

## EXHIBIT E – LIHTC APPLICATION REQUIREMENTS

(Listed in the LIHTC Qualified Allocation Plan under Exhibit B)

### **Request for Reservation or Tax-Exempt Bond Conditional Commitment Shall Include:**

01. LIHTC/HOME/HTF Application, with the following application exhibits:
02. Exhibit A – Selection Criteria & Preference Points Self-Score with certifications or other documentation to substantiate eligibility for Selection Criteria and Preference Points;
03. Exhibit B – Previous Participation Certificate for Sponsor/Owner;
04. Exhibit B – Previous Participation Certificate for Developer;
05. Exhibit C – Previous Participation Certificate for Property Management Agent;
06. Exhibit F – Affirmative Fair Housing Marketing Plan;
07. Exhibit G – Sponsor Certification;
08. Letter(s) of interest or commitment(s) from proposed construction and permanent Lender(s) Said document(s) to identify and outline the specific terms (i.e., pricing, costs, structure, required reserves, etc.) either being offered or proposed;
09. Letter of Interest for Equity Provider for the investment of all required equity and loan funds in the development. Said document(s) to identify and outline the specific terms (i.e., pricing, costs, structure, equity injection schedule, required reserves, etc.) either being offered or proposed;
10. Calculations or explanations for estimated construction loan interest, required reserve amounts, or unusual fees that are included in total development costs;
11. Documentation regarding the terms and conditions of any proposed subsidies, donations, or grants;
12. Documentation substantiating utility allowance calculations;
13. 30-year pro forma;
14. If a request for the state-determined basis boost is included in the application (see Section 5.6), a detailed narrative to include comprehensive reasoning and justification to support that the development resides within an eligible area is required to be given consideration by the Association for the boost;
15. Narrative description of the development;
16. Market Study and Feasibility Requirements. A current (no more than 6 months old) Market Study is required which recommends and justifies the overall market area demand for the proposed rental units. Sponsors will be required to obtain their market study from a provider who is listed on the Association's approved market study provider's list. See Exhibit H for Market Study Requirements;
17. Legal description;
18. Location map;
19. Sketch plan of site, typical unit layout, building elevations;

20. Evidence of initial site control (purchase agreement, option, etc.);
21. Written confirmation from the municipality zoning authority that the proposed use is within the parameters of existing conforming zoning designations. (see Section 4.9.2)
22. Résumés for Sponsor(s);
23. Resume for Developer(s);
24. Resume for General Contractor;
25. Resume for Property Management Agent;
26. Resume for Consultant; if applicable
27. Nonprofit Corporation - Articles of Incorporation;
28. Nonprofit Corporation - IRS confirmation of status;
29. Affirmatively Furthering Fair Housing Resolution from the local municipality where the proposed development is to be located;
30. The local jurisdiction's most recent Fair Housing Assessment Plan or Analysis of Impediments to Affirmatively Further Fair Housing as submitted and reviewed by the State of Idaho's CDBG Program (Department of Commerce); or a Fair Housing Assessment Plan completed by the local jurisdiction, that meets the requirements of the State of Idaho's CDBG Program;
31. Acquisition Credit - CPA or legal opinion letter from a provider with tax credit expertise stating that the ten-year rule requirements have been met, or that an IRS waiver is appropriate is required if acquisition tax credits are requested.  
  
CPA or legal opinion letter is not required if the acquired property is substantially financed, assisted, or operated under Section 8 of the United States Housing Act of 1937, Section 221(d)(3), 221(d)(4), or 236 of the National Housing Act, Section 515 of the Housing Act of 1949, any housing program administered by HUD or the Rural Housing Service of the Department of Agriculture, or any other similar state housing programs;
32. Acquisition Credit - Current (6 months or less) independent third party MAI appraisal\* that includes both an "as is" restricted market value and an "as is" unrestricted market value (net of appraiser-recommended repairs) of the existing development with land value broken out separately.  
  
\*An update will be allowed up to six months after the original appraisal date; although in no instance will the Association accept an appraisal beyond 12 months of the original date;
33. Acquisition Credit - Documentation that details the dollar amount of any operating and/or replacement reserves that will be transferred with the purchase of the property;
34. Rehabilitation Credit – Three (3) years of the most current financial statements for the existing development and a current year-to-date operating statement;
35. Rehabilitation Credit - An architect's preliminary certification indicating that the development will, when rehabilitated, provide decent, safe, and sanitary dwellings which meet all applicable local, state, and federal laws including Fair Housing Laws and the American's With Disabilities Act and local building codes (see Exhibit C-1 for required form);
36. Rehabilitation Credit - A plan for covering the costs and logistics of displacement for all persons impacted by the rehabilitation;

37. Rehabilitation Credit - If applicable, a letter of acknowledgement and/or commitment from the provider (HUD, USDA RD, etc.) that the current rental assistance will continue in force, or be extended for a given period of time. The letter needs to include the maturity date of contract/subsidy and rental assistance amount;
38. Rehabilitation Credit - Current (no more than 12 months old) Level I Environmental Report conducted by a professional firm approved by the Association;
39. Rehabilitation Credit - If the development was built prior to January 1, 1978, a current (no more than 12 months old) Lead-Based Paint Risk Assessment conducted by an Environmental Protection Agency ("EPA") Certified Risk Assessor. Exemptions from this requirement match those contained in HUD's Lead Safe Housing Rule – CFR Title 24-Subtitle A – Part 35 – Subpart B - §35.115

EPA and OSHA Lead-Base Paint regulations must be followed whether or not the Association allows an exception in providing a Lead-Based Paint Risk Assessment for an application of tax credits. Additionally, if the project currently has or is requesting HUD funding, the HUD's Lead Safe Housing Rule must also be followed; and

40. Rehabilitation Credit - Current (no more than 12 months old) Physical/Capital Needs Assessment conducted by a licensed architect to determine the need for replacement reserves and the remaining useful life of appliances, floor coverings, doors, and all major building components including roof structures, windows, foundations, plumbing, heating, electrical systems, and air conditioning.

Applications for additional tax credit do not require above documentation if originally submitted information is still current, but must provide the following information:

If increased development costs are the result of hard construction cost increases and a contractor contract has already been executed, the Association will require that the following items accompany the application for additional credit:

- Any change orders associated with the increased costs; and
- Comprehensive explanation and justification by the Sponsor for the need to amend the original construction contract.

**Request for Carryover Allocation Shall Include:**

1. Owner's Certificate and Agreement;
2. Updated Tax Credit Application, including Sponsor Certification (Exhibit G of the application);
3. Updated documentation substantiating utility allowance calculations;
4. Updated legal description of the site, (if not provided earlier);
5. Certification of investment in development to-date together with a Certified Public Accountant certification that the 10% test has been met. Said certification shall be in the format attached as Exhibit F;
6. Recorded deed to the development site to be used as evidence that sponsor has purchased the property and ownership is vested in the name of the entity requesting the Carryover Allocation;
7. If an identity of interest exists between the Sponsor and the Seller of the property, a fair market appraisal by an independent MAI appraiser conducted within the last 12 months;
8. IRS confirmation of Tax Identification Number for the Sponsor entity;
9. Applicable fees;
10. Executed Limited Partnership Agreement or LLC Operating Agreement, as amended; and
11. Recorded Low-Income Housing Tax Credit Regulatory Agreement (if not provided earlier)

**The Tax Credit Carryover Allocation or the Tax Exempt Bond Conditional Commitment will be conditioned upon the delivery of the following items once construction starts:**

- a) Evidence of permissive zoning (i.e., conditional use approval, if applicable);
- b) Executed Architect Contract;
- c) Executed Development Agreement, specifying the developer fee and method of payment;
- d) If applicable, executed contract or agreement for consultant services which sets out services provided as well as fee structure;
- e) Executed Construction Contract;
- f) Executed Preliminary Architect's Certification that states the development's design meets all Association requirements and all local, state, and federal laws including Fair Housing laws. Said certification shall be in the format attached as Exhibit C-1; and
- g) Construction financing promissory note.

**1-year Extension :** In the instance a 1-year extension (from the date of carryover allocation) to complete the 10% test has been requested (See Section 4.14), items 1, 2, 3, 4, 8, and 9 will be required on or before November 15<sup>th</sup> of the credit year, and items 5, 6, 7, 10, and 11 will be due no later than 1 year after the date of the Carryover Allocation. Also be advised that the Owner must maintain site control in their name (as evidenced by a land purchase agreement) for a period of time not less than the expiration of the extension.

**Placed-in-Service Application (for issuance of Form 8609s) Shall Include:**

1. Updated tax credit application, including Sponsor Certification (Exhibit G of the application);
2. Updated documentation substantiating utility allowance calculations;
3. Certificate(s) of Occupancy, or written placed in service date election by Sponsor (within a 24-month period) for rehabilitation developments;
4. Applicable fees;
5. Original recorded Low-Income Housing Tax Credit Regulatory Agreement;
6. Executed permanent loan documents, in particular the Note, recorded Deed of Trust, and Owner's Title Policy;
7. Cost Certification by Certified Public Accountant in accordance with the Allocation Plan (See Exhibit G for format);
8. Executed "As Built" Certification from Architect that the development is built in accordance with all applicable local, state and federal laws, including, but not limited to the Fair Housing laws as they pertain to handicapped accessibility and adaptability and those requirements of the Association set forth in this Allocation Plan (See Exhibit D-1 for format.);
9. If applicable, executed "As-Built" Certification for Green Building from a licensed Architect. (See Exhibit D-2 for required format.). Attach LEED, NW Energy Star, ICC 700 National Green Building Standard, Enterprise Green Communities, Indoor Air Plus, Passive House Institute US (PHIUS), Passive House Institute (PHI), or HERS certifications, if applicable;
10. Organizational documents, including the Limited Partnership Agreement, as amended, or LLC Operating Agreement;
11. Executed Management Plan with Tenant Selection Policy;
12. Current Rent Roll; and
13. If applicable, evidence of receipt of grant funds.

NOTE: If not provided earlier, the following information is also required:

- IRS confirmation of Tax Identification Number for the Sponsor entity;
- Recorded deed to the development site to be used as evidence that sponsor has purchased the property and ownership is vested in the name of the entity requesting the Allocation; and
- If an identity of interest exists between the Sponsor and the Seller of the property, a fair market appraisal by an independent MAI appraiser conducted within the last 12 months.