitted. The LIHTC Director will determine if a Project qualifies to receive Allocation Criteria Points.

The Commitments made may seriously effect the Project's marketing strategies and its long-term financial viability. The Commission encourages you to carefully review and evaluate the reasonableness of the Project's low-income housing and special-needs housing Commitments prior to completing the Application.

### **Selection Criteria Point System**

Each application will be evaluated and awarded points in accordance with the following criteria. Unless otherwise indicated, all references to low-income unit(s) or low-income rental unit(s) shall mean low-income housing tax credit unit(s).

	CRITERIA	POINTS
1.	Project will provide low-income units for a longer period than is required under Section 42 of the Internal Revenue Code.	0 - 10 *
2.	Project will provide a greater percentage of low-income units than required under Section 42 of the Internal Revenue Code.	1 - 10 *
3.	Project's federal tax credit/low-income rental unit ratio	0- 8 *
4.	Project has the appropriate zoning or the applicant has secured the necessary exemptions/variances to construct the project as proposed.	0 or 4 *
5.	Applicant demonstrates that all low-income units will be made available to people holding valid Section 8 vouchers.	0 or 2*
6.	Project will serve tenant populations of individuals with children and provide 3-bedroom units or larger.	0 or 10*
7.	Project will give preference to special tenant populations.	0,3 or 5*
8.	Project is participating with a local tax-exempt organization and is sponsored by a qualified non-profit, as defined in Section 42 of the Internal Revenue Code.	0 or 1 *
9.	The ratio of total tax credits requested as a percentage of total project cost.	0 - 6 *
10.	Project will be receiving project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs shall include, but not be limited to, the Rural Development 515 Loan Program and HUD Section 8 project-based Rental Assistance Program.	0 - 3 *
11.	Local Government Support.	0 - 2 *
12.	Developer will sell the units with a preference towards selling to current residents after 15 years.	0 or 1 *
13.	Project is located in a qualified census tract, the development of which contributes to a concerted community revitalization plan as determined by GHURA.	0 or 2 *
14.	Project location and market demand.	0 - 10 *
15.	Green Building	0 - 5 *
16.	Developer experience.	-10 -10*
17.	Overall project feasibility.	0 - 10 *

- See pages 13 - 20 for description.

**Criteria 1.** Applicants electing to commit to an additional use period beyond the 15-year LIHTC compliance period (collectively the Extended Use Period) will be awarded points based on the table below. By making this election, the applicant elects to waive its right to exercise a request for a qualified contract pursuant to Section 42(h)(6)(E)(i)(II). The elections will be recorded in the Restrictive Covenant Document. Points will be awarded based on the following:

<b>Additional Use Period (in addition to the 15 year compliance period) of:</b>	<b>Points</b>	<b>Points Requested</b>
46 years or more	10 points	
40 to 45 years	9 points	
35 to 39 years	8 points	
30 to 34 years	7 points	
25 to 29 years	6 points	
20 to 24 years	5 points	
16 to 19 years	4 points	
No additional use period	0 points	

**Criteria 2.**

With respect to the set-aside affordability, if project provides:

**Points Requested**

20% of the project to households earning less than 50% of AMGI, OR 40% of the project to households earning less than 60% of AMGI	1 Point	_____
40% of the project to households earning 50% or less of AMGI, OR 60% of the project to households earning 60% or less of AMGI	2 Points	_____
60% of the project to households earning 50% or less of AMGI, OR 80% of the project to households earning 60% or less of AMGI	3 Points	_____
100% of the project to households earning 60% or less of AMGI	10 Points	_____

**Criteria 3.** The ratio is derived as: “Total Federal Tax Credits Requested (Annual)/Total Number of Proposed Low-Income Rental Units”

<b>Greater than</b>	<b>Less than</b>	<b>Points</b>	<b>Points Requested</b>
\$34,000		0	
\$32,000	\$33,999	1	
\$30,000	\$31,999	2	
\$28,000	\$29,999	3	
\$26,000	\$27,999	4	
\$24,000	\$25,999	5	
\$22,000	\$23,999	6	
\$20,000	\$21,999	7	
	\$19,999	8	

**Criteria 4.**

**Points Requested**

The applicant's readiness to proceed with the development of this project with respect to development approvals:

The applicant has obtained all necessary zoning and entitlements for the property, including subdivision approvals and upon receipt of credits, is ready to proceed with the development of the project (Keeping the project concept within the allowable land use parameters) without any additional development approvals other than customary land disturbance and building permits. 4 Points \_\_\_\_\_

Project is not appropriately zoned and/or does not conform to Land Use regulations or requires variances, subdivision approval or any other exemption from any local or state land use restrictions. 0 Points \_\_\_\_\_

**Criteria 5.**

The applicant demonstrates that all low-income units will be available to people holding valid Section 8 vouchers.

If the answer to the question is NO 0 Points \_\_\_\_\_

If the answer to the question is YES and the applicant is able to demonstrate that all low-income units will be available to people holding valid Section 8 vouchers. 2 Points \_\_\_\_\_

**Criteria 6.**

The project will serve tenant populations of individuals with children and will provide three and four bedroom ( 3 & 4) bedroom units for at least 60% of all low-income units in the project.

If the answer to the question is NO 0 Points \_\_\_\_\_

If the answer to the question is YES 10 Points \_\_\_\_\_

**Criteria 7.**

Project will commit to serve the following tenant populations:

- 1) Tenant populations with special housing needs. Special needs groups are "persons for whom social problems, age or physical or mental disabilities impair their ability to live independently and for whom such ability can be improved by more suitable housing conditions."

Projects may receive 5 points for this criterion if it commits to the following:

**Points Requested**

The project will set-aside at least 20% of all units for tenant populations with special housing needs. Persons with special housing needs may include the physically and mentally disabled. To receive consideration for this criterion:

- The project must commit to provide case management or Services specific to this population or special facilities to accommodate the physically disabled.
- The Market Study shall specifically address the housing needs for the special needs group.

5 Points \_\_\_\_\_

-Or

- 2) Elder or elderly households. Projects may receive a total of 3 points, if all residential units in the project are set-aside for elders or elderly households.

3 Points \_\_\_\_\_

*Applicants may receive points for electing to serve one of these tenant populations.*

**Criteria 8.**

Project is participating with a local tax-exempt organization and is sponsored by a qualified non-profit, as defined in Section 42 of the Internal Revenue Code.

If the answer to the question is NO 0 points \_\_\_\_\_  
If the answer to the question in YES 1 Point \_\_\_\_\_

**Criteria 9**

If total federal tax credit requested (gross) as a percentage of total project cost is:

Greater than 80% of total project cost	0 Points	_____
71 % through 80% of total project cost	1 Point	_____
61 % through 70% of total project cost	2 Points	_____
51 % through 60% of total project cost	3 Points	_____
41 % through 50% of total project cost	5 Points	_____
40% or less of total project cost	6 Point	_____

**Criteria 10.**

**Points Requested**

Project will be receiving project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs shall include, but not be limited to, the Rural Development 515 Loan Program and HUD Section 8 project-based Rental Assistance Program.

If the answer to the question is NO 0 points are awarded \_\_\_\_\_

If the answer to the question is YES 1 to 3 points are awarded \* \_\_\_\_\_

\* If the whole project has project based subsidies then 3 points is awarded, if only a portion of a project has project based subsidies, then the scoring will be adjusted based upon the percentage of units subsidized. The percentage is derived as "Number of Subsidized Units / Tax credit and non-tax credit subsidized units," provided they are developed simultaneously.

**Criteria 11.**

Local government support. The project will receive a below market loan or grant from a State or local governmental agency other than GHURA which, in total amounts to 10% or more of the total development cost.

The project has not applied for a below market loan or grant from a government agency, or if the total amount applied for is less than 10% of total development costs. 0 points \_\_\_\_\_

The project has applied for a below market loan or grant from a government agency. Documentation must be provided evidencing that an application for financing has been submitted. 1 point \_\_\_\_\_

The project has received a commitment from a government agency. A copy of a commitment letter or contractual agreement must be included in the application. 2 points \_\_\_\_\_

**Criteria 12**

**Points Requested**

Projects offering tenants an opportunity for home ownership. The applicant will offer tenants a right of first refusal to acquire the property in accordance with Section 42(i)(7) of the Code. To receive consideration for the criteria, the applicant must provide a feasibility analysis addressing the tenant’s ability to purchase the project. The applicant must also provide a plan discussing how the project will offer the units for homeownership to tenants.

If the answer to the question is NO 0 points \_\_\_\_\_

If the answer to the question in YES 1 point \_\_\_\_\_

**Criteria 13.**

Project is located in a Qualified Census Tract. The project will redevelop existing housing, which contributes to a concerted community revitalization plan as determined by GHURA. For example: site is located in an Enterprise Community, Empowerment Zone, or part of a County redevelopment plan.

If the answer to the question is NO 0 Points \_\_\_\_\_

If the answer to the question in YES 2 Points \_\_\_\_\_

To receive consideration for this criteria, applicant must provide an explanation on how this project is in compliance with such plan and its benefit to the overall community. The applicant must provide a letter of interest or a binding agreement with the government agency administering the community revitalization plan.

**Criteria 14.**

Project location and market demand. 0 to 10 Points

A comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project by a disinterested party. The Market Study must be completed at the Owner's expense. Any application which fails to submit a Market Study or submits a Market Study dated over 6 months from the time of application submission , shall be returned to the applicant and will not receive further consideration.  
Market Study requirements are specified in Appendix I.

The points awarded will be based on GHURA's evaluation of following factors: **Points Requested**

- Employment opportunities, recreational facilities, shopping facilities, medical facilities located in the immediate vicinity of the project site; 2 points \_\_\_\_\_
- Documented/supported market demand; 2 points \_\_\_\_\_
- Proposed rental rates are below market rents for the immediate surrounding area? 2 points \_\_\_\_\_

- Housing characteristics (e.g., design, density) appropriate for neighborhood; 2 points \_\_\_\_\_
- Neighborhood conducive for senior or family use 2 points \_\_\_\_\_

**Criteria 15. Energy Efficiency.** Projects electing to incorporate energy efficient practices that promote resource conservation will be awarded points. Projects that elect to include four or more of the following features in their project will receive 3 points. Projects that elect not to include four or more of the following features in their project will receive 0 points. Projects electing to incorporate all the listed features below will receive 5 points.

Please check features below to be included in the propose project:

- Installation of solar thermal, tank less, or tank type water heaters that meet ENERGY STAR standards;
- Installation of water conserving plumbing fixtures: water sense high efficiency toilets (less than 1.28 gallons per flush), showerheads with rated flow less than 1.75 gallons per minute (gpm), kitchen aerators with rated flow less than 1.5 gpm, and bathroom aerators with rated flow less than 1.0 gpm;
- Installation of five or more ENERGY STAR qualified light fixtures, ceiling fans equipped with lighting fixtures, and/or ventilation fans in each unit;
- Installation of photo sensors or timers on all outdoor lighting and ENERGY STAR or high-efficiency commercial grade lighting fixtures (T8) in all common areas;
- Installation of ENERGY STAR appliances including refrigerators, dishwashers, and clothes washers (horizontal axis) in each unit;
- Reducing heat effects by using ENERGY STAR low emissive roofing products for at least 50 percent of the roof area; or a combination of high-albedo and vegetated roof covering 75 percent of the roof area. Reduce asphalt surface areas and use low emissive pavement coatings and materials for at least 25% of paved surfaces;
- Provide an easily accessible area dedicated to recycling (at a minimum) newspaper, corrugated cardboard, glass bottles and jars, aluminum cans, and plastic containers (#1 and #2);

Upon completion of the project, a certification from a third party, architect, or engineer verifying the green building practices listed above have been used to construct or rehabilitate the building shall be submitted. Failure to provide the certification by six months after the issuance of the IRS Form 8609 will result in forfeiture of the good faith deposit.

**Requested Points**

If all feature elected above are included in the propose project-5 points \_\_\_\_\_

If more than four of the above features are included in the propose project- 3 points \_\_\_\_\_

If less than four of the above features- 0 points \_\_\_\_\_

**Criteria 16.**

**Requested Points**

Developer experience. -10 to 10 points

The points awarded will be based on GHURA's evaluation of following factors:

- Developer’s (or any member/staff with the development team) experience or ability (or inexperience/inability) to successfully complete the project; -2 to 2points \_\_\_\_\_
- Developer’s success or failure in meeting the objectives of the program on past proposals; -2 to 2points \_\_\_\_\_
- Development Team’s success or failure in meeting the objectives of the program on past proposals; -2 to 2points \_\_\_\_\_
- Development Team’s experience or ability to successfully complete the project; 4points \_\_\_\_\_
- Project’s general partner and/or affiliates has a history of chronic and/or substantive noncompliance, has failed to meet the requirements of the Declaration for Low -Income Housing Credits for previous projects, or has any significant tax credit history with other state tax credit allocating agencies. -4points \_\_\_\_\_

**Criteria 17.**

Overall Project Feasibility. 0 to 10 points

The points awarded will be based on GHURAs evaluation of any and all factors that could impact overall project feasibility, such as, but not limited to:

- Reasonableness of development costs & Feasibility of financing structure; 2 points \_\_\_\_\_
- Operational feasibility. For example, unreasonable operating expenses; 2 points \_\_\_\_\_
- Adequacy of Reserves including but not limited to Operating Reserve and repair and Replacement Reserve; 2 points \_\_\_\_\_
- Services and amenities provided to tenants that will enhance the livability of the project; 2 points \_\_\_\_\_
- Adequacy of project contingencies in the development budget. 2 points \_\_\_\_\_

## V. PROJECT COSTS (Residential Portion Only)

### TOTAL PROJECT COSTS

Itemized Cost	Projected Cost	<u>Eligible Basis</u>	
		Acquisition	Rehab/New Construction
<b>Land and Building Acquisition</b>			
Land	\$ 0		
Existing Structures	\$ _____	\$	
Demolition	\$ 0		
Environmental Abatement	\$ _____		
Other:	\$ _____		
Other: _____	\$ _____	\$	
<b>Subtotals</b>	\$ _____	\$	
<b>Site Work</b>			
Site Work	\$ _____	\$	\$
Off Site Improvement	\$ _____		
Other:	\$ _____	\$	\$
Other: _____	\$ _____	\$	\$
<b>Subtotals</b>	\$ _____	\$	\$
<b>Rehab &amp; New Construction</b>			
New Building	\$ _____	\$	\$
Rehabilitation	\$ _____	\$	\$
Equipment & Furnishings	\$ _____	\$	\$
Accessory Building	\$ 0	\$	\$
Environmental Abatement	\$ _____	\$	\$
Gross Receipts Tax	\$ _____	\$	\$
Other:	\$ _____	\$	\$
Other: Construction	\$ _____	\$	\$
Supervision	\$ _____	\$	\$
Other: Inspection Fees	\$ _____	\$	\$
<b>Subtotals</b>	\$ _____	\$	\$
<b>Contractor Overhead &amp; Profit</b>			
Contractor Overhead	\$ 0	\$	\$ 0
Contractor Profit	\$ 0	\$	\$ 0
<b>Subtotals</b>	\$ 0	\$	\$ 0
<b>Contingency</b>			
New Construction	\$ _____	\$	\$
Rehabilitation	\$ _____	\$	\$
<b>Subtotals</b>	\$ _____	\$	\$

**TOTAL PROJECT COSTS, continued**

Itemized Cost	Projected Cost	Eligible Basis	
		Acquisition	Rehab/New Construction
<b>Architectural, Engineering, and Other Fees</b>			
Architectural Fees	\$ _____	\$ _____	\$ _____
Real Estate Attorney	\$ _____	\$ _____	\$ _____
Environmental Report	\$ _____	\$ _____	\$ _____
Building Permits	\$ _____	\$ _____	\$ _____
Bid Costs	\$ _____	\$ _____	\$ _____
Utility Hook Up Fees	\$ _____	\$ _____	\$ _____
Other Fees: <u>Engineering</u>	\$ _____	\$ _____	\$ _____
Other Fees: _____	\$ _____	\$ _____	\$ _____
<b>Subtotals</b>	\$ _____	\$ _____	\$ _____
<b>Interim Costs</b>			
Construction Insurance	\$ _____	\$ _____	\$ _____
Interest	\$ _____	\$ _____	\$ _____
Construction Loan Fees	\$ _____	\$ _____	\$ _____
Property Taxes	\$ _____	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____	\$ _____
Other: <u>Operating Reserves</u>	\$ _____	\$ _____	\$ _____
<b>Subtotals</b>	\$ _____	\$ _____	\$ _____
<b>Permanent Financing Fees</b>			
Permanent Loan Origination Fee	\$ _____		
Other <u>Title &amp; Recording</u>	\$ _____		
Other <u>Closing Costs</u>	\$ _____		
<b>Subtotals</b>	\$ _____		
<b>Soft Costs</b>			
Property Appraisal	\$ _____		
Market Study	\$ _____	\$ _____	\$ _____
Tax Credit Fees	\$ _____		
Relocation Expenses	\$ _____	\$ _____	\$ _____
Rent-Up + Marketing	\$ _____		
Other <u>Tax Attorney Fees</u>	\$ _____		
Other <u>Accountant Fees</u>	\$ _____		
<b>Subtotals</b>	\$ _____	\$ _____	\$ _____
<b>Developer/Consultant Fees</b>			
Developer Fees	\$ _____	\$ _____	\$ _____
Consultant Fees	\$ _____	\$ _____	\$ _____
<b>Subtotals</b>	\$ _____	\$ _____	\$ _____
<b>TOTALS (both pages):</b>	\$ _____	\$ _____	\$ _____

**ELIGIBLE BASIS BY CREDIT TYPE**

	Acquisition	Rehab/New Construction
<b>TOTAL ELIGIBLE BASIS (from page 22):</b>	\$ _____	\$ _____ 0
<b>ADJUSTMENTS TO ELIGIBLE BASIS:</b>		
Subtract federal Grants and/or Below-Market Federal Loans: (List Grants/Loans) (11) _____		- \$ _____ 0
Subtract non-qualified non-recourse financing:	- \$ _____	- \$ _____ 0
Subtract costs of non-qualifying Units of higher quality or excess costs of non-qualifying Units:	- \$ _____	- \$ _____ 0
Subtract Historic Rehabilitation Tax Credit – residential portion only (I from page 11)(12):	- \$ _____	- \$ _____ 0
<b><u>ADJUSTED ELIGIBLE BASIS:</u></b>	\$ _____	\$ _____ 0
High Cost Area Adjustment (0% or 130%)(13):	x _____ %	x _____ 130 %
Applicable Fraction (Lesser of Project’s Unit Fraction or Floor Space Fraction):	x _____ %	x _____ 100 %
<b>QUALIFIED BASIS (Multiply Adjusted Eligible Basis by High Cost Areas Adjustment, by Applicable Fraction):</b>	\$ _____	\$ _____ 0
<b>APPLICABLE PERCENTAGE</b>	x _____ 4%	x _____ 8%
<b>MAXIMUM ANNUAL CREDIT AMOUNT REQUESTED BASED ON QUALIFIED BASIS (Qualified Basis x Applicable Percentage):</b>	\$ _____	\$ _____
<b>Maximum Credits from 2008 Allocation</b>	_____	_____
<b>Commitment of Credits from 2009 Allocation</b>	_____	_____
<b>TOTAL COMBINED MAXIMUM ANNUAL CREDIT AMOUNT REQUESTED BASED ON QUALIFIED BASIS (“4%” + “9%” Credit)(14):</b>		\$ _____

## **TOTAL PROJECT COST NOTES**

The following information is provided for assistance in completing the Total Project Costs budget pages. It is not provided as legal or tax advice. The tax law is very complex and the consequences of errors can create substantial risk to the taxpayer. The Commission strongly advises consultation with a tax advisor, legal counsel, and/or accountant.

Total Project Costs include the applicable common areas of the residential portion of each Building, but exclude Intermediary Costs, Reserves, and any expenses attributable to commercial areas and/or other non-residential space. Applicants with Projects that include non-residential space must complete the additional financing pages included as Exhibit N of the Application Package and include as an attachment to the Application the requested supporting documentation.

Expenses associated with any commercial or other non-residential use may not be included in the Total Project Costs, Eligible Basis, or the Equity Gap calculation except as specifically allowed for under Section 42. Projects that include commercial areas and/or other non-residential space must allocate the relative portion of all applicable expenses to the commercial areas or other non-residential space and exclude it from the Total Project Costs and Eligible Basis. In determining the Equity Gap calculation, there is no corresponding deduction from Project sources of funds for that amount of financing associated with the commercial or other non-residential use, unless such financing specifically identifies in its terms that it is being provided for the commercial or other non-residential use.

Refer to the Code for additional information regarding Eligible Basis

**NON-GOVERNMENT SOURCES OF FUNDS**<sup>17</sup>

**Permanent Financing/Loans:**

Name of Lender	Amount	Annual Debt Service Cost	Interest Rate	Amort. Period	Term of Loan	Status (Committed or Pending)
None	\$	\$	%	yrs	yrs	
	\$	\$	%			
	\$	\$	%			
	\$	\$	%			

**A. Totals:** \$ \_\_\_\_\_ \$ \_\_\_\_\_

**Grants:**

Type of Grant	Source	Amount
		\$
		\$
		\$
		\$

**B. Total:** \$ \_\_\_\_\_

**C. TOTAL NON-GOVERNMENT SOURCES (Add A and B above):** \$ \_\_\_\_\_

**GOVERNMENT SOURCES OF FUNDS**

**Permanent Financing/Loans:**

Name of Lender	Amount	Annual Debt Service Cost	Interest Rate	Amort. Period	Term of Loan	Status (Committed or Pending)
	\$	\$	%			
	\$	\$	%			
	\$	\$	%			
	\$	\$	%			

**D. Totals:** \$ \_\_\_\_\_ \$ \_\_\_\_\_

**Grants:**

Type of Grant	Source	Amount
		\$
		\$
		\$
		\$

**E. Total:** \$ \_\_\_\_\_

**F. TOTAL GOVERNMENT SOURCES (Add D and E above):** \$ \_\_\_\_\_

<sup>17</sup> List all sources of funds, except for equity from Credit. Do not include construction or bridge financing.

## TOTAL SOURCES

A. **Total Non-Government and Government Sources**  
(Add C and F from Page 25): \$ \_\_\_\_\_ 0

B. **Equity Contributions:** \$ \_\_\_\_\_ 0

C. **Net Historic Rehabilitation Tax Credit Proceeds - residential**  
portion only (H from Page 9): \$ \_\_\_\_\_ 0

D. **TOTAL SOURCES**  
(A, B, and C above): \$ \_\_\_\_\_ 0

## BOND FINANCING

Is taxable bond financing used?  Yes  No Amount: \$ \_\_\_\_\_

Is tax-exempt bond financing used?  Yes  No Amount: \$ \_\_\_\_\_

If tax-exempt financing is used, complete the following:

A. **Amount of aggregate basis of the Building(s) and Land in the Project**  
financed with tax-exempt bonds: (Tax-exempt bond amount) \$ \_\_\_\_\_

B. **Amount of aggregate Basis of Building(s) and land:** \$ \_\_\_\_\_

C. **Percentage of aggregate that is financed with tax-exempt bonds: (A÷B)** \_\_\_\_\_ %

Issuer of tax-exempt financing: \_\_\_\_\_

Proposed Bond Closing Date \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail \_\_\_\_\_

## EQUITY GAP CALCULATION

- A. **Total Project Costs** (from page 22): \$ \_\_\_\_\_
- B. **Total Sources** (from page 25): \$ \_\_\_\_\_
- C. **Equity Gap** (A minus B above): \$ \_\_\_\_\_
- D. **Tax Credit Factor** (from page 8): \_\_\_\_\_ 0.72
- E. **Ten Year Maximum Credit Amount Requested** (Divide C by D, above): \$ \_\_\_\_\_
- F. **Maximum Annual Credit Amount Requested Based on Equity Gap** (Divide E above by 10): \$ \_\_\_\_\_
- G. **Maximum Annual Credit Amount Requested Based on Qualified Basis** (from page 23): \$ \_\_\_\_\_
- H. **Maximum Annual Credit Requested** (Lesser of F or G, above): \$ \_\_\_\_\_
- I. **Credit Requested Per Low Income Housing Unit** ( H divided by Total Housing Units page 9) \$ \_\_\_\_\_

The actual amount of Credit reserved or allocated to a Project, if any, is determined by GHURA.

## VII. INCOME AND EXPENSES

### RENT INFORMATION: LOW-INCOME HOUSING UNITS

Enter the Minimum Low-Income Housing Set-Aside election (50% or 60% AMGI, selected on page 8). Enter the maximum rents allowable for each bedroom size.<sup>18</sup>

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
<b>MINIMUM LOW-INCOME HOUSING SET-ASIDE: 60% AMGI</b>	\$	\$	\$	\$	\$	\$
<b>EXPECTED RENTS BASED ON MARKET STUDY CONCLUSION</b>	\$	\$	\$	\$	\$	\$
<b>ADDITIONAL LOW-INCOME HOUSING SET-ASIDE _____% AMGI</b>	\$	\$	\$	\$	\$	\$
<b>EXPECTED RENTS BASED ON MARKET STUDY CONCLUSION</b>	\$	\$	\$	\$	\$	\$
<b>ADDITIONAL LOW-INCOME HOUSING SET-ASIDE _____% AMGI</b>	\$	\$	\$	\$	\$	\$
<b>EXPECTED RENTS BASED ON MARKET STUDY CONCLUSION</b>	\$	\$	\$	\$	\$	\$

<sup>18</sup> Select limits from the HUD Rent and Income Limits .

## ACTUAL RENTS AND RESIDENT-PAID UTILITIES: LOW-INCOME HOUSING UNITS

List the actual rents charged and Resident-paid utilities (using the applicable Utility Allowance). If a bedroom size has more than one actual rent for a different unit configuration or size, list on a separate line (e.g., if the Project will have 4 different one-bedroom configurations, list each on a separate line). Do not include any Common Area Units. Attach additional copies of this page immediately following this page if necessary.

A Number of Bedrooms	B % AMGI	C Number of Housing Units	D Monthly Gross Rent per Housing Unit <small>(Include Resident-Paid Utilities and Actual Rents Charged)</small>	E Resident-Paid Monthly Utilities per Housing Unit	F Actual Resident-Paid Monthly Rent per Housing Unit <small>(D-E)</small>	G Total Monthly Actual Rent <small>(Cx F)</small>	H Total Annual Actual Rent <small>(Gx12)</small>	I Square Feet per Housing Unit	J Total Square Feet <small>(CxI)</small>
1 BR	60 %		\$	\$	\$	\$			
2 BR	60 %		\$	\$	\$	\$			
BR	%		\$	\$	\$	\$	\$		
BR	%		\$	\$	\$	\$	\$		
BR	%		\$	\$	\$	\$	\$		
BR	%		\$	\$	\$	\$	\$		
BR	%		\$	\$	\$	\$	\$		
BR	%		\$	\$	\$	\$	\$		
BR	%		\$	\$	\$	\$	\$		
BR	%		\$	\$	\$	\$	\$		
BR	%		\$	\$	\$	\$	\$		
BR	%		\$	\$	\$	\$	\$		
<b>TOTALS:</b>									

Estimated vacancy rate for Low-Income Housing Units: \_\_\_\_\_ %

Estimated annual increase in rents for Low-Income Housing Units: \_\_\_\_\_ %

**ACTUAL RENTS: MARKET RATE HOUSING UNITS**

List the actual rents charged, excluding all Resident-paid utilities. If a bedroom size has more than one actual rent for a different unit configuration or size, list on a separate line (e.g., if the Project will have 4 different one-bedroom configurations, list each on a separate line). Do not include any Common Area Units. Attach additional copies of this page immediately following this page if necessary.

A	B	C	D	E	F	G
Number of Bedrooms	Number of Housing Units	Resident-Paid Monthly Rent per Housing Unit	Total Monthly Actual Rent for All Housing Units	Total Annual Actual Rent for All Housing Units (Dx12)	Square Feet per Housing Unit	Total Square Feet For All Housing Units (BxF)
BR		\$	\$	\$		
BR		\$	\$	\$		
BR		\$	\$	\$		
BR		\$	\$	\$		
BR		\$	\$	\$		
BR		\$	\$	\$		
<b>TOTALS:</b>			\$	\$		

Estimated vacancy rate for Market Rate Housing Units: \_\_\_\_\_ %

Estimated annual increase in rents for Market Rate Housing Units: \_\_\_\_\_ %

**MONTHLY UTILITY ALLOWANCE CALCULATIONS FOR RESIDENT-PAID UTILITIES (LOW-INCOME HOUSING UNITS)**

UTILITIES	Enter Allowances by Bedroom Size					
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Electric						
Gas						
Water						
Sewer						
Garbage						
<b>TOTALS:</b>						

Source of Utility Allowance Calculation:

- (Check One)  Local Utility Company  HUD  
 Local Public Housing Authority  Rural Development (RD)

**RENTAL ASSISTANCE**

Are any Low-Income Housing Units currently receiving rental assistance?  Yes  No

Do you have a commitment for rental assistance to Housing Units in the Project?  Yes  No

If yes to either above, complete the following:

**Type of rental assistance:**

- (Check One)  Section 8 New Construction Substantial Rehabilitation  Rural Development (RD) 515 Rental Assistance  
 Section 8 Certificates  Section 8 Project-Based Assistance  
 Other: \_\_\_\_\_

Number of Housing Units receiving rental assistance: \_\_\_\_\_

Number of years remaining on rental assistance contract: \_\_\_\_\_

Is the project currently required to restrict rents?  Yes  No

If yes, what is the expiration date? \_\_\_\_\_

**OTHER PROJECT INCOME**

<u>SOURCE</u>	<u>ANNUAL AMOUNT</u>
Laundry	_____
Parking	_____
Other: _____	_____
Other: _____	_____
<b>Total:</b>	_____

**ANNUAL EXPENSE INFORMATION (Residential Portion Only)**

<b>A. Administrative</b>	1. Advertising	\$ _____
	2. Professional Management	\$ _____
	3. On-site Management	\$ _____
	4. Legal/Partnership Incl Acct	\$ _____
	5. Accounting/Audit	_____
	6. Compliance Monitoring Fee	\$ _____
	7. Other: _____	\$ _____
	8. Other <u>Lic and Permits</u>	\$ _____
	<b>Total Administrative Costs:</b>	\$ _____
<b>B. Operating</b>	1. Elevator	\$ _____
	2. Heat	\$ _____
	3. Utilities	\$ _____
	4. Payroll/Payroll Taxes	\$ _____
	5. Insurance	\$ _____
	6. Security:	\$ _____
	7. Other: <u>irrigation</u>	\$ _____
	9. Other: <u>Trash pick-up</u>	\$ _____
	10. Other: <u>Tennant Services</u>	\$ _____
	<b>Total Operating Costs:</b>	\$ _____
<b>C. Maintenance</b>	1. Decorating & Turnover	\$ _____
	2. Repairs & Maintenance	\$ _____
	3. Landscaping	\$ _____
	4. Other <u>Supplies</u>	\$ _____
	5. Other _____	\$ _____
	6. Other _____	\$ _____
<b>Total Maintenance Costs:</b>	\$ _____	
<b>D. Real Estate Taxes:</b>		
<b>Total Annual Expenses (A, B, C, &amp; D):</b>	\$ _____	
<b>Annual Replacement Reserve for Units:</b>	\$ _____	
<b>Estimated percentage increase in annual expenses:</b>	_____	%

## **OPERATING PRO FORMA**

**Include as an attachment to the Application** a fifteen-year operating pro forma for the Project demonstrating financial feasibility and viability for the fifteen-year Compliance Period. Include assumptions, notes and explanations regarding the income and expense projections.

Projections for 30 years follow. Assumptions include:

1. Revenue growth of % per year
2. Expense growth of % per year
3. Rental rates = % of Fair Market Rents

## VIII. PROJECT SCHEDULE

ACTIVITY	SCHEDULED DATE MM/DD/YY
<b>A. Financing Secured</b>	
1. Construction Loan(s) Secured .....	_____
2. Permanent Loan(s) Secured .....	_____
3. Other Loans / Grants Secured .....	_____
<b>B. Building Permits Obtained .....</b>	_____
<b>C. Construction Contract Executed .....</b>	_____
<b>D. Construction Begins .....</b>	_____
<b>E. Project Lease Up Begins .....</b>	_____
<b>F. Construction Completed .....</b>	_____
<b>G. Date First Building Placed-In-Service .....</b>	_____
<b>H. Date Last Building Placed-In-Service .....</b>	_____
<b>I. Project Lease Up Completed .....</b>	_____
<b>J. Projected First Year of Credit Period .....</b>	_____

## IX.

### APPLICANT'S REPRESENTATIONS, WARRANTIES, AND CERTIFICATION

Whereas, \_\_\_\_\_ (the "Applicant") is applying for the Low Income Housing Tax Credit (LIHTC) Program (the Program) through the Guam Housing and Urban Renewal Authority (the "GHURA"); and

Whereas, the Applicant understands that it is necessary that certain conditions be satisfied as part of the Application requirements;

Now, therefore, the Applicant certifies as follows:

1. The Applicant is eligible for award under Guam statute and guidelines for the LIHTC Program.
  - a) The undersigned is responsible for ensuring that the project consists or will consist of a qualified low-income building or buildings as defined in the Internal Revenue Code, Section 42, and will satisfy all applicable requirements of federal tax law in the acquisition, rehabilitation, or construction and operation of the project to receive the low-income housing credit.
  - b) The undersigned is responsible for all calculations and figures relating to the determination of the eligible basis for the project and understands and agrees that the amount of the credit is calculated by reference to the figure submitted with this application, as to the eligible basis and qualified basis of the project and individual buildings.
2. The Applicant agrees to comply with all applicable federal, state, and local regulations in the event that this Application is selected for funding.
3. The Applicant will minimize displacement of persons as a result of activities assisted with the Program resources and assist persons displaced as a result of such activities.
4. The Applicant will actively market in an ongoing manner all rental units and services funded through the Program.
5. The Applicant is prepared and has the authority within its charter, bylaws, or through statutory regulations to enter into a contractual agreement with the GHURA for acceptance and use of financing assistance offered by the Program. The Applicant makes this Application and Certification with full cognizance of its governing body.
6. The Applicant agrees that the GHURA will at all times be indemnified and held harmless against all losses, costs, damages, expenses and liabilities whatsoever in nature or kind (including, but not limited to attorney's fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgment, and any loss from judgment from the Internal Revenue Service) directly and indirectly resulting from, arising out of, or related to acceptance, consideration and approval or disapproval of such allocation request.
7. The Applicant understands and agrees that the GHURA retains the right to contact local government officials, representatives of other funding programs, or other individuals to verify or obtain

additional information about Applicant's proposals. The undersigned hereby agrees and allows the release of any and all information to the GHURA in regards to the representations made within this Application. Such information may include credit history and ratings verifications, confirmation of involvement in past developments, and all other information, on the Applicant entity and principals, thereof, as may be required by the GHURA. This information will be used solely by the GHURA to aid in making a determination as to the awarding of financing assistance offered by the Program to the Applicant and will not be disclosed outside of the GHURA, except as required and permitted under law.

8. The Applicant has received, reviewed and accepts all the documents (e.g. Overview, Instructions, Qualified Allocation Plan, etc.) that are attached to the Application and made a part hereof.

9. The Applicant agrees to abide by all the terms, conditions and provisions of the Program.

10. The Applicant understands and agrees that the GHURA's receipt of an Application does not constitute acceptance of the Application. GHURA reserves the right to return an Application at any time without taking further action on the Application due to, but not limited to, the following:

a. Failure to meet Application submittal requirements (e.g., timeliness, correct application fees, cashier's check, correct number of copies).

b. Failure to meet individual program criteria (e.g., applicant eligibility and income set-aside requirements, etc).

c. Failure to disclose in the Application any known material defects about the development of the Project, any misrepresentation or fraud.

d. Incomplete Application. The Application received by the deadline constitutes the final Application (the "Final Application"). Any Final Application deemed by GHURA to be incomplete shall not be processed.

11. The Applicant understands and agrees that the awarding of funds is subject to the availability of tax credits and approval by the GHURA BOARD OF COMMISSIONERS and sustaining compliance with the IRS regulation .

12. The Applicant understands and agrees that GHURA reserves the right to make an award for less than the eligible amount requested by the Applicant.

13. The Applicant understands and agrees that GHURA reserves the right to accept or reject any Application, to make awards to as many or as few Applicants as it may select.

14. The Applicant further understands and agrees that:

a. GHURA reserves the right to cancel, suspend, or terminate, in part or in whole, any tax credit year, if GHURA, in its sole discretion, deems it to be in its best interest to do so;

b. The GHURA reserves the right to reject any Application submitted and may exercise such right without notice and without liability to any Applicant or other parties for their expenses incurred in the preparation of an Application.

c. Applications are prepared at the sole risk and expense of the Applicant. The completion, receipt, or acceptance of an Application does not commit the GHURA to pay any costs incurred in preparation of the Application. The GHURA shall not be responsible for any costs incurred by the Applicant due to the cancellation, suspension, or termination of such funding round, or the rejection of any Application.

15. The Applicant understands and agrees that the GHURA in no way represents or warrants to any party which may include, but is not limited to, any developer, project owner, investor, or lender that the Project

is, in fact, feasible or viable. No GHURA director, commissioner, officer, agent, legal consul, staff or employee shall be personally liable concerning any matters arising out of, or in relation to, the disapproval or the making of awards from the Program.

16. The Applicant is responsible to review the applicable federal/Guam laws as they relate to the respective Program to ensure compliance with current regulations.

17. That the foregoing information and the statements made in this Application are true, complete, accurate and correct to the best of the Applicant's knowledge, and hereby authorizes the GHURA to obtain further information and to verify any statement made as it deems necessary.

In Witness Whereof, the Applicant has caused the document to be executed in its name on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Authorized Representative

By \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

Witness \_\_\_\_\_

APPLICANT CREDIT INFORMATION AUTHORIZATION

1. Applicant's Full Name (include Jr. or Sr., if applicable)

\_\_\_\_\_

2. Social Security Number

\_\_\_\_\_

3. Present Address (street, city, state, zip)

\_\_\_\_\_  
\_\_\_\_\_

Authorization: I authorize the Guam Housing and Urban Renewal Authority (GHURA), its agents, successors and assigns, to order a consumer credit report and verify other credit information, including past and present mortgage and references. It is understood that a photocopy of this form will also serve as authorization. The information the GHURA, its agents, successors or assigns obtains is only to be used in the processing of my application.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

**MARKET ANALYST'S NON-AFFILIATION AFFIDAVIT**

This Affidavit is duly made this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_, by \_\_\_\_\_, the \_\_\_\_\_  
of \_\_\_\_\_, a GUAM \_\_\_\_\_,  
whose principal place of business is \_\_\_\_\_  
\_\_\_\_\_ and whose post office address is \_\_\_\_\_.

\_\_\_\_\_ certifies that \_\_\_\_\_  
\_\_\_\_\_ has conducted a market analysis for  
\_\_\_\_\_ on the \_\_\_\_\_  
project, located at \_\_\_\_\_,  
Tax Map Key ( ) \_\_\_\_\_.

\_\_\_\_\_ certifies and confirms that  
\_\_\_\_\_ is not affiliated with, and does  
not have any self-dealings, related parties, or identity of  
interest with \_\_\_\_\_,  
except as noted on an attachment hereto.

IN WITNESS WHEREOF, \_\_\_\_\_ has caused  
this Affidavit to be signed as of the day and year first written  
above.

\_\_\_\_\_  
(Market Analyst)

By \_\_\_\_\_ (signature)  
Its \_\_\_\_\_ (title)

By \_\_\_\_\_ (signature)  
Its \_\_\_\_\_ (title)



**Developer's Non-Affiliation Affidavit**

This Affidavit is duly made this \_\_\_\_\_ of \_\_\_\_\_,  
20\_\_\_\_, by \_\_\_\_\_, the \_\_\_\_\_ of  
(name of officer) (title)  
\_\_\_\_\_, a Hawaii \_\_\_\_\_,  
(developer/applicant) (type of business)  
whose principal place of business is \_\_\_\_\_  
(street address)  
\_\_\_\_\_ and whose post office  
address is \_\_\_\_\_  
\_\_\_\_\_.

\_\_\_\_\_ certifies that \_\_\_\_\_ has  
(Name of officer) (market analyst)  
conducted a market analysis for \_\_\_\_\_ on the  
(developer/applicant)  
\_\_\_\_\_ project, located at \_\_\_\_\_  
(project name) (project address)  
\_\_\_\_\_ Tax Map Key ( ) \_\_\_\_\_.

\_\_\_\_\_ certifies and confirms that the  
(Name of officer)  
\_\_\_\_\_ is not affiliated with, and  
(developer/applicant)  
does not have any self-dealings, related parties, or  
identity of interest with \_\_\_\_\_,  
(market analyst)  
except as noted on an attachment hereto.

IN WITNESS WHEREOF, \_\_\_\_\_ has caused  
(name of officer)  
this Affidavit to be signed as of the day and year first  
written above.

\_\_\_\_\_  
(Developer/applicant)  
  
By \_\_\_\_\_ (signature)  
Its \_\_\_\_\_ (title)  
  
By \_\_\_\_\_ (signature)  
Its \_\_\_\_\_ (title)

Territory of GUAM

On this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, before me appeared \_\_\_\_\_ and \_\_\_\_\_ to me personally known, who, being by me duly sworn, did say that they are the \_\_\_\_\_ and \_\_\_\_\_ respectively, of \_\_\_\_\_, and that said \_\_\_\_\_-page instrument entitled \_\_\_\_\_ was signed in behalf of said corporation by authority of its Board of Directors, and the said \_\_\_\_\_ and \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

\_\_\_\_\_  
Name:  
Notary Public, GUAM

My commission expires:

# Exhibit 1 Housing Development Experience

Name: \_\_\_\_\_

Page 1 of 1

*Copy format and add pages as needed*

	Name of Property, Address	Capacity of Applicant/ Developer	Type of Project	City, State	Number of Units		Financing/ Subsidy Program Utilized	Status of Project
					Affordable	Market		
					@ ___ % @ ___ %			
1								
2								
3								
4								
5								
6								
7								
8								

**Exhibit 2. Terms and conditions of the proposed financing, including commitment letters, from all financing sources and/or tax credit syndicators.**

**Exhibit 3. Market Study**

**Exhibit 4. Evidence of site control for the project, e.g., deed, lease, agreement of sale, option agreement.**

**Exhibit 5. Copy of any existing note, mortgage, or loan agreement encumbering the project site, if available.**

**Exhibit 6. Resume' for each member and key staff involved in the development ownership of this project from the sponsor and developer.**

**GOVERNMENT OF GUAM**  
**LOW-INCOME HOUSING TAX CREDIT PROGRAM**  
**2011 QUALIFIED ALLOCATION PLAN**

**I. Introduction**

The Low-Income Housing Tax Credit (LIHTC) Program, created by the Tax Reform Act of 1986, is intended to encourage the construction or rehabilitation of low-income rental units. The regulations which govern this Program are contained in Section 42 of the Internal Revenue Code (the "Code"). The LIHTC Program provides Federal tax credits to qualified project owners who agree to maintain all or a portion of a project's units for low-income individuals or families. The Guam Housing and Urban Renewal Authority (GHURA) has been designated as the agency responsible for the administration of the Federal Low-Income Housing Tax Credit Program for Guam.

In accordance with the Omnibus Spending Bill of 2000, Omnibus Budget Reconciliation Act of 1989 and the Budget Reconciliation Bill of 1990, GHURA developed this "Qualified Allocation Plan" which sets forth (1) the criteria to evaluate and allocate tax credits to projects which best meet the housing needs of Guam, and (2) the procedure to monitor for compliance with the provisions of the Low-Income Housing Tax Credit Program.

The allocation plan will utilize a point system to rank projects based upon the evaluation criteria established. The ranking of projects, along with all other relevant data, will determine the priorities to be followed by GHURA in allocating tax credits to the projects under consideration. The scores derived from the point system will be a component of the overall evaluation, and not the sole determining factor for the awarding of tax credits. In addition to the scores derived, GHURA will review all relevant data required in the application. Projects selected under this allocation plan shall then be evaluated as to the minimum amount of tax credits required in order to make the project feasible.

**This allocation plan shall be effective for reservations and awards of LIHTC for calendar year 2011. The allocation plan is subject to amendment by the GHURA Board of Directors.**

**II. Application Process**

Applications for the Low-Income Housing Tax Credit are available at GHURA's main office in Sinajana or by submitting a written request to GHURA at the address shown below.

The Guam Housing and Urban Renewal Authority (GHURA)  
c/o Executive Director  
117 Bien Venida Avenue  
Sinajana, Guam 96910

Applications for tax credits should be submitted to GHURA by no later than the deadline indicated below.\* Upon receiving an application for tax credits, GHURA shall review the

application to ensure that the application is complete and contains all required information. The Executive Director shall have the right to defer the consideration of any application if, in his sole discretion, such deferral is deemed in the best interests of meeting housing needs.

***\*The deadline for submission of applications will be announced by GHURA in at least one of the two newspapers of general circulation in Guam and attached to the official application for the funding period being announced.***

Complete applications shall then be evaluated in accordance with the allocation plan to determine the project's rank in relation to other projects in the evaluation. Projects receiving the highest ranking shall then be evaluated to determine the minimum amount of tax credits required to make the project feasible. The amount of tax credits reserved or allocated to a particular project will be limited to the amount GHURA, in its sole discretion, deems necessary to make the project feasible.

The allocation plan will utilize a point system to rank projects based upon the evaluation criteria established. The ranking of projects, along with all other relevant data, will determine the priorities to be followed by the GHURA in allocating tax credits to the projects under consideration. The scores derived from the point system will be a component of the overall evaluation, and not the sole determining factor for the awarding of tax credits. In addition to the scores derived, the GHURA will review all relevant data required in the application which include, but are not limited to, the applicant's financial statements, experience in producing low-income housing units, reasonableness of development and operating budgets, and an independent market study in awarding the tax credits.

Projects selected under this allocation plan shall then be evaluated as to the minimum amount of tax credits required in order to make the project feasible.

### III. Selection Criteria

#### A. Minimum Thresholds:

Applicants must meet the following Minimum Threshold requirements to receive consideration for an allocation or award of Low Income Housing Tax Credits.

1. **Market Study:** A comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project by a disinterested party must be submitted as part of this application. The Market Study shall be completed at the Owner's expense. Any application failing to submit a Market Study or submits a Market Study dated over 6 months from the time of application will not be considered for an award of tax credits. Market Study requirements are specified in Appendix 1.
2. **Site Control:** To receive consideration for an award of LIHTC, the applicant must have control of the site in a form acceptable to the GHURA. Evidence of site control shall be submitted with the application for Low Income Housing Tax Credits. Site control shall be substantiated by providing evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other

documentation acceptable to the GHURA. Evidence of site control must be provided for all proposed sites.

#### IV. Selection Criteria Point System

Each application will be evaluated and awarded points in accordance with the following criteria. Unless otherwise indicated, all references to low-income unit(s) or low-income rental unit(s) shall mean low-income housing tax credit unit(s).

	CRITERIA	POINTS*
1.	Project will provide low-income units for a longer period than is required under Section 42 of the Internal Revenue Code.	0 - 10
2.	Project will provide a greater percentage of low-income units than required under Section 42 of the Internal Revenue Code.	1 - 10
3.	Project's federal tax credit/low-income rental unit ratio.	0 - 8
4.	Project has the appropriate zoning or the applicant has secured the necessary exemptions/variances to construct the project as proposed.	0 or 4
5.	Applicant demonstrates that all low-income units will be made available to people holding valid Section 8 vouchers.	0 or 2
6.	Project will serve tenant populations of individuals with children and provide 3-bedroom units or larger.	0 or 10
7.	Project will give preference to special tenant populations.	0 or 5
8.	Project is participating with a local tax-exempt organization and is sponsored by a qualified non-profit, as defined in Section 42 of the Internal Revenue Code.	0 or 1
9.	The ratio of total tax credits requested as a percentage of total project cost.	0 - 6
10.	Project will be receiving project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs shall include, but not be limited to, the Rural Development 515 Loan Program and HUD Section 8 Project-Based Rental Assistance Program.	0 - 3
11.	Local Government Support.	0 - 2
12.	Developer will sell the units with a preference towards selling to current residents after 15 years.	0 or 1
13.	Project is located in a qualified census tract, the development of which contributes to a concerted community revitalization plan as determined by GHURA.	0 or 2
14.	Project location and market demand.	0 - 10
15.	Green Building / Energy Efficiency	0 - 5
16.	Developer experience.	(-10) - 10
17.	Overall project feasibility.	0 - 10

\* See pages 4 -10 for description.

Criteria 1. Project will provide low-income units for a longer period than is required under Section 42 of the Internal Revenue Code.

Applicants electing to commit to an additional use period beyond the 15- year LIHTC compliance period (collectively the Extended Use Period) will be awarded points based on the table below. By making this election, the applicant elects to waive its right to exercise a request for a qualified contract pursuant to Section 42(h)(6)(E)(i)(II). The elections will be recorded in the Restrictive Covenant Document. Points will be awarded based on the following:

<b>Additional Use Period (in addition to the 15 year compliance period) of:</b>	<b>Points</b>
46 years or more	10 points
40 to 45 years	9 points
35 to 39 years	8 points
30 to 34 years	7 points
25 to 29 years	6 points
20 to 24 years	5 points
16 to 19 years	4 points
No additional use period	0 points

Criteria 2. Project will provide a greater percentage of low-income units than required under Section 42 of the Internal Revenue Code.

With respect to the set-aside affordability, if project provides:

20% of the project to households earning less than 50% of AMGI, OR 40% of the project to households earning less than 60% of AMGI	1 Point
40% of the project to households earning 50% or less of AMGI, OR 60% of the project to households earning 60% or less of AMGI	2 Points
60% of the project to households earning 50% or less of AMGI, OR 80% of the project to households earning 60% or less of AMGI	3 Points
100% of the project to households earning 60% or less of AMGI	10 Points

Criteria 3. The ratio is derived as: “Total Federal Tax Credits Requested (Annual)/Total Number of Proposed Low-Income Rental Units”

<b>Greater than</b>	<b>Less than</b>	<b>Points</b>		
\$34,000		0		
\$32,000	\$33,999	1		
\$30,000	\$31,999	2		
\$28,000	\$29,999	3		
\$26,000	\$27,999	4		

\$24,000	\$25,999	5		
\$22,000	\$23,999	6		
\$20,000	\$21,999	7		
	\$19,999	8		

Criteria 4. Project has the appropriate zoning or the applicant has secured the necessary exemptions/variances to construct the project as proposed.

The applicant's readiness to proceed with the development of this project with respect to development approvals:

The applicant has obtained all necessary zoning and entitlements for the property, including subdivision approvals and upon receipt of credits, is ready to proceed with the development of the project (Keeping the project concept within the allowable land use parameters) without any additional development approvals other than customary land disturbance and building permits. 4 Points

Project is not appropriately zoned and/or does not conform to Land Use regulations or requires variances, subdivision approval or any other exemption from any local or state land use restrictions. 0 Points

Criteria 5. Applicant demonstrates that all low-income units will be made available to people holding valid Section 8 vouchers.

The applicant demonstrates that all low-income units will be available to people holding valid Section 8 vouchers.

If the answer to the question is NO 0 Points

If the answer to the question is YES and the applicant is able to demonstrate that all low-income units will be available to people holding valid Section 8 vouchers. 2 Points

Criteria 6. Project will serve tenant populations of individuals with children and provide 3-bedroom units or larger.

The project will serve tenant populations of individuals with children and will provide three-bedroom and four-bedroom units for at least 60% of all low-income units in the project.

If the answer to the question is NO 0 Points

If the answer to the question is YES

10 Points

Criteria 7. Project will give preference to special tenant populations.

Project will commit to serve the following tenant populations:

- 1) Tenant populations with special housing needs. Special needs groups are "persons for whom social problems, age or physical or mental disabilities impair their ability to live independently and for whom such ability can be improved by more suitable housing conditions."

Projects may receive 5 points for this criterion if it commits to the following:

The project will set-aside at least 20% of all units for tenant populations with special housing needs. Persons with special housing needs may include the physically and mentally disabled. To receive consideration for this criterion:

- The project must commit to provide case management or Services specific to this population or special facilities to accommodate the physically disabled.
- The Market Study shall specifically address the housing needs for the special needs group.

5 Points

-Or-

- 2) Elder or elderly households.

Projects may receive a total of 3 points, if all residential units in the project are set-aside for elders or elderly households.

3 Points

*Applicants may receive points for electing to serve one of these tenant populations.*

Criteria 8. Project is participating with a local tax-exempt organization and is sponsored by a qualified non-profit, as defined in Section 42 of the Internal Revenue Code.

Project is participating with a local tax-exempt organization and is sponsored by a qualified non-profit, as defined in Section 42 of the Internal Revenue Code.

If the answer to the question is NO

0 Points

If the answer to the question is YES

1 Point

Criteria 9. The ratio of total tax credits requested as a percentage of total project cost.

If total federal tax credit requested (gross) as a percentage of total project cost is:

Greater than 80% of total project cost	0 Points
71 % through 80% of total project cost	1 Point
61 % through 70% of total project cost	2 Points
51 % through 60% of total project cost	3 Points
41 % through 50% of total project cost	5 Points
40% or less of total project cost	6 Points

Criteria 10. Project will be receiving project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs shall include, but not be limited to, the Rural Development 515 Loan Program and HUD Section 8 Project-Based Rental Assistance Program.

Project will be receiving project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs shall include, but not be limited to, the Rural Development 515 Loan Program and HUD Section 8 Project-Based Rental Assistance Program.

If the answer to the question is NO 0 Points

If the answer to the question is YES 1 to 3 points

If the whole project has project based subsidies then 3 points is awarded. If only a portion of a project has project based subsidies, then the scoring will be adjusted based upon the percentage of units subsidized. The percentage is derived as "Number of Subsidized Units / Tax credit and non-tax credit subsidized units," provided they are developed simultaneously.

Criteria 11. Local Government Support.

The project will receive a below market loan or grant from a Guam or local governmental agency other than GHURA which, in total amounts to 10% or more of the total development cost.

The project has not applied for a below market loan or grant from a government agency, or if the total amount applied for is less than 10% of total development costs. 0 points

The project has applied for a below market loan or grant from a government agency. Documentation must be provided evidencing that an application for financing has been submitted. 1 point

The project has received a commitment from a government agency. A copy of a commitment letter or contractual agreement must be included in the 2 points

application.

Criteria 12. Developer will sell the units with a preference towards selling to current residents after 15 years.

Projects offering tenants an opportunity for home ownership. The applicant will offer tenants a right of first refusal to acquire the property in accordance with Section 42(i)(7) of the Internal Revenue Code. To receive consideration for the criteria, the applicant must provide a feasibility analysis addressing the tenant's ability to purchase the project. The applicant must also provide a plan discussing how the project will offer the units for homeownership to tenants.

If the answer to the question is NO 0 Points

If the answer to the question is YES 1 Point

Criteria 13. Project is located in a qualified census tract, the development of which contributes to a concerted community revitalization plan as determined by GHURA.

Project is located in a Qualified Census Tract. The project will redevelop existing housing, which contributes to a concerted community revitalization plan as determined by GHURA. For example: site is located in an Enterprise Community, Empowerment Zone, or part of a County redevelopment plan.

If the answer to the question is NO 0 Points

If the answer to the question is YES 2 Points

To receive consideration for this criteria, applicant must provide an explanation on how this project is in compliance with such plan and its benefit to the overall community. The applicant must provide a letter of interest or a binding agreement with the government agency administering the community revitalization plan.

Criteria 14. Project location and market demand.

Project location and market demand. 0 to 10 Points

A comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project by a disinterested party. The Market Study must be completed at the Owner's expense. Any application which fails to submit a Market Study or submits a Market Study dated over 6 months from the time of application submittal, shall be returned to the applicant and will not receive further consideration.

Market Study requirements are specified in Appendix 1.

The points awarded will be based on GHURA's evaluation of following factors:

Employment opportunities, recreational facilities, shopping facilities, medical facilities located in the immediate vicinity of the project site	2 points
Documented/supported market demand	2 points
Proposed rental rates are below market rents for the immediate surrounding area	2 points
Housing characteristics (e.g., design, density) appropriate for neighborhood	2 points
Neighborhood conducive for senior or family use	2 points

Criteria 15. Green Building / Energy Efficiency

Projects electing to incorporate energy efficient practices that promote resource conservation will be awarded points.

Projects that elect to include <u>all seven of the</u> listed features	5 points
Projects that elect to include four to six of the following features in their project	3 points
Projects that elect fewer than four of the following features in their project	0 points

Features:

- Installation of solar thermal, tank less, or tank type water heaters that meet ENERGY STAR standards
- Installation of water conserving plumbing fixtures: water sense high efficiency toilets (less than 1.28 gallons per flush), showerheads with rated flow less than 1.75 gallons per minute (gpm), kitchen aerators with rated flow less than 1.5 gpm, and bathroom aerators with rated flow less than 1.0 gpm
- Installation of five or more ENERGY STAR qualified light fixtures, ceiling fans equipped with lighting fixtures, and/or ventilation fans in each unit
- Installation of photo sensors or timers on all outdoor lighting and ENERGY STAR or high-efficiency commercial grade lighting fixtures (T8) in all common areas
- Installation of ENERGY STAR appliances including refrigerators, dishwashers, and clothes washers (horizontal axis) in each unit
- Reducing heat effects by using ENERGY STAR low emissive roofing products for at least 50 percent of the roof area; or a combination of high-albedo and vegetated roof covering 75 percent of the roof area. Reduce asphalt surface areas and use low emissive pavement coatings and materials for at least 25% of paved surfaces

- Provide an easily accessible area dedicated to recycling (at a minimum) newspaper, corrugated cardboard, glass bottles and jars, aluminum cans, and plastic containers (#1 and #2)

Upon completion of the project, a certification from a third party, architect, or engineer verifying the green building practices listed above have been used to construct or rehabilitate the building shall be submitted. Failure to provide the certification by six months after the issuance of the IRS Form 8609 will result in forfeiture of the good faith deposit.

Criteria 16. Developer experience.

Developer experience. -10 to 10 points

The points awarded will be based on GHURA's evaluation of the following factors:

- Developer's (or any member/staff of the development team) experience or ability (or inexperience/inability) to successfully complete the project -2 or 2 Points
- Developer's success or failure in meeting the objectives of the program on past proposals -2 or 2 Points
- Development Team's success or failure in meeting the objectives of the program on past proposals -2 or 2 Points
- Development Team's experience or ability to successfully complete the project 4 Points
- Project's general partner and/or affiliates has a history of chronic and/or substantive noncompliance, has failed to meet the requirements of the Declaration for Low-Income Housing Credits for previous projects, or has any significant tax credit history with other state tax credit allocating agencies. -4 Points

Criteria 17. Overall project feasibility.

Overall Project Feasibility. 0 to 10 points

The points awarded will be based on GHURA's evaluation of any and all factors that could impact overall project feasibility, such as, but not limited to:

- Reasonableness of development costs & Feasibility of financing structure; 2 points
- Operational feasibility. (For example, unreasonable operating expenses); 2 points
- Adequacy of Reserves including but not limited to Operating Reserve and repair and Replacement Reserve; 2 points
- Services and amenities provided to tenants that will enhance the livability of the project; 2 points
- Adequacy of project contingencies in the development budget. 2 points

## **V. Rights of GHURA**

GHURA reserves the right to disapprove any application or project for any tax credit reservation or allocation, regardless of ranking under the criteria and point system as contained in Sections III and IV of this Allocation Plan. The GHURA Executive Director or his designated representative shall have the authority to defer consideration of any application if, in his sole discretion, such deferral is deemed in the best interest of meeting housing needs.

GHURA reserves the right, in its sole discretion, to (i) hold back a portion of the annual federal housing credit ceiling for use during later reservation cycles, (ii) carryover a portion of the current year's housing credit ceiling for allocation to a project which has not yet been placed in service, and (iii) under certain conditions, issue a reservation for the next year's housing credit ceiling.

GHURA is required under the I.R.C. of 1986, as amended, to allocate the minimum amount of tax credits required to make a project feasible. The determination of the amount of tax credits to be reserved or allocated to a project shall be made solely at the discretion of GHURA. GHURA may, at the time of issuance of the IRS Form(s) 8609 for the project, decrease the amount of tax credits allocated to a project based on the actual cost and financing of the project.

GHURA may, at its sole discretion under certain circumstances, conduct a special round after the final scheduled round for a year for projects (i) where the applicant's tax counsel has attested to an itemization of how the ten percent test prescribed by Internal Revenue Code Section 42(h)(1)(E) will be met; (ii) which have no deficient application items; and (iii) for which all exhibits have been submitted ("Year-End Round"). Year-End Round projects will receive a Carryover Allocation, not a reservation of LIHTCs, which may contain certain conditions and time periods for satisfying them. The circumstances for conducting a Year-End Round are (1) availability of LIHTCs and (2) potential loss of LIHTCs to the national pool. When a Year-End Round is being conducted, applicants need to satisfy the above requirements in order to receive a Carryover Allocation; and LIHTCs will be processed on a first-come first-served basis and allocated to the extent available and to the extent applications can be processed.

GHURA in no way represents or warrants to any interested party which may include, but is not limited to, any developer, project owner, investor or lender that the project is, in fact, feasible or viable.

No GHURA member, officer, agent or employee shall be personally liable concerning any matters arising out of, or in relation to, the reservation or allocation of Low-Income Housing Tax Credits.

## **VI. Fees**

The following fees are associated with the Low Income Housing Tax Credit program. The GHURA reserves the right to adjust the fees due to changing circumstances annually each January 1. All fees shall be paid via Cashier's Check and made payable to the Guam Housing and Urban Renewal Authority.

**Application Fee**

An Application Fee of \$1,500 per application shall be payable at the time of submission of the application. The fee shall be the same for all applicants.

**Good Faith Deposit**

A good faith deposit of five percent (5%) of the first year's federal tax credits reserved shall be payable at the time the executed binding agreement is submitted to GHURA. Upon allocation and issuance of the IRS Form 8609, sixty percent (60%) of the good faith deposit shall be retained by the GHURA as an administrative fee. The remainder of the good faith deposit may be refunded to the applicant. Failure to meet any of the elections made in the scoring criteria at the time of application will result in the retention of the entire good faith deposit by the GHURA.

**Compliance Monitoring Fee**

Please refer to Section 'VII. Compliance Monitoring Plan' for more details regarding the Compliance Monitoring Fee.

**Qualified Contract Processing Fee**

Qualified Contract Fee of \$150 per unit for all units.

**VII. Compliance Monitoring Plan**

**A. Summary**

GHURA shall monitor compliance with all applicable Federal Program requirements for the period a project is committed to providing low-income rental units. GHURA will require that all qualified tenants of a project be certified upon occupancy and be re-certified annually to ensure compliance. Projects shall be required to maintain copies of the income certification for each tenant on forms approved by GHURA. Projects will also be required to maintain records regarding number of rental units (including number of bedrooms and size of square footage of each bedroom); percentage of total rental units that are low-income units; rent charged on each rental unit including utility allowances; number of occupants in each low-income unit for those buildings receiving tax credits prior to 1990; documentation regarding vacancies in the building; eligible and qualified basis of the building at the end of the first year of the credit period, and at the end of each year until required set-asides are met; and character and use of the nonresidential portion of the building that is included in the building's eligible basis, all in accordance with the rules published by the Internal Revenue Service. GHURA may perform an audit annually but at a minimum, once every three years, and shall have access to all books and records upon notice to the project owner.

Annually, owners of low-income housing tax credit projects will be required to certify to GHURA that for the previous year, the minimum set-aside requirement was met; there was no change in the applicable fraction, or an explanation if there was a change; appropriate income certifications and documentation have been received for each low-income tenant; each low-income unit was rent-restricted in accordance with the Code; all units were for use by the general public and used on a no transient basis (except for transitional housing for the homeless as provided for in the Code); each building was suitable for occupancy, taking into account local health, safety and building codes; there was no change in the eligible basis in the project, or an explanation if there was a change; all tenant facilities included in the eligible basis were provided on a comparable basis without charge; rentals of vacancies were done in accordance with the Code; rentals of units were done in accordance with the Code if any tenant's income increased above the limit allowed by the Code; and a Restrictive Covenant document was in effect for the project, for those buildings receiving credits after 1989, all in accordance with the rules published by the Internal Revenue Service.

If GHURA becomes aware of non-compliance, the Internal Revenue Service shall be notified in accordance with the rules published by the Internal Revenue Service.

Please consult with your tax attorney and/or LIHTC consultant regarding Internal Revenue Code regulations. Owners are responsible for keeping abreast of current LIHTC Program requirements.

The guidelines outlined below pertain to projects allocated Federal Low Income-Housing Tax Credits in Guam.

## B. Compliance

### **Owner/Manager Training**

Owners, managing agents, and on-site managers should attend or document that they have recently attended training on management and compliance prior to leasing any units, but no later than receipt of IRS Form 8609, which certifies an allocation of tax credits. Training may be required following significant or repeated noncompliance events. At minimum, such training should cover key compliance terms, qualified basis rules, determination of rents, tenant eligibility, file documentation, next available unit procedures and unit vacancy rules, agency reporting requirements, record retention requirements, and site visits.

### **Set Aside**

The project must comply with the low-income set-aside requirements of Section 42 of the Internal Revenue Code- as chosen by the owner at the time of receiving the credits. The minimum requirements are either:

1. 20 percent or more of the units are occupied by tenants having a household income of 50 percent or less of the area median gross income (the "20-50 requirement"), or
2. 40 percent or more of the units in the project are occupied by tenants having a household income of 60 percent or less of the area median gross income (the "40-60 requirement").

Tenant income is calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937, as directed by the Internal Revenue Code. Area median incomes are determined annually by the U.S. Department of Housing & Urban Development (HUD), and are available from GHURA.

### **Rent**

Units in the project must be rent-restricted to either thirty (30) percent of the median income adjusted for family size for the area in which the project is located or rent restricted to thirty (30) percent of the imputed income limitations based on unit size. This rent restriction must be maintained throughout the Term of the Compliance and Extended-use period. See 'D. Rent Restrictions' in this section for further information.

### **Term of Compliance**

Projects receiving a LIHTC allocation after January 1, 1990, must comply with eligibility requirements for the extended use period [initial 15-year period (compliance period), in addition to the 15 or more years (additional-use period)] determined by elections indicated in the Restrictive Covenant Document. The Restrictive Covenant Document must be recorded before credits are allocated.

### **Annual Certification**

These and other compliance requirements as listed in Section 'A. Summary' must be certified annually by the owner through the submission of the Annual Report. The Annual Report includes the Owner's Certificate of Continuing Program Compliance and shall be submitted by February 1 of each year throughout the compliance/extended-use period.

### **Records Retention**

The Annual Report and the supporting documentation verifying the information on the Annual Report must be kept for a minimum of six (6) years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period, however, must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building, in accordance with published IRS guidelines.

### **IRS Form 8609**

Owner shall complete Part II of IRS Form 8609 and submit with subsequent Annual Reports.

### **Qualified Basis Tracking Sheet (QBTS)**

This form shall be submitted annually until the required set-asides are established. Documents will provide information on original tenants qualifying each building for tax credits minimum set-asides, and other set-asides.

### **Status Reports**

This report is to be submitted annually by owners in such format as required by GHURA or its Authorized Delegate to document and track the continuous compliance of tax credit units. The documents report data that tenants are income eligible at move-in, that

occupants of LIHTC units are re-certified at least on an annual basis and that the unit rents are restricted. Documentation will also indicate compliance with the vacant unit rule and 140% rule. The tracking of tax credit units substantiates the maintenance, increase or reduction of each BIN's qualified basis.

### C. Qualifying Households

Applicants for low-income units should be advised early in their initial visit to the project that there are maximum income limits which apply to these tax credit qualified units. Management should explain to the tenants that the anticipated income of all persons expecting to occupy the unit must be verified and included on a Tenant Income Certification (TIC) prior to occupancy, and re-certified on an annual basis. Applicants should be informed of other Internal Revenue Service requirements such as the Student Rule and Recertification.

#### **Unborn Children**

In accordance with the HUD Handbook 4350.3, owner shall include unborn children in determining household size and applicable income limits. If permitted by state laws, owner shall require documentation of pregnancy in such circumstances.

#### **Student Households**

In accordance with the Internal Revenue Code, a household comprised entirely of full-time students may not be counted as a qualified household, unless the household meets at least one exception. Refer to the Internal Revenue Code for additional guidelines on the exceptions. Owner shall utilize a lease provision requiring tenants to notify managing agent of any change in student status.

#### **Calculating Anticipated Tenant Income**

Owner shall qualify tenants by calculating household income using the gross income the household anticipates it will receive in the 12-month period following the effective date of the income verification or Recertification. Anticipated income should be documented in the tenant file by third party verification whenever possible, or by an acceptable alternate method of verification with documentation as to why third party verification was not available. Owner shall use current circumstances to project income, unless verification forms or other verifiable documentation indicate that an imminent change will occur. Owner shall refer to HUD Handbook 4350.3 for guidance on the proper calculation and verification of income and assets per IRC regulations.

#### **Certification**

Upon acceptance of an applicant to the project, a TIC must be completed for the applicant and certified to by the applicant and the owner. The form is a legal document which, when fully executed, qualifies the applicants to live in the set-aside units in the project.

The TIC must be executed along with the lease prior to move-in. No one may live in a unit in the project unless certified and under lease.

The original copy of the executed TIC form is to be retained in the applicant's file. The TIC and the supporting documentation verifying the TIC must be kept for a minimum of six (6)

years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period, however, must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building, in accordance with published IRS guidelines.

### **Recertification**

For 100% LIHTC set-aside projects, annual recertification are not required after January 1, 2012. Owners must recertify households at least once on the first anniversary of their initial tenancy.

For projects with less than 100% set-aside:

To ensure each unit is complying with the LIHTC income restrictions, GHURA requires (a) the owner to annually recertify each tenant's income and household composition and (b) each tenant is to report certain changes in income and household composition which occur between regularly scheduled recertification.

If the income of the tenants in a unit who have been previously verified increases above 140 percent of the applicable income limitation, the unit may continue to be counted as a low-income unit as long as the next available unit of comparable or smaller size is occupied by a qualified low-income tenant, and the rent continues to be restricted for the initial unit.

Each tenant's annual recertification is to be completed within one year of last recertification. The request for recertification shall be made between 60 and 90 days before the effective date, and it must clearly state that the tenant has ten (10) calendar days in which to contact the owner to begin recertification processing. The notice must also state the days and hours available for the interview, the information the tenant should bring to the interview, and how and whom to contact to schedule the interview.

Upon re-verification of the tenant's income, the owner shall complete a new TIC, which shall be certified to by the owner or owner's designee.

### **Past-Due Recertification**

A recertification is considered past due if the TIC form for the tenant is not certified by tenant and owner within twelve months of the last recertification.

## **D. Rent Restrictions**

Projects receiving Low-Income Housing Tax Credits after January 1, 1990 must comply with the following procedures:

- Units in the project must be rent-restricted to 30% of the imputed income limitations for each unit, based upon HUD area median incomes and size of units. Rents are imputed by bedroom size in the following manner: a unit which does not have a separate bedroom - 1 individual; and a unit with 1 or more separate bedrooms - 1.5 individuals per bedroom.

- Gross rent does not include any payment for various rental assistance programs and supportive service assistance as outlined in Section 42 of the Code. Gross rent must include any allowance for utilities.

HUD publishes the area median incomes for each state and territory annually. Updated income limits must be implemented pursuant to IRS Revenue Ruling 94-57, "Taxpayers may rely on a list of income limits released by HUD until 45 days after HUD releases a new list of income limits, or until HUD's effective date for the new list, whichever is later." Rents may be increased accordingly as the area median income increases.

If the income of the tenants in a unit who have been previously verified increases above 140 percent of the applicable income limitation, the unit may continue to be counted as a low-income unit as long as the next unit of comparable or smaller size is occupied by a qualified low-income tenant, and the rent continues to be restricted for the initial unit.

#### E. Eviction of Tenants

Once an eligible tenant has been certified and admitted to the project, the tenant may not be displaced solely due to an increase in the tenant's household income beyond the restricted limit.

#### F. Audits

The project may be subject to a management audit by GHURA or its Authorized Delegate annually but, at a minimum, once every three years. Notification of an audit shall be given to the owner at least 30 days prior to such audit. The results of the management audit and the recommendations for corrective action to protect and maintain the project shall be transmitted to the owner within thirty (30) days following the completion of the audit.

The purpose of the audit will be to conduct a physical inspection of the building and/or project, and, for at least 20 percent of the project's low-income units, to inspect the units and review the low-income certifications, documentation supporting the certifications, and rent records for the tenants in those units. The audit may also consist of a review of first year tenant records, a review of the documentation supporting the Annual Report, and any other documentation necessary for GHURA to make a determination as to whether the project is not in compliance with the Code.

When conducting tenant file reviews, GHURA's and its Authorized Delegate's reviews shall include, but not be limited to:

- completed rental application, including certification of assets and disposal of assets, if applicable;
- tenant income certification completed for move-in and current year, including all required signatures and dates;
- income verification(s) completed and documented;
- assets verified in accordance with IRC regulations;
- student eligibility documentation;

- lease and lease addendums completed at move-in;
- utility allowance on file;
- review of first year tenant records which qualified the project initially for tax credits

The owner shall have a period of thirty (30) days in which to respond to the findings of the management audit. GHURA shall review the owner's response to determine the extent to which the issues raised in the management audit letter are addressed. Findings, whether corrected or not, will be reported to the IRS.

See Section 'J. Non-compliance Penalties' for information on notification to the IRS of any non-compliance found in the management audit.

#### G. Rural Housing Service (RHS) and Tax-exempt Bond Issue Projects

In accordance with the published IRS guidelines on compliance monitoring, an exception may be granted to RHS projects under its section 515 program and buildings or projects of which 50 percent or more of the aggregate basis is financed with the proceeds of tax-exempt bonds.

The IRC regulations allow for exception of a building from the inspection requirement if the building is financed by RHS under the section 515 program, the RHS inspects the building [under 7 CFR part 1930(C)], and the RHS and the allocating agency enter into a memorandum of understanding, or other similar arrangement, under which the RHS agrees to notify the allocating agency of the inspection results. Irrespective of the physical inspection standard selected by the allocating agency, a low-income housing project under section 42 of the Internal Revenue Code must continue to satisfy local health, safety and building codes. A memorandum of understanding has not been executed between GHURA and RHS.

Annual Reports, QBTS, Compliance Monitoring Status Reports and other reports are still required of RHS projects. Although GHURA has allowed the use of the RD 1944-8, the form does not determine eligibility for specific LIHTC requirements. Owners need to determine whether the TIC will be used or a worksheet will be attached to RD 1944-8 to determine eligibility under the IRC. Management audits will still be conducted as indicated herein.

An owner who for some reason is not able to make any of the required certifications stated on the Annual Report or other requirements must inform the Agency immediately of such inability, as well as explain the reason for said inability.

#### H. Reporting Requirements

- a. The LIHTC Annual Report must be submitted annually by February 1 of each year throughout the compliance/extended-use period.
- b. Part II of the IRS Form 8609 must be completed by the owner and submitted with initial Annual Report.
- c. Qualified Basis Tracking Sheets (QBTS) are submitted at a minimum annually with LIHTC Annual Report until all set-asides are established.

- d. Status Reports are submitted annually by owners with Annual Report to document and track the continuance compliance of tax credit units throughout the compliance/extended-use period.

These forms must be sent in to GHURA or its Authorized Delegate at the address shown in Section II.

The Certification of Eligibility and LIHTC forms listed above are available from GHURA. Additionally, GHURA has data regarding HUD area median incomes, maximum rental rates, income verification information and third party verification forms.

#### I. Fees

A compliance monitoring fee of up to \$200 per unit for all units within each project shall be charged annually for administrative expenses. This fee shall be submitted with the LIHTC Annual Report for each year of the compliance/extended-use period. GHURA reserves the right to adjust fees due to changing circumstances annually each January 1. It will be the responsibility of GHURA to inform the owner of any changes in the annual compliance fee prior to the submission of fees. The compliance monitoring fee will be effective as of the Placed in Service date for the first building.

#### J. Non-compliance Penalties

The penalty for non-compliance with these procedures is the potential recapture of the credits awarded and interest on the amount recaptured. The Internal Revenue Service shall determine penalties for non-compliance.

Upon determination by GHURA of non-compliance with the LIHTC Program, the owner shall be notified and given thirty (30) days to correct any discovered violations. In accordance with the Internal Revenue Service's published guidelines on compliance monitoring, GHURA will be required to notify the IRS within forty-five (45) days after the end of the thirty day correction period, whether or not the non-compliance is corrected. GHURA will be given the opportunity on the IRS form to indicate whether the owner has corrected the non-compliance. GHURA may extend the correction period, up to a total of six (6) months, if it is determined by GHURA that good cause exists for granting such an extension. In such case, the IRS will not be notified until the end of the extended correction period.

#### K. Additional Use Period

After the initial 15 year compliance period of the Extended Use Period ("Additional Use Period"), the GHURA is no longer required to report instances of non-compliance to the IRS. The Compliance during the Additional Use Period ("AU Compliance Policy") will concentrate on enforcing the requirements of the LIHTC program through the term of the Declaration of Restrictive Covenants for Low Income Housing Credit recorded on the property. The AU Compliance Policy is largely based on the procedures of the initial compliance period. Unless noted below, the policy and procedure for compliance during the initial compliance period shall continue to apply to the additional use period.

**Effective Date**

The AU Compliance Policy shall be effective on the first day after the expiration of the initial 15 year compliance period for the last building placed in service in the project. Generally, the additional use compliance period will begin on January 1 of the year after the expiration of the initial 15 year compliance period of the last building placed in service and be in effect until the end of the additional use period.

**Income and Rent Set Aside**

Owners are subject to the Section 42 occupancy and rent restrictions required in the Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits.

**Student Households**

The IRC student rule no longer applies during the additional use period. However, as the GHURA wants to ensure that properties in the additional use period are not used as dormitory housing, a modified student eligibility requirement will be enforced. During the additional use period, a household comprised entirely of full time students will qualify as long as at least one member of the household is an independent student or is a student in grades Kindergarten through 12 (including home schooled minors studying course material within these grades). An independent student is defined as one who is not claimed as a dependent on his/her parent's tax return (proof required).

**Available Unit Rule / 140% Rule**

For projects which include market rate units, the Available Unit Rule and the 140% Rule do not apply during the additional use period. The percentage of tax credit units as specified in the Declaration of Restrictive Covenants for Low Income Housing Credits must be maintained throughout the additional use period.

**Certification and Recertification**

Certification of tenants at the time of move-in shall be required during the additional use period according to the same procedure as the compliance period. Recertification of tenants will not be required during the additional use period. However, if any adults are added to the household, then the household must be re-certified.

**Unit Transfers**

During the additional use period, unit transfers are allowed without a new income qualification. Documentation of all unit transfers that occur shall be submitted as part of the Reporting Requirements.

**Reporting Requirements**

- a. The **LIHTC Annual Report** must be submitted annually by February 1 of each year throughout the **additional-use** period.
- b. **Status Reports** are submitted annually by owners with the Annual Report to document and track **the** continuing compliance of tax credit units throughout the additional-use period.

**Site Audits**

Commencing within three years after the expiration of the Compliance Period, site audits for projects may be conducted at least once every **five** years. Projects that have substantial outstanding non-compliance beyond the correction period based on the findings of the most recent site audit may be subject to more frequent site audits.

**Owner Inspection**

Owners shall conduct an annual physical inspection of each unit and common areas in the project.

**Correction Period and Non-compliance Penalties**

Upon determination by the GHURA of non-compliance with the LIHTC Program during the additional use period, the owner shall be notified and given thirty (30) days to correct any discovered violations. The GHURA may extend the correction period on a case-by-case basis, up to a total of six (6) months, if it is determined by the GHURA that good cause exists for granting such an extension. Owners may request the GHURA to review all outstanding non-compliance issues for a property once per calendar year after the initial correction period. Any owner and constituent entities involved in management and ownership of a project with an unresolved finding of non-compliance beyond the initial correction period may be deemed to be Not in Good Standing by the GHURA Finance Department. Owners must clear all outstanding non-compliance issues to be deemed in Good Standing with the GHURA.

**VIII. Appeal**

All appeals shall be resolved in accordance with the GHURA's Appeals and Process Procedure, copies of which are maintained at the GHURA's office.

**IX. Other**

High Cost Area Designation Newly constructed buildings located outside of designated Difficult to Develop Areas or Qualified Census Tracts qualify as a high cost area. The additional LIHTC available from the "basis boost" will be used to offset the high cost of construction and land throughout the island.

## **Appendix 1 Market Study**

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In accordance with Section 42 (m) (iii) of the Internal Revenue Code, GHURA requires a comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project. The Market Study is to be conducted by a disinterested party approved by GHURA and must be submitted as part of the application. The Market Study shall be completed at the Owner's expense. Any application which fails to submit a Market Study, or submits a Market Study dated over 6 months from the time of application, shall be returned to the applicant and the application will not receive further consideration.

The Market Study shall address the following information:

- A statement of the competence of the market analyst.
- A description of the proposed site.
- Demographic analysis of the number of households in the market area which are income eligible and can afford to pay the rent. Estimate of capture rates for the market areas.
- Geographic definition and analysis of the market area.
- Identification of the project including location, unit counts, income levels and target population. Market Study must be consistent with the proposed project.
- Analysis of household sizes and types in the market.
- A description of comparable developments in the market area.
- Analysis of practically available rents, vacancy rates, operating expenses and turnover rates of comparable properties in the market area.
- Analysis of practically available rents, vacancy rates and turnover rates of market rate properties in the market area. Projected operating funds and expenses, when available at the time of the study.
- Expected market absorption of the proposed rental housing, including a description of the effect of the market area.
- Identification and commentary of proposed projects in the market areas.
- Analysis of market demand for tenants with special housing needs when applicable.

Projects that are requesting credits from eligible basis generated from a Community Service Facility as defined in Section 42 (d) (4) (C) (iii) must provide a market study that addresses the following:

- A description of Services provided that improve the quality of life for community residents
- The market area and demand for services provided
- The applicability of service provided to the community
- The affordability of the services provided per sons of 60% AMGI or less