State of Utah

2016
Federal Housing Credit Program

Allocation Plan

Approved By UHC Trustees
July 30, 2015

Approved By Governor Gary R. Herbert
August 4, 2015

1. GENERAL OVERVIEW

THE HOUSING CREDIT PROGRAM AND ALLOCATION PLAN

INTRODUCTION

The Utah Housing Corporation ("UHC") is the designated Housing Credit Agency and administrator of the Federal Low Income Housing Tax Credit Program ("Housing Credit Program" or "Program") for the State of Utah under Section ("§") 42 of the Internal Revenue Code of 1986, as amended ("Code"), and all regulations promulgated thereunder under § 35A 8 725 of the Utah Code, as amended, (the "Utah Code") and all rules promulgated thereunder.

The Program, as administered by UHC for the State of Utah, is intended to provide a fair and competitive means of utilizing the Housing Credits to the fullest extent possible each year as an effective stimulus for the creation and housing preservation of rental housing for lower income households in such a way as to further the following goals and purposes:

A. Promote the public purposes declared in the Utah Housing Corporation Act;

B. Promote projects that, through cost containment and resource leveraging, most efficiently and effectively utilize the Housing Credits available to Utah;

C. Promote projects that achieve appropriate geographic distribution of resources;

D. Promote projects that provide housing to tenant populations with special housing needs.

To achieve its goals and purposes, the Program limits rents on the units and also limits the incomes of the tenants. Income and rent limitations will be proposed by the Applicant in its Application. These limitations are formalized in a contract (Land Use Restriction Agreement or LURA) which is recorded against the property to assure that the project maintains its commitments to the Program for the agreed upon period of time. The use of Housing Credits will encourage the construction, rehabilitation and preservation of rental housing for lower income households earning no more than 60 percent of the area median income in the State of Utah.

The total amount of Housing Credits available to the State of Utah for any given year is the amount specified in §42(h)(3)(C)(the "Housing Credit Ceiling Amount"). In addition, projects utilizing tax exempt bonds issued under the Private Activity Bond cap for the State of Utah may receive an allocation of Housing Credits outside of the Housing Credit Ceiling Amount.

To most efficiently administer the Program and to most effectively allocate the limited Housing Credits to those projects which best serve the needs of the State of Utah, UHC has developed this Qualified Allocation Plan ("QAP"). This QAP is effective as of the date adopted by UHC Trustees; provided that the QAP is approved by the Governor of the State of Utah. This QAP applies to all projects participating in the Program.

The federal laws establishing the Housing Credit Program are subject to change. Final interpretations of certain rules and regulations governing various facets of the Program may not yet have been issued by the U.S. Department of Treasury. Consequently, additional requirements or conditions applying to the Program may be forthcoming. It is strongly suggested that Applicants interested in

utilizing the Program in their financing package contact their tax accountant and/or attorney prior to submitting an Application. While UHC may respond to requests for technical assistance in applying for Housing Credits, Applicants may not rely on UHC for tax advice.

UHC is also the designated Housing Credit Agency and administrator of the Utah Housing Credit (the "State Housing Credit") Program under § 59-7-607 and § 59-10-1010 of the Utah Code. UHC is authorized and required by the Utah Code to establish criteria and procedures for allocating the State Housing Credit and to incorporate the criteria and procedures into UHC's Allocation Plan. Pursuant to the Utah Code, UHC establishes this QAP as the criteria and procedures for allocating the State Housing Credit.

UHC desires to accommodate Applicants with physical or mental impairments regarding the Program application process. CenturyLink provides an "Operator Relay Service" for those persons with hearing disabilities who use a TDD (Telephone Devices for the Deaf). The service can be accessed by calling 1-800-223-3131. Please contact UHC for any special accommodations.

Required Project and Tenant Data Reporting

The Housing and Economic Recovery Act of 2008 (HERA) requires HUD to collect and report on the following information for Housing Credit tenants:

- Race;
- Ethnicity;
- Family composition;
- Age;
- Income;
- Use of Section 8 (or similar) Rental Assistance;
- Disability status; and
- Monthly rental payment.

Data will be collected at tenant and project levels. Initial collection will cover all tenants and projects. Subsequent collections will update data to include new projects, tenant turnover, and recertification. Tenant data collection will be consistent with income certification reporting.

By participation in the Housing Credit Program, project owners agree to comply with the HUD reporting requirements in a timely manner. Failure to do so will result in losing "Good Standing" status. UHC will provide a template format and further instruction for the submission of this data. Additional information is provided in the Compliance Manual.

FAIR HOUSING

Project owners participating in the Program are required to comply with federal and Utah fair housing laws, including project design and accessibility requirements to the extent applicable to a particular project. Discriminatory housing practices (e.g., refusing to rent to any person because of race, color, religion, sex, disability, familial status, source of income or national origin) are prohibited.

GOVERNMENT RECORDS ACCESS AND MANAGEMENT ACT

UHC is subject to the Government Records Access and Management Act (GRAMA) Utah Code Title 63G, Chapter 2. As a result, Housing Credit Applications, including exhibits and attachments, submitted to UHC also are subject to GRAMA. These records may be classified as public records subject to access by third parties who request access pursuant to GRAMA. However, GRAMA permits UHC to consider classifying portions of Housing Credit Applications (and subsequent related filings) as protected records, thereby possibly restricting such access, if (1) the Applicant provides with the Housing Credit Application (and subsequent related filings) a written claim of business confidentiality and a concise statement of reasons supporting the claim of business confidentiality and (2) the record contains trade secrets or commercial or financial information the disclosure of which would reasonably be expected to result in unfair competitive injury to the Applicant and the Applicant has a greater interest in prohibiting access than the public in obtaining access. Accordingly, Applicants must complete Exhibit AE, UHC Claim of Business Confidentiality Request, and include it with their Housing Credit Application (and subsequent related filings). UHC may notify the Applicant if a record claimed to be protected is classified as public. The failure to comply with this provision may result in UHC classifying applicable records as public. See Utah Code Ann §§ 63G-2-309 and 63G-2-305 for further details. UHC considers all information relating to scoring elements of the Application public, and as such will release this information when requested as part of a request under GRAMA.

OVERVIEW OF ALLOCATION PLAN

Section 1: General Overview sets forth the Application, allocation, processes, fees and other pertinent information regarding the Housing Credit Program.

Section 2: Housing Credit Pools and Allocation Process sets forth the set-aside pools and process in which Applications are assigned to those pools and the procedures thereof.

Section 3: Housing Credits for Tax-Exempt Bond Projects sets forth the criteria and process of applying and receiving 4% housing credits.

Section 4: Scoring Process sets forth the criteria by which Applications may receive points and how to meet all threshold requirements.

Section 5: Other Affordable Housing Resources sets forth other resources such as State of Utah credits, and Olene Walker Housing Loan Fund ("OWHLF").

Section 6: Exhibits sets forth Exhibits A-AE, to help complete the Application and/or for submission along with the Application.

Section 7: Compliance Monitoring Plan sets forth the regulations and process by which UHC will monitor projects for Program compliance and associated fees.

Section 8: Glossary sets forth definitions and acronyms used in the Program.

The QAP provides an equitable and reasonable basis for the submission, review, processing, selection and subsequent follow-up of Applications within the guidelines and requirements established by the federal government.

HOUSING CREDIT PROGRAM TRAINING

A. Application Training

All new Applicants and staff responsible for completing an Application for federal Housing Credits are required to attend training on the current year's Application prior to the submission deadline.

B. Housing Credit Program Training

Developers and Staff New to Program

Developers who have no prior experience with the Program are required to attend training on the major aspects and deadlines of the Program. Furthermore, staff members who have never been responsible for completing, tracking, and follow-through, or compiling packets for the Program are required to attend this training.

Experienced Developers

Developers who have utilized the Housing Credit Program in the past are required to attend this training if UHC staff determines that there are issues such as untimely, inaccurate, and/or incomplete submission of documentation that need to be clarified with both the developer and his or her staff.

UHC will announce the date and time for such training.

THE APPLICATION

APPLICATION PROCESS FOR COMPETITIVE PROJECTS

UHC has developed a Microsoft Excel based integrated application (Application) for submitting and processing project information. The Application encompasses the following affordable housing resources: Federal and State Housing Credits, the Olene Walker Housing Loan Fund ("OWHLF"), and the Private Activity Bond Authority ("PAB"). Further details regarding State Housing Credits, OWHLF can be found in Section 5.

Applicants desiring a reservation of Credits under the 2016 Reservation Cycle must:

- Submit Applications before 5:00 P.M. (MDT) on or before October 5, 2015.
- Comply with the format and content of this QAP and submit clear and complete number of required Applications, including all required support documentation, supplements and certificates. In instances where the information or formulas given in the spreadsheet application conflict with the QAP, the QAP shall govern.
- Include a CD containing the Excel spreadsheet with Application.
- Email the Excel Application to David Seely at dseely@uthc.org. The file name should be the same as the project name.
- Adhere to Exhibit A, the stacking order/checklist required for Application submission.

Submission of Applications:

- Competitive Housing Credit Applications with or without OWHLF must be delivered to UHC.
- Bond projects may submit applications for 4 percent credits after approval of Volume Cap from the PAB Board. See Section 3 for further instructions.
- The Application will compute the required fees for all of the above mentioned programs. The appropriate application fees need to be delivered to each agency with the Application.
- Applications that do not include all required attachments, exhibits, supporting documentation, and applicable fees at the time of submission will be considered incomplete and will be returned to the Applicant without further review.
- Applications, once submitted, are considered final for review, although additional information and updates may be requested by UHC to effectuate the review process.

Complete Competitive Housing Credit Applications must be mailed or delivered to:

Claudia O'Grady, VP, Multifamily Finance
Utah Housing Corporation
2479 S. Lake Park Blvd.
West Valley City, UT 84120

Upon completing the review of all Applications received during a round for completeness and general eligibility based on QAP requirements, Applications will be competitively scored on the criteria outlined in the QAP.

Projects will be allocated only the amount of Housing Credits necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the credit period, as determined by UHC. The following will be considered when making this determination:

- the sources and uses of funds and total financing including loan terms, equity and contributions planned for the project;
- equity proceeds expected to be generated by use of the Housing Credits and the rate of return;
- the percentage of the Housing Credit dollar amount used for "hard" project costs as compared to the cost of intermediaries (e.g. syndication, developer, consulting) and other “soft costs”;
- the reasonableness of the development and operational costs of the project.

Project owners must notify UHC of any new or additional federal, state or local subsidies utilized by a project during its compliance period. UHC reserves the right to reduce the annual Housing Credit allocation to a project during the compliance period if, in its sole discretion, after applying uniform underwriting procedures, UHC determines the project to be over-subsidized as a result of additional or increased subsidies obtained by the project.

UHC may disqualify an Application if an Applicant, owner, developer, consultant, principal or management agent:

- has been disbarred or received a limited denial of participation in the past ten years by any federal or state agency for any development program;
- within the past ten years has been in bankruptcy, an adverse fair housing settlement, an adverse civil rights settlement, or an adverse federal or state government proceeding and settlement;
- has been in a mortgage default, breach, or arrearage of three months or more within the last five years on any publicly subsidized or assisted project;
- has had a previous funding contract or commitment partially or fully cancelled or terminated during the 24 months prior to the submission of the Application due to a failure to meet contractual obligations;
- has been involved within the past ten years in a project which previously received an allocation of Housing Credits but failed to meet standards or requirements of the Housing Credit allocation or failed to fulfill a material commitment contained in an Application for Housing Credits, or violated the Land Use Restriction Agreement;

- has been found to be directly or indirectly responsible for any other project within the past five years in which there is or was uncorrected noncompliance more than three months from the date of notification by UHC or any other state allocating agency; or

- is not in "Good Standing" with UHC.

A disqualified individual or entity will not be allowed to participate in the Program for a period of time, which in most cases will be one year, and any Application in which they are identified will be removed from consideration. Applications with any development team member "Not in Good Standing" with UHC will be returned to the Applicant without review.

Notwithstanding anything else herein to the contrary, UHC reserves the right to reject any Application that (i) is not consistent with the goals of providing decent, safe and sanitary housing for low-income persons as set forth in UHC's enabling legislation (see Utah Code §35A 8 725) and this QAP, (ii) does not meet the requirements of §42 of the Code or (iii) is incomplete.

In the process of administering the Housing Credit Program, UHC will make decisions and interpretations regarding Applications and the Qualified Allocation Plan. Unless otherwise stated, UHC is entitled to the full discretion allowed by law in making all such decisions and interpretations. UHC reserves the right to amend, modify, or withdraw provisions contained in the Qualified Allocation Plan that are inconsistent or in conflict with state or federal laws or regulations, and will provide public notice accordingly. In the event of a major natural disaster or major disruption in the financial markets, UHC may disregard any portion of the Qualified Allocation Plan, including point scoring and evaluation criteria, that interferes with a response that UHC considers appropriate to our communities, low-income residents of the State of Utah, and developers.

COMMON APPLICATION AND SHARING OF INFORMATION WITH OTHER FINANCIAL SOURCES

The Applicant authorizes UHC to share Application information with and from other financially interested parties, including, but not limited to participating lenders, IRS, investors and others as determined by UHC in evaluating and tracking the progress of the project.

Upon request by UHC, the project owner will provide an IRS Form 8821 to UHC.

The Application also includes Applications for the Utah Division of Housing and Community Development housing programs, the Olene Walker Housing Loan Fund, State HOME funds and Private Activity Bonds. Application submission deadlines are identical for these programs.

UHC frequently receives requests from investors, owners and lenders for an annual compliance certification. UHC is mandated to inspect projects for compliance with §42 of the Code on behalf of the IRS. The extent of any disclosure by UHC of compliance, after written authorization of the owner, is limited to a statement whether IRS Forms 8823 have been filed, type of violation and the buildings/units affected.

UHC has entered into a "Memorandum of Understanding" with Rural Development (“RD”) which states that UHC will share project information with RD with respect to RD projects.

UHC complies with the provisions of the Utah Government Records Access and Management Act (GRAMA) and the Freedom of Information Act.

TAX CREDIT RATE

Housing Credit applications will be underwritten using the applicable current floating rate. For competitive applications the rates will be those published for August, 2015. For noncompetitive applications the rate will be that in effect for the month in which the application is requested from UHC. In the event that, subsequent to approval of this QAP by UHC’s Board of Trustees, Congress establishes minimum floors for tax credit rates that are higher than the published rates for August 2015, awards of competitive 2016 Housing Credit will be made using the rates in effect for August, 2015. No supplementary credit will be made available to projects for additional eligible basis that would result from using a higher tax credit rate. Awards for noncompetitive applications will be made using the maximum allowable rate available at the time of application and may be adjusted in subsequent underwritings.

DOCUMENTATION REQUIREMENTS

Applications must include all applicable documentation supporting claims made in the Application. Applications without required documentation to meet thresholds, or documentation claims that are not sufficiently supported will be rejected. The Housing Credit Application Documentation Checklist (See Exhibit A) is provided to assist developers with properly completing and documenting the Application and must accompany the Application. **No new documentation will be accepted after the Reservation Cycle submission deadline.**

A. Required Third Party Documentation

The following documentation from third parties must be included with the Application (refer to Exhibit A, Stacking Order and Checklist).

- Letter from zoning official on governing jurisdiction's letterhead and signed by an authorized official, zoning map and ordinance;
- Evidence of site control (Real Estate Purchase Contract, signed Lease), plus site location map and plat map;
- Title Report;
- Letters of Interest;
- Memorandum of Understanding (MOU) with the housing authority, if applicable (Exhibit V); and
- A preliminary Home Energy Rating Score (HERS) or letter from Independent Energy Star rater.

B. Documentation for Acquisition/Rehabilitation Projects

- All rehabilitation projects are required to provide a comprehensive Capital Needs Assessment on the project. (See Exhibit Q for details).
- Rehabilitation projects are also required to include an independent third party verification of rents charged in the form of actual checks, audited rent rolls, etc., for at least one year prior to negotiations for the purchase of the project, together with a review by a CPA or other independent third party approved by UHC.
- Rehabilitation project with tenants in place at the time of application must submit a relocation plan, describing the extent to which current tenants will be relocated or dislocated either temporarily or permanently, the amount of funds and assistance being provided to relocated/dislocated tenants, and the effort that will be made to bring relocated/dislocated tenants back to the project upon completion.

C. Special Needs Units Documentation

A written explanation from the developer is required with each Application explaining the developer's intention regarding special needs units that are consistent with the Service Provider letters received from the service provider(s). A Service Provider Letter (Exhibit R) is required for each special needs category specified in the Application, with the exception of units for the long term mobility impaired, which require no service provider letter.

See the Special Needs Section for further instructions and information. Also, for requirements of filling special needs unit vacancies, see the Special Needs Set-Aside section of the Compliance Manual.

D. Chronically Homeless Projects

Projects serving the Chronically Homeless must participate in the State of Utah Ten Year Plan to End Chronic Homelessness, and serve chronically homeless people as defined by the Ten Year Plan to End Chronic Homelessness or UHC.

A Supportive Services Plan Outline, a letter of endorsement from the applicable Continuum of Care Coordinating Council and proposed service providers will be required at the time of application. A Memorandum of Understanding (MOU) with each proposed service provider must also be included.

E. Market Study

An independent comprehensive market study is required to inform UHC and the developer of the need for affordable housing and the best configuration/design of a project in a certain geographic area. The study is required at the time of Application on all new construction projects.

Acquisition/rehabilitation projects may submit Applications without a comprehensive market study where proposed rents do not exceed current rent levels in the project (including rent levels of vacant units consistent with occupied units of the same or similar bedroom/bathroom configuration and square footage), the project is at least 75% occupied, and no new set asides for special needs tenants are being proposed. If proposed rents exceed current rent levels by 10% or more and the project is not at least 75% occupied then a comprehensive market study must be submitted with the Application. An independent third party must certify the current rent and occupancy levels in the project. The Applicant may provide current leases, deposit slips and rent rolls with supporting bank statements for the most recent 12-month period in lieu of a third party certification. However, projects which are not required to submit a study with the Application must submit a comprehensive market study within 90 days from the date of the Housing Credit Reservation Agreement.

Market analysts must provide (Exhibit M) with the market study. For complete instructions on preparing the market study, (see Exhibit M).

Based upon its review of required experience documentation as specified in (Exhibit M), the Market Study Company Information section, UHC will accept market studies conducted by any professional qualified providers.

The Application must conform to the market study conclusions or provide an acceptable defense of any deviations. Deviations from the market study conclusions which are not accepted by UHC may be reason for UHC to deny an award of credit to a project. UHC recognizes that smaller projects may require little explanation in several of the required areas of study and analysis.

DEVELOPER, CONTRACTOR AND GENERAL REQUIREMENT FEE LIMITS

Fees related to the development of the project include, but are not limited to:

- Developer overhead and profit;
- Contractor overhead, profit and general requirements, and;
- Development consulting fees.

All development fees must be reasonable with respect to the low-income housing objectives while sufficient to attract quality projects to the Program. The Final Cost Certification of each project requires that the project owner's CPA complete an audit and evaluation of all fee and overhead contracts with related or unrelated parties. The developer of the project must make full disclosure and allow the CPA access to all developer contracts in connection with the preparation of the Final Cost Certification. See (Exhibit L) for more information.

UHC has established the limits for the purpose of determining:

- The maximum Housing Credit allocation permissible for a project (based on a project's eligible basis); and
- The minimum Housing Credit allocation required for a project (based on a project's funding gap).

A. Developer Fee/Owner Equity

For the purpose of this section, developer fee/owner equity in lieu of fee shall mean all developer overhead and profit, and consulting expenses incurred by the project whether provided by the developer or another party. The fee limits in the grid below limit only the eligible basis, not the actual fee. The maximums include both developer and contractor/ builder fees and ceilings (see below).

In new construction and rehabilitation projects, the developer fee qualifies for 9% credits. For acquisition of rehabilitation projects, the acquisition fee qualifies for 4% credits.

A maximum of 50% of the developer fee/owner equity may be deferred at the time of Application. It must be entered correctly in this category in the "Sources" area of the Application.

Please note that the amount of deferred developer fee that is committed at the time of application is considered a firm source of financing. If the project realizes an increase in Housing Credit pricing anytime after the Application is submitted, a portion of the increased equity may be used to pay down up to half of the deferred developer fee that was committed in the Application. If, at the time of Final Cost Certification, the project has reduced the deferred developer fee beyond this limit, UHC will reduce the amount of credit allocated.

B. Contractor Fee (Builder Fee)

Contractor Fee shall mean those expenses incurred by the project for construction trades administration, including all contractor overhead, profit and wage expenses exclusive of such expenses allocable to General Requirements.

C. General Requirements

General Requirements are limited to those items and limits for eligible basis set forth in (Exhibit O). In general, contractor fees, overhead and general requirements should be consistent with HUD guidelines as set forth in 4450.1 and Section 911 reviews (HUD Notice H 95-4, amended).

UHC reserves the right to require further verification of General Requirement expenses and supervision costs if, in its sole discretion, such verification is warranted to comply with the spirit and intent of the Housing Credit Program. Applicants must complete the Identity of Interest Required Form 1 in the Application to disclose all interested party relationships.

Fee Limits	
	Percentage Calculation
Developer/Contractor Fees Combined	18% of Developer Profit Basis or $17,200 per unit, whichever is less*
Acquisition Fee	6% of Building(s) Acquisition Cost**
General Requirements	6% of Direct Construction***

D. Maximum Fee Ceiling

The maximum developer fee allowed is 18% of Developer Profit Basis, prorated for Housing Credit units only, or $17,200 per Housing Credit unit, whichever is less.

Developer/Contractor Fee Calculations

*Developer Profit Basis = [Site Work + Rehab/New Construction + Contingency +A&E – Impact Fees]. In cases where the developer and the architect are Related Parties, the architectural fee including supervision shall be excluded from Developer Profit Basis.
**Building Acquisition Cost = [purchase price – land value – Related Party fees and commissions]
*** General Requirements Guidelines (see Exhibit O).

FEES

Project sponsors applying for Housing Credits under the Program are required to pay certain fees to offset the cost to UHC to administer the Program. All fees are non-refundable. The IRS has ruled that Housing Credit fees are not allowable in eligible basis. Fees shall be assessed as follows:

A. Application Fee

An Application fee must accompany the initial submission of an Application. All projects will be assessed a fee of $2,500. Projects with fewer than 10 units will submit a fee of $250 per unit.

B. Reservation Fee

A fee equal to the greater of $2,500 or 3 percent of the annual Housing Credit amount being requested by competing projects is due upon receiving a reservation of federal Housing Credits. Bond projects will be assessed a reservation fee equal to the greater of $2,500 or 3 percent of the amount of Housing Credit awarded.

Projects with fewer than 10 units will assessed a fee of $250 per unit.

If a project fails to pay the required reservation fees within 30 days of the issuance of the award letter, a $500 late fee will apply. If a project fails to pay the required reservation fee within 60 days of issuance of the award letter, the award may be rescinded.

C. Re-Application Fee

A $200 Re-Application fee must accompany the resubmission of any Application without substantial changes under the same year governing QAP. An Application submitted with substantial changes, including but not limited to the composition of the development team, the number of units, the site, the design, and other elements, will be treated as a new application an must pay the fees appropriate for a new Application.

D. Additional Credit Reservation

Any project receiving additional Housing Credits over that which was originally applied for will be charged the applicable Application and reservation fees. The appropriate Application fee must accompany the updated Application.

E. Carryover Allocation Fee(s)

A Carryover Allocation Fee must accompany the carryover packet. The Carryover Allocation Fees is $1,000 subject to a discount of $500 if received by November 1st. Extended carryover fees of $500 are due by January 1st for each year thereafter that the Housing Credit Reservation is still active but the project has not yet been placed in service and received its IRS Forms 8609.

F. Allocation Fee

An Allocation Fee is due prior to issuance of the IRS Forms 8609. Projects with 10 or more units (including Bond projects) will be assessed a fee equal to the greater of $3,000 or 5 percent of the annual Housing Credit amount being requested. The Allocation Fee is due within 6 months after the last building is placed in service for projects involving new construction and 6 months after the last building receives its final inspection report for rehabilitation projects. If Final Cost Certification is received after November 15th for a same year allocation project the IRS Forms 8609 will not be issued until the next year. If the Allocation Fee is not paid within this period an additional fee of $500 will be assessed.

Projects with fewer than 10 units will be assessed an Allocation Fee of $300 per unit.

G. Initial Compliance Monitoring Fee

An Initial Compliance Monitoring Fee shall be assessed at the time of issuance of IRS Forms 8609 in accordance with the following schedule.

For projects with fewer than 26 units	$500 + $30 per unit
For projects with more than 25 units	$1,000 + $30 per unit

The per unit portion of the Initial Compliance Monitoring fee shall be prorated for the number of months between issuance of IRS Forms 8609 and February 1 of the following year, when the next full year's annual compliance monitoring fees are due.

H. Subsidy Layering Review Fee

If the project requires a subsidy layering review, a fee of $500 will be charged. See the Financial Subsidy Review section for further information.

I. Subordination Fee

If the project's Land Use Restriction Agreement (LURA) is not recorded in a first lien position, UHC will prepare all necessary subordination agreements. A fee of $250 per subordination agreement will be assessed and must be paid by the project owner prior to final execution of the subordination agreements.

J. Documentation Revision Fee

UHC may assess reasonable fees for legal and other expenses incurred as a result of unique requests related to, or changes requested on, UHC required documentation. These documents may include but are not limited to the LURA, Form 8609, Carryover Agreements, and Mutual Consent of Return Agreements.

K. Annual Compliance Monitoring Fees and Non-Compliance Monitoring Fees

See the Compliance Monitoring Manual, Fees section.

UHC, in its sole discretion, reserves the right to waive or modify the above indicated fees for any single project, as UHC deems necessary, to further the purpose and goals of the Program.

PROJECT AND POPULATION TARGETING

ALLOCATION PRIORITIES

The Code requires UHC to adopt an allocation plan that sets forth selection criteria to be used to determine housing priorities of UHC which are appropriate to local conditions and which, at a minimum, address:

- project location;
- housing need characteristics;
- project characteristics;
- sponsor characteristics;
- tenant populations with special housing needs;
- individuals with children;
- public housing waiting lists;
- energy efficiency; and
- historic nature of project.

Additionally, UHC emphasizes multifamily rental housing that meets the following conditions:

- Is designed for energy efficiency and sustainability;
- Serves special needs populations;
- Achieves cost efficiency; and
- Is located within 1/3 of a mile of walking distance to a TRAX or Frontrunner station.

UHC gives preference in allocating the housing credit dollar amount to:

- Multi-family projects;
- projects servicing the lowest income tenants;
- projects servicing special needs tenants;
- projects, including existing housing, in a Concerted Community Revitalization Plan area; and
- projects obligated to serve qualified tenants for the longest periods.

In addition to the above selection criteria and preferences, UHC, in its sole discretion, shall establish selection criteria and preferences that reflect the needs of the State of Utah as summarized in the succeeding Housing Needs and Priorities Section. All selection criteria and preferences shall be consistently applied to all Applicants through the Scoring System established in the Scoring Section of this QAP.

A. Market Saturation

Due to various factors contributing to market instability of rental housing, UHC will not accept applications for projects which increase the number of rental housing units in the following counties:

Carbon County

Uintah County

SUSTAINABLE DESIGN

A. Requirements, Energy Star

Energy Star is a nationally recognized standard for housing construction and appliances used to foster more energy-efficient housing. The Energy Star Certification requires a 15% improvement over Utah's current residential energy code. UHC believes that energy efficiency is important because increasing utility allowances will affect the future feasibility of Housing Credit projects.

- All new construction must be Energy Star Certified.
- All rehabilitation projects must be Energy Star certified or Energy Star enhanced if certification cannot feasibly be achieved.
- Projects electing Enterprise Green Communities Initiative or LEED certification are not exempt from Energy Star Certification.

New construction and rehabilitation projects must receive a plan review analysis from the Utah Energy Conservation Coalition (UECC) or other certified reviewer and be certified upon completion of construction. The Application must include the Energy Star submittal form with expected cost increases and savings. (See Exhibit T) for the Energy Star Submittal Form and follow-up procedures. Because Energy Star improvements are part of eligible basis, rebates from utility companies that result from Energy Star Certification must go back to the project and be reflected in the sources and uses at the time of application (if known) and at the time of final cost certification.

See the Energy Star website for more information at www.energystar.gov.

B. Submit Energy Star Certification

Projects that are Energy Star Certified must submit a UECC (or other) Certification at the time of Final Cost Certification.

Projects that do not receive Energy Star Certification must submit a confirmation that the project was built according to the Energy Star specifications or required enhancements represented in the Energy Star submittal, its performance test results, and the HERS score.

Rehabilitation projects must be improved to obtain an Energy Star Certification or be Energy Star enhanced if certification cannot feasibly be achieved. The owner must work with the rating organization to implement certain construction enhancements to obtain an Energy Star Certification. A certified rating organization's analysis for a current HERS score and plan review analysis must be submitted with the Application. UHC will require test results using Energy Star sampling requirements from the rater at the completion of the project.

C. Enterprise Green Communities Initiative or LEED

In an effort to promote more green and sustainable design of affordable housing, extra points will be awarded to projects that become certified through the Enterprise Green Communities Initiative or LEED.

Certain grants and financing may be available to the project through programs such as the Enterprise Green Communities program, State of Utah Weatherization, renewable energy tax credits, state and local tax credits and incentives, and utility company incentives.

Enterprise Green Communities Initiative

Projects claiming points for this certification must submit a copy of the Enterprise Green Communities Certification Request Form with the Application. If the project ultimately does not achieve a successful certification from the Enterprise Green Communities Initiative, at the time of Final Cost Certification UHC may reduce the amount of Housing Credit in an amount that when multiplied by the purchase price of the credits equals the full amount of developer fee. UHC may request copies of all documentation submitted to Enterprise Green Communities in support of the certification application.

Projects claiming points in this category must submit with the Application a narrative detailing the upgrades that are considered "green," over and above costs that would be incurred for the baseline standards of building to Energy Star requirements. For example, Low-E windows are baseline Energy Star enhancements, and therefore would not be considered an enhancement for the Enterprise Green Communities Initiative. (This is for purposes of differentiating costs only. The Applicant may in fact receive credit toward certification for Low-E windows through the Enterprise Green Initiatives Certification program.) A reflective white roof, however, is not an Energy Star minimum standard and therefore would be considered an enhancement for purposes of claiming points in this scoring category.

The narrative must contain a detailed itemization of such improvements and an estimate of the additional cost. The total cost of the improvements will be entered on a separate line in the construction budget portion of the Application and will be included in Eligible Basis for purposes of calculating the amount of credits requested.

LEED

If an Applicant elects to undertake a LEED certification a self certifying written statement must be provided at the time of Application. The statement must contain a detailed itemization of the specific improvements and an estimate of the costs that are expected to be incurred over and above those costs that would be incurred for the baseline standards of building to Energy Star requirements. The statement must also itemize costs related to the certification of the project. The total cost of the improvements must be entered on a separate line in the construction budget portion of the Application and will be included in Eligible Basis for purposes of calculating the amount of credits requested. Please note that the cost of the LEED certification, including additional architectural or general contractor documentation, must be accounted for separately and will not be included in eligible basis. Subsequently, at the time of the closing with the equity partner, a certification letter from the architect must be provided.

SPECIAL NEEDS UNITS

If a project incorporates Special Needs units (as described below), the Application must include a Service Provider Letter of Understanding (see Exhibit R) for each type of Special Needs unit specified in the Application. The Letter of Understanding from each service provider (or referring entity for accessible units) must provide the following:

- An explanation of the service provider's experience with providing services to the specific targeted population;
- A statement indicating the provider's understanding of the number of units being set aside for the specific targeted population;
- A statement indicating that the provider has enough clients to fill the requested set aside units, as well as all previously committed set aside units, and has capacity to provide services for the duration of a referral's tenancy;
- A full description of services that the provider will make available to the tenant post move-in.

A separate Service Provider Letter of Understanding must be submitted for each special needs population for which points are being claimed in the Application.

All owners and managers must utilize the UHC Set-Aside Tracker website found at www.utahhousingcorp.org, to assure that set-aside units will be made available to and filled with qualified tenants in a timely fashion. Owners and managers may also utilize other service providers.

For the purpose of points awarded for Special Needs set aside units for homeless and chronically homeless families and individuals, the following definitions shall apply:

Homeless: (1) an individual who lacks a fixed, regular, and adequate night-time residence; (2) and an individual who has a primary night-time residence that is (A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); (B) an institution that provides a temporary residence for individuals intended to be institutionalized; or (C) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Chronically homeless families and individuals are those who: (1) reside in a place not meant for human habitation (e.g. living on the streets), an emergency shelter, or a safe haven; (2) either have been homeless in one of those places for the past year or four times in the past three years; (3) have a disabling condition (for families, head of household has a disabling condition), including a substance use disorder serious mental illness, developmental disability, post-traumatic stress disorder, brain injury, or chronic physical illness or disability.

A. Fully Accessible Units for Long Term Mobility-Impaired Tenants

No service provider letter is required for accessible set-aside units. Applications that specify one or more accessible set-aside units for Long Term Mobility-Impaired Tenants are required to certify that those units are:

- Fully accessible units;
- Constructed as specified in Accessible and Usable Buildings and Facilities Standard of the ICC/ANSI A117.1 2009 (International Code Council/American National Standards Institute), commonly known as the "ANSI Standard" which is referenced in the 2009 International Building Code (IBC), which has been adopted by the State of Utah;
- Certified using the Architect's Certification (Exhibit N (1)) signed by a licensed architect and the General Contractor's Certification (Exhibit N (2)) signed by the Project's General Contractor to be submitted with the Final Cost Certification. With prior approval of UHC, there may be exceptions to this requirement for residential buildings containing fewer than four units;
- Filled with qualified households according to the Special Needs Set-Aside Compliance Policy Section of the Compliance Manual which also explains coordinating with referring entities to fill vacant accessible Units for Long Term Mobility-Impaired tenants; and
- In corresponding ratio to the general mix of unit types in the project where there is more than 1 unit set aside as fully accessible, i.e., if there is an equal number of 2 and 3-bedroom units in the building, one 2-bedroom accessible unit and one 3-bedroom accessible unit would be set aside.

In addition to the above-specified units, all multifamily buildings are required to follow the 2009 IBC which is inclusive of the Fair Housing Act. For exceptions, see IBC 1107.5.4. (See Exhibit S). Fair Housing Act Guidelines can be found at www.huduser.org/publications/destech/fairhousing.html .

Where there are four or more dwelling units in a single structure, every dwelling unit shall be a Type B dwelling unit, except where there is no elevator. If there is no elevator, Type B dwelling units need not be provided on floors other than the ground floor.

B. All Other Special Needs Units

Applicants are required to submit a letter from the service provider for all other Special Needs unit set-asides including:

- Mentally Ill
- Developmentally Disabled
- Domestic Violence
- Farm Labor
- Assisted Living
- Persons with HIV/AIDS
- Maturing Foster Children
- Veterans
- Refugees
- Other special needs units as negotiated with UHC

Please see further instructions in the Compliance Manual regarding working with the service providers for filling vacant units with each particular special needs qualified household.

THE ALLOCATION PROCESS

PROJECT SELECTION PROCESS

A. Introduction

Applications shall be selected for Housing Credit reservations in accordance with the following process:

- Project Underwriting and Threshold Review;
- Scoring and Documentation Review;
- Market Study and Project Reasonableness Review;
- Legal Compliance Review;
- Calculation of Housing Credit Amount; and
- Housing Credit Committee Review and Recommendation to Board of Trustees.

B. Project Underwriting and Threshold Requirements

Financial feasibility is critical to the long term viability of the project. Applications will be reviewed to determine if it meets minimum feasibility threshold requirements before scoring. The Application must satisfy the following criteria to be considered for the Reservation cycle:

i. Applications with supporting exhibits must be complete, signed, and submitted with a CD and via email.

ii. Only 2016 Applications with write protection intact will be accepted.

iii. Housing Credit unit income and rent thresholds cannot exceed the maximum established by §42 of the Code, (60% AMI when using the 40/60 convention or 50% AMI when using the 20/50 convention).

iv. Projects must commit to an extended use period which is 35 years after the close of the compliance period for a total of 50 years. For existing Housing Credit projects with a LURA in place, the total use period shall be either 50 years or the balance of years remaining on the current LURA, whichever is longer.

v. At the time of Application, a project must have zoning in place that is consistent with the project's density and use and provide evidence of site control. UHC shall determine, at its sole discretion, the adequacy of the site control document (i.e. Real Estate Purchase Contract or equivalent and zoning map and ordinance).

vi. Current zoning must permit multiple residential use and be consistent with the proposed project. If the project requires a conditional use permit, (i) the application for conditional use permit must be filed with the appropriate jurisdiction and a stamped copy provided with the Application and (ii) a zoning performance bond in the amount of 10% of the annual Housing Credit amount reserved to the project must be received within 120 days of a Housing Credit

Reservation. The bond must be either cash or an irrevocable letter-of-credit. Supporting documentation (copy of submission to the city, acknowledgement by city/county, copy of receipt of fees paid, etc.) must be submitted with the Application. All entitlements for the project must be obtained within one year of the Housing Credit Reservation. If not, the performance bond will be forfeited to UHC and the Housing Credit Reservation will be canceled.

vii. Rehabilitation projects that include any financing from the United States Department of Agriculture or United States Department of Housing and Urban Development must provide a complete appraisal

viii. A land appraisal is required on acquisition and rehabilitation projects and Related Party transactions to confirm the value of the land for award purposes. However if the land for the proposed project will be donated or if title will be transferred at no cost, no appraisal is necessary. Applicants or sponsors owning the project site at the time of Application must include a land appraisal if the land will be sold or leased to the ownership entity. The land appraisal must be dated within six months of the application submission deadline and must be submitted with the Application.

ix. Phase I or Phase II environmental studies submitted with the Application must be dated within six months of the application submission deadline. Applicants that have not included a Phase I or Phase II environmental study with their Application must submit one within 90 days of the date of the Housing Credit Reservation Agreement. If the lender and investor indicate in writing that a Phase I or Phase II study is not required, the environmental study requirement will be waived.

x. Projects must demonstrate financial feasibility within UHC established Safe Harbors (see Exhibit H). Exceptions may be made for RD 515 and Section 8 HAP contract projects that permit annual contract adjustments. All other Applications below these minimum criteria will be rejected.

xi. Projects requesting Housing Credits for acquisition and rehabilitation must consider rehabilitation costs per unit consistent with the Rehabilitation Safe Harbors ranges by age as shown in Exhibit H, except as otherwise approved by UHC.

xii. UHC, at its sole discretion, shall determine if a project qualifies as Substantial Rehabilitation, as required by §42. Generally, Substantial Rehabilitation requires the replacement of two or more major systems and their components including roof, fenestration, electrical, plumbing, HVAC, appliances, etc. The minimum rehabilitation expenditures are based on the age of the building(s) or 20% of the adjusted basis, whichever is greater. (See Exhibit H).

xiii. UHC may inspect all rehabilitation projects upon Application and during construction to verify that work was performed according to what was itemized in the Application or subsequent documents.

xiv. All projects will be inspected prior to issuance of IRS Forms 8609 to verify that work was performed according to what was itemized in the Application or subsequent documents. UHC will reduce Housing Credits at the time of final allocation if the commitments made in an Application are not honored.

xv. Project owners must certify at the time of Application that they have inspected 100% of the units for all rehabilitation projects.

xvi. Rehabilitation projects will be required to meet current local building code.

xvii. Rehabilitation projects that are designated as either RD projects or HUD rent subsidized projects are required to submit prior year operating statements with the Application.

xviii. A comprehensive independent third party market study is required on all projects according to the procedures in the Documentation Requirements section. See the exception for rehabilitation projects in the Market Study section.

xix. Letters of interest are required for all projects from all financial sources including investors, conventional lenders, lenders of soft financing, project based rental assistance providers, and grantors. When possible, the letters should stipulate the amount, terms, the acceptable Debt Service Coverage Ratio (DCR) floor, required reserve amounts, and the timing of the expected capital contributions or loan funds. Letters from grant sources should include the amount of the grant and the date the funds will be contributed. If a new construction project is including project based rental assistance as part of the overall financing, a letter from the appropriate jurisdiction must be provided, specifying the number of units of assistance it will dedicate and the anticipated time frame for approval by all required public bodies.

xx. Energy Star preliminary rating score (HERS) or a letter from an independent Energy Star rater indicating Energy Star certification or enhancement is required with the Application

xxi. Applicants must demonstrate financial capacity and credit worthiness by providing (see Exhibit E), Comprehensive Financial Disclosure Certificate.

xxii. UHC will underwrite projects assuming Housing Credit pricing that reflects current local pricing trends. Housing Credit pricing must be verified at the time of closing with the equity partner and at the time of final cost certification. Projects that have experienced an increase in equity pricing of more than $0.02 between the time of application and the time of closing with the equity partner or the time of final cost certification may be subject to a reduction of the Housing Credit allocation, pursuant to §42(m).

MAXIMUM HOUSING CREDIT ALLOCATION

UHC encourages geographic dispersion of Housing Credit financed projects and the development of mixed-income projects.

A. Allocation of Housing Credits

i. No Applicant or Related Party shall receive more than $1,000,000 or 20% of the state's anticipated available annual Housing Credit Ceiling Amount, whichever is less, for any one project or in the aggregate for multiple projects.

ii. No Applicant or Related Party may submit an application while having more than two (2) open Housing Credit projects. A project is considered open once it receives an award of Housing Credits, and closed upon placement in service.

iii. Larger projects may phase projects to accommodate a greater allocation of Housing Credits. However, additional phases will be treated as a separate project that must be approved by submitting another Application during a subsequent year's competitive cycle and provide a new market study supporting the additional phase.

iv. Generally, UHC will make only one allocation of Housing Credits to a project. Should the State of Utah be at risk of losing Housing Credits, UHC, in its sole discretion, may allocate additional Housing Credits to a project(s) but not to exceed $1,000,000 or 20% of the available Housing Credit Ceiling Amount, whichever is less. At its sole discretion, UHC may also allocate additional Housing Credits to projects at risk of failure because of unforeseen cost issues.

v. UHC may provide a Forward Year Reservation of Housing Credits. Such forward reservation does not ensure Housing Credit availability in the event the federal government discontinues the Housing Credit Program. The Forward Year Reservation is subject to the QAP under which the reservation was made.

vi. UHC will not allocate more Housing Credits than it deems necessary for the financial feasibility of the project and its economic viability as a qualified affordable housing project throughout the compliance period.

vii. In its sole discretion, UHC may adjust the Housing Credit allocation as part of the underwriting process. UHC reserves the right to adjust the Housing Credit reservation limit at any time.

B. Financial Feasibility

UHC will evaluate each proposed project's financial feasibility and viability by taking into consideration, without limitation:

i. The proposed sources and uses of funds;

ii. The terms and conditions of the permanent financing package including debt, investor contributions, grants, etc.;

iii. The Housing Credit purchase rate and net equity proceeds expected to be generated by their purchase;

iv. The percent of the "hard" project cost basis eligible for Housing Credits as compared to the costs of intermediaries and other "soft costs"; and

v. The reasonableness of the developmental and operational costs, including cash flow and coverage ratios of the project.

C. Safe Harbors

UHC will utilize the Underwriting Guidelines set forth in Exhibit H to evaluate feasibility and determine Housing Credit needs. UHC reserves the right, at its sole discretion, to consider a proposed project that may not conform to all established safe harbors, which are defined minimum and/or maximum thresholds.

D. Final Determination of Reservation of Housing Credits

Based on its evaluation of a project, UHC will determine the amount of Housing Credits to be reserved for each Application. A similar analysis will be completed upon Carryover Allocation of the Housing Credit amount and again, when each building within a project is placed in service.

SCORING DISCREPANCIES

During the scoring process, the Applicant will receive a notification of any discrepancies between the score calculated by UHC staff and the score submitted by the Applicant as determined by the self-scoring Application. The Applicant will be given five (5) business days from the issuance of the letter to work with UHC staff to resolve these discrepancies. If no response is received by the Applicant within these five (5) days, the score determined by UHC staff will stand. The Applicant will be notified of UHC's final scoring determination by 5:00 p.m. of the next business day following the lapse of the five (5) day response period.

In instances where the information or formulas given in the spreadsheet application conflict with the QAP, the QAP shall govern.

APPEALS PROCESS

An Applicant may only appeal its own Application. An Applicant may not appeal a decision made regarding an Application filed by another Applicant. Appeal requests may only be filed with regard to Applications that meet threshold requirements. Appeals may be made solely for the purpose of contesting a score calculated by UHC. No appeal may include additional documentation that was not included with the Application delivered to UHC by the deadline for submission. Notice of an Appeal request is deemed filed when it is received by the President at UHC's office, 2479 Lake Park Blvd., West Valley City, Utah 84120.

First Level Appeal

Applicants may appeal UHC's final scoring determination within five (5) business days (ending at 5:00 pm Mountain time zone) of issuance of a final scoring determination letter. The request must be directed to the President of UHC, in writing (U.S. mail or email), and must detail specifically the item(s) of disagreement. After considering all evidence from the appellant, the President of UHC will make a determination of the scoring item(s) at issue and will provide such determination in a written response via email and U.S. mail.

Second Level Appeal

Applicants may appeal the President's determination of the scoring item(s) by 5:00 p.m. Mountain time zone of the fifth (5th) day following issuance of the President's determination letter. This appeal must be in writing or sent via email, directed to the President of UHC, and must detail specifically the item(s) of disagreement. This appeal will be submitted to the Housing Credit Committee for consideration. The Housing Credit Committee will be the final arbiter of scoring appeals.

In a second level appeal process the Applicant may submit any issues and comments in writing to the President of UHC. Within twenty-one (21) calendar days following the timely filing of an appeal, the Housing Credit Committee shall conduct a full and fair review of the appeal. At the sole discretion of the Housing Credit Committee, a hearing may be held at which the Applicant may be invited to present in detail, the purpose for the appeal as well as relevant justification for the Housing Credit Committee to consider reversing UHC's decision regarding the scoring element(s) at issue. In all cases the appeal process must take place before credits are reserved not after. The Board may not award Housing Credits until all first and second level appeals have been heard.

Reasonable charges may be imposed for photocopies and document production requested by the Applicant pursuant to the appeal.

PROHIBITED ACTIVITIES

Applicants, Related Parties, and persons acting on behalf of Applicants or Related Parties may not attempt to unduly influence members of UHC's staff or its Board of Trustees with respect to an Application. Should this occur, the Application at issue will be removed from consideration for an award of Housing Credits. However, persons are permitted and encouraged to contact UHC staff with any questions relating to Program rules and procedures, completing Applications, etc. Similarly, letters of support from local government officials and service providers submitted in connection with an Application and appeals filed pursuant to the QAP are not considered prohibited activities.

AFTER RECEIVING HOUSING CREDITS

RESERVATION OF HOUSING CREDITS

After each Application has been processed and the Housing Credit amount has been determined, UHC staff will recommend projects for a Housing Credit Reservation to the Housing Credit Committee. Following its review, the committee will make its recommendation regarding Housing Credit Reservations to UHC's Board of Trustees (Board). Only formal actions by the Board will constitute Housing Credit Reservations.

Following Board approval, UHC will enter into a Reservation Agreement setting forth:

- The Housing Credit amount reserved to the project;
- The project characteristics, and;
- Any special conditions to the Housing Credit Reservation.

UHC will thereafter enter into a Carryover Allocation or final allocation of Housing Credits to the project conditioned on evidence of timely progress toward completion of the project acceptable to UHC and in compliance with the QAP and §42 of the Code. (See Tax-Exempt Bond section for bond project procedures.)

Housing Credit Reservations and Carryover Allocations may be unilaterally cancelled by UHC if material changes in the project occur during the predevelopment or development phases, including, but not limited to project scope, cost, location, progress, ownership, management or development team composition (excluding architectural or construction services). UHC anticipates that Applicants will be significant participants in the development of the projects and any changes, (e.g. changing the general partner in a limited partnership) may, at UHC's sole discretion; result in forfeiture of the Housing Credit Reservation or allocation. Housing Credit Reservations and allocations may not be transferred without prior written consent of UHC.

Projects requesting and receiving any additional reservation of Housing Credits will be charged the additional Application and reservation fees.

Applicants that have received Housing Credit Reservations will be subject to cancellation of the reservation if they are unable to provide evidence, satisfactory to UHC, of adequate progress towards the completion of the project. UHC, at its sole discretion, may allow additional time to satisfy the progress stipulations of UHC, as allowed by §42.

PERFORMANCE BOND REQUIREMENT FOR PROJECTS WITH CONDITIONAL USE PERMITS

Pursuant to the requirements of Paragraph B (vi) of the Project Underwriting and Threshold Requirements (see page 30), a performance bond in the amount of 10% of the annual Housing Credit amount reserved to the Project must be submitted to UHC within 120 days of the Housing Credit Reservation if the proposed conditional use permit has not yet been approved.

Performance bonds must be submitted in the form of cash or an irrevocable letter-of-credit from a UHC-approved financial institution. UHC will only accept a letter-of-credit with a term for the full period of the Carryover Allocation Agreement plus 30 days.

PROJECT STATUS REPORTING

All proposed projects receiving a Housing Credit Reservation, including bond projects, will be required to provide Project Development Schedules in a frequency and format prescribed by UHC, outlining progress toward completion or satisfaction of requirements for Carryover Allocation or Final Allocation of the Housing Credits.

Information requested will be project specific and may include such items as zoning approvals, firm debt and/or equity financing commitments (conditioned only on receipt of Housing Credits), reports on construction progress, site control, and an update of cost for analysis.

Project Development Schedule

A Project Development Schedule (see Exhibit G1-4) must be completed and delivered to UHC on or before April 1st and September 1st of each year the project is under development.

Please note that there are four separate forms for (1) competitive new construction projects; (2) competitive rehabilitation projects; (3) new construction bond projects and (4) rehabilitation bond projects.

LAND USE RESTRICTION AGREEMENT (LURA)

The Housing Credit federal regulations state that no credit shall be allowed with respect to any building for the taxable year unless an extended low-income housing commitment is in effect as of the end of such taxable year. This commitment is an agreement between the taxpayer and the agency responsible for the program.

A Land Use Restriction Agreement ("LURA") (see Exhibit I) is to be executed by the project owner and UHC and recorded at the county recorder's office against the project's property. The LURA commits the project to operate in accordance with the agreements (rent and income limits, special uses of units and extended use restrictions, etc.) made by the Applicant and UHC as inducements for the Housing Credit allocation. The LURA is to be recorded at the time the project owner obtains an ownership interest in the site and is superior to other liens.
To facilitate document preparation, the project owner must submit a LURA Information Packet to UHC 30 days before closing on the project's site acquisition. A LURA is required for all projects, including bond projects.

CARRYOVER OF HOUSING CREDITS

Pursuant to §42 of the Code, UHC may issue a Carryover Allocation to qualified projects that have not been placed in service within the year in which they received a Housing Credit Reservation but have met certain minimum requirements set forth by §42 of the Code. Projects receiving Carryover Allocations must be placed in service not later than the close of the second calendar year following the calendar year in which the Carryover Allocation is issued.

A Carryover Allocation is issued for a specific amount of Housing Credits. The Applicant will be required to enter into a Carryover Allocation Agreement for the Housing Credits reserved to the Applicant if the project is not placed in service by the end of the calendar year in which the Housing Credit Reservation is issued. All required outstanding documents (e.g. Market Study, Phase I or Phase II Environmental Study, etc.) must be submitted with the Carryover Allocation package. The Carryover Allocation Agreement will not be made without all required documentation.

Projects must submit a Carryover Allocation package, available from UHC (see Exhibit J), on or before November 1st of the calendar year in which a reservation of Housing Credits was issued with or without the 10% cost certification (see 10% Cost Certification Section).

Subsequent Carryover Allocations

Should a qualified project receive a subsequent reservation of Housing Credits, the above requirements will also apply, i.e. an additional Carryover Allocation and 10% Cost Certification will be required if the project is not placed in service by the end of the year in which it received the subsequent Housing Credit Reservation.

UHC may cancel Carryover Allocations and recapture the Housing Credits if material changes occur without the written consent of UHC. Material changes include, but are not limited to, ownership, management, development team, composition changes, and site location.

10% COST CERTIFICATION

A 10% Cost Certification (see Exhibit K) must be submitted to UHC in a timely manner. This also applies to subsequent Carryover Allocations.

A. 10% of Expected Cost Basis

Costs that may be included in the 10% of expected cost basis amount are the project owner's Adjusted Basis in land or depreciable real property that is reasonably expected to be part of the project, and direct and indirect costs of acquiring, constructing and/or rehabilitating the project.

Application and Compliance Monitoring fees are not included in the 10% of expected cost basis amount. An amount is included in basis if it is treated as paid or incurred under the method of accounting used by the project owner.

B. Certification

The Code requires UHC to verify, by obtaining a written certification from the project owner, under penalty of perjury, that the project owner has incurred more than 10% of the reasonably expected basis in the project as of 12 months after the allocation is made.

The project owner 10% Cost Certification must be accompanied by a written certification from a qualified attorney or CPA certifying to UHC that the attorney or CPA has examined all eligible costs incurred with respect to the project and that, based on this examination, it is the attorney's or CPA's belief that the project owner has incurred more than 10% of its reasonably expected cost basis of the project. The Certification is due to UHC no later than 30 days after the one year anniversary of the allocation. Failure to provide the Cost Certification timely will result in a late fee of $500, and may jeopardize the validity of the Carryover.

Please contact UHC for a copy of the current Certification of 10% CPA Report Schedules.

C. Verification of Land Ownership or Lease

The Code also requires UHC to verify that the owner has incurred the 10% expected cost basis and owns or leases the underlying land and building of the project.

FINAL COST CERTIFICATION & ISSUANCE OF LOW-INCOME HOUSING CREDIT ALLOCATION AND CERTIFICATION FORMS

A. Final Cost Certification

Owners of new construction projects must submit a Final Cost Certification package within 6 months after the last building in a project receives its Certificate of Occupancy.

Owners of rehabilitation projects must submit a Final Cost Certification package within 6 months after the last building in a project receives its Final Inspection Report.

UHC requires notice of changes in credit pricing if the final negotiated credit pricing is different from the pricing projected in the Application. Discussions with the Vice President of Multifamily Finance should take place as soon as it is practicable.

The Final Cost Certification package shall include, without limitation, those documents described in Exhibit L.

For projects completing construction in the same year as the reservation, a complete Final Cost Certification must be submitted on or before November 15th of the same year, otherwise the project owner shall enter into a Carryover Allocation with UHC by the end of the year. If the Carryover Allocation is not executed before the end of the year the project will forfeit those credits.

B. IRS Forms 8609

UHC will issue IRS Forms 8609 reporting the amount of credits allocated to a project following receipt of the Final Cost Certification package in accordance with the QAP. For projects that enter into a Carryover Allocation, the project must be placed in service before the end of the second year thereafter in order to claim the Housing Credits. However, projects that have a Placed in Service Date which is in the same year as the Credit Reservation need not enter into a Carryover Allocation, since IRS Forms 8609 can be used as the allocation document; provided that the Final Cost Certification package is received by UHC no later than November 15th of that year, per paragraph A, above.

The maximum Housing Credit amount to be allocated via IRS Forms 8609 will be based upon UHC's review of the project costs, operations, financing and viability to determine both the total qualified basis for the building and the project funding gap to be closed by the proceeds from sale of the Housing Credits.

IRS Forms 8609 will be released to the project owner after any outstanding fees are paid to UHC and inspection of completed project is conducted by UHC staff. The inspections are to ensure that representations made in the Application have been fulfilled. This inspection will take place within 30 days from the date UHC receives the certified Final Cost Certification package from the owner.

FINANCIAL SUBSIDY REVIEW

Pursuant to federal regulations, UHC shall conduct financial subsidy reviews ("Subsidy Layering Review") on projects that directly or indirectly receive financial assistance from the U.S. Department of Agriculture Rural Development Service (RD) or the U.S. Department of Housing and Urban Development (HUD) exclusive of HOME, CDBG, or HOPWA assistance. These reviews are also called HUD 911 Subsidy Layering Reviews.

The Subsidy Layering Review shall be conducted in accordance with guidelines established by RD and HUD with respect to the review of any financial assistance provided by or through these agencies to the project and shall include, without limitation, a review of:

- the amount of equity capital contributed to a project by investors;
- the project costs including developer fees; and
- the contractor's profit, syndication costs and rates.

In the course of conducting the review, UHC may disclose or provide a copy of the Application to RD or HUD for their review and comment. A Subsidy Layering Review will require a payment of $500 before the review is completed.

OTHER CONDITIONS AND DISCLAIMERS

The Qualified Allocation Plan may be amended from time to time as new guidelines and regulations are issued under §42 of the Code or as UHC deems necessary to carry out the goals of the Program for the State of Utah.

UHC's review of documents submitted in connection with the Housing Credit allocation process is for its own purposes. UHC makes no representations to the owner or anyone else as to (i) compliance with the Code, Treasury regulations, or any other laws or regulations governing Housing Credits, or (ii) the financial viability of any project (see below). All Applicants should consult their tax accountant, attorney or advisor as to the specific requirements of the Code with respect to Housing Credits.

No member, officer, agent or employee of UHC nor any other official of the State of Utah, including the Governor thereof, shall be personally liable concerning any matters arising out of, or in relation to, the Credit Reservation, allocation or consent of transfer of ownership of Housing Credits or the approval or administration of this QAP.

The reservation or allocation of Housing Credits or the issuance of an IRS Forms 8609, is not to be construed as a representation or warranty as to the feasibility or viability of the project or the project's ongoing capacity for success. The evaluation performed by UHC and the resulting determination is made solely at UHC's discretion and solely for the purpose of reserving and allocating Housing Credits under the Program. It is not a representation of the financial feasibility or economic viability of the project.

SIGNAGE

Applicants who receive an award of Housing Credits must erect a sign at the project site indicating that the project is funded through Utah Housing Corporation and list all the sources of funds. The sign must be a minimum size of 24 inches high and 36 inches wide, and must be installed prior to the commencement of construction. An individual sign does not need to be provided if incorporated into a larger group sign. Please contact our Housing Credit Allocation Specialist, Suzette Acord, at sacord@uthc.org for UHC's Logo. Applicants must also include Utah Housing Corporation in any press releases/interviews as the allocator of federal and State Housing Credits, as applicable. When referring to the amount of Housing Credits allocated, the project owner should reference the gross amount the investor is paying for the Housing Credits.

Applicants must email a picture of the sign erected at the project site to Suzette Acord at sacord@uthc.org, no later than 30 days after the commencement of construction.

2. HOUSING CREDIT POOLS AND THE ALLOCATION PROCESS

HOUSING CREDIT RESERVATION CYCLES

Competitive Housing Credit Reservations are generally issued during a scheduled application cycle. UHC will generally hold one competitive cycle for reservation of Housing Credits each year.

Applicants must comply with the format and content of this QAP and present to UHC a clear and complete Application, including all required supporting and supplementary documentation, on or before 5:00 P.M. (Mountain Standard Time) on October 5, 2015. No application will be considered to have been delivered by the deadline if not received by UHC receptionist before 5:00 P.M. Mountain Standard Time. All Applications and supporting documentation must be delivered as a complete, **fully assembled** package at the time of submission. UHC staff will not accept individually faxed, emailed, mailed, or hand delivered documents that arrive separately. All conforming Applications received by the submission deadline will be reviewed and scored.

A decision on each Application will generally be made no later than 90 days after the Application deadline. However, UHC reserves the right, at its sole discretion, to postpone the decision and notification.

Should UHC find it necessary to modify the submission deadline, it will make reasonable efforts to inform interested parties of the changes. No Applicant or Related Party(s) shall receive more than $1,000,000 or 20% of the available Housing Credit Ceiling Amount, whichever is less.

Although it is the intent of UHC to reserve all Housing Credits through one cycle, additional cycles may be utilized by UHC if deemed necessary.

Notice to Applicants:

UHC presumes that no changes will be made to the QAP after its issuance. However, policy changes by HUD, IRS, USDA, or other entities may be made that may impact the QAP and submitted Applications. When UHC becomes aware of such an action, it will reevaluate the QAP and submitted Applications affected by such changes and determine their effect on the feasibility of the project as submitted.

HOUSING CREDIT SET-ASIDE POOLS

The Code mandates certain set-aside allocation pools and allows for establishment of additional set-aside pools by UHC to aid in meeting the goals of the Program. Applications' meeting each set-aside pool's specified criteria may compete within such pool.

In the event that Housing Credits are exhausted in a designated set-aside pool, all remaining projects submitted for such set-aside pool will compete in the general pool or, if eligible, in another available set-aside pool for which it qualifies. UHC may designate additional set-aside pools during the year if deemed appropriate in meeting the goals and objectives of the Program.

A. Non-Profit Organization Set-Aside 10%

To satisfy the requirement of §42 of the Code and encourage participation of Qualified Non-Profit Organizations in the Program, UHC will initially set aside 10 percent of the Housing Credit Ceiling Amount for allocation to projects in which a Qualified Non-Profit Organization will own an interest and will materially participate in the development and operation of the project throughout the compliance period.

A Qualified Non-Profit Organization is one which is:

i. Described in §501(c)(3) or (4) of the Code and is exempt from tax under §501(a) of the Code,
ii. Not affiliated with or controlled by a for-profit organization, and
iii. Has as one of its exempt purposes the fostering of low-income housing.

All Qualified Non-Profit Organizations will be required to complete an Annual Certification of Qualified Non-Profit Organization, (see Exhibit F). A project that is considered for Housing Credits under this pool or receives scoring consideration as a project in which a Qualified Non-Profit Organization will own an interest and materially participate will be required to meet the requirements applicable to this set-aside throughout the extended use period applicable to the project.

B. Non-Metro Areas and Small Project Set-Asides 25%

To encourage the development of affordable rental housing in rural and distressed areas of Utah, and the development of small projects which typically do not have the economies of scale to compete with larger projects, UHC will initially set aside approximately 25 percent of the Housing Credit Ceiling Amount for projects located in those areas of the State identified by UHC (see Exhibit D), and for projects with 25 or fewer units. Any Housing Credits remaining in this set-aside following the cycle shall be reassigned to the general pool during the cycle.

C. Government and Non-Profit Homeownership Set-Aside 5%

To encourage home ownership, approximately 5 percent of the Housing Credit Ceiling Amount will initially be set aside for Government and Non-Profit Sponsored Homeownership projects. Any Housing Credits remaining in this set-aside following the cycle shall be reassigned to the general pool during the cycle.

D. General Pool 60%

UHC will initially set aside approximately 60 percent of the Housing Credit Ceiling Amount for the general pool.

PROCESS FOR SELECTING WHICH POOL A PROJECT WILL COMPETE IN FOR HOUSING CREDITS

Applications will be fully processed for threshold and scoring criteria, including an underwriting determination. All Applications will compete in each pool for which they are qualified.

A. Government and Nonprofit Homeownership Pool Selection (approximately 5%)

i. Determine which Applications meet the criteria (qualify) for this pool.
ii. Rank by score all qualified Applications within this pool.
iii. An award of Housing Credits will be recommended for the highest scoring project(s), in rank order, until the next ranking project cannot be wholly funded. This will establish the cut-off point after which no additional Applications will be funded from this pool.
iv. All Applications funded from this pool must be funded entirely from the available Housing Credits within this pool only. No Housing Credits from the General Pool will be used to partially fund a project within this pool.
v. Applications that fall below the cut-off point will be moved into the General Pool.
vi. Any unused Housing Credits from this pool will be moved into the General Pool.

B. Small / Non-Metro Pool Selection (approximately 25%)

i. Determine which Applications meet the criteria (qualify) for this pool.
ii. Rank by score all qualified Applications within this pool.
iii. An award of Housing Credits will be recommended for the highest scoring project(s), in rank order, until the next ranking project cannot be wholly funded from this pool.
iv. If the highest scoring project requires an amount of Housing Credit that exceeds the amount of available Housing Credit within this pool, the

balance of Housing Credits required to fully fund the project will be pulled from the General Pool.

v. If a balance of Housing Credits remain in the pool and are sufficient to fund at least fifty percent (50%) of the next ranking project, the project will be funded from this pool with the necessary remaining Housing Credits pulled from the General Pool.
vi. If a balance of Housing Credits remain in the pool and are not sufficient to fund at least fifty percent (50%) of the next ranking project, the remaining Housing Credits will be moved into the General Pool.
vii. No additional Applications will be funded from this pool.
viii. Any unused Housing Credits from this pool will be moved into the General Pool.

C. Nonprofit Pool Selection (10%)

The 10% allocation of Housing Credit to the Nonprofit Pool is required by federal statute.

i. Determine which Applications meet the criteria (qualify) for this pool.
ii. Rank by score all qualified Applications within this pool.
iii. An award of Housing Credits will be recommended for the highest scoring project(s), in rank order, until the next ranking project cannot be wholly funded from this pool.
iv. If the highest scoring project requires an amount of Housing Credit that exceeds the amount of available Housing Credit within this pool, the balance of Housing Credits required to fully fund the project will be pulled from the General Pool.
v. If a balance of Housing Credits remain in the pool and are sufficient to fund at least fifty percent (50%) of the next ranking project, the project will be funded from this pool with the necessary remaining Housing Credits pulled from the General Pool.
vi. If a balance of Housing Credits remain in the pool and are not sufficient to fund at least fifty percent (50%) of the next ranking project, the remaining Housing Credits will be moved into the General Pool and will be awarded to the highest scoring nonprofit project in the General Pool which achieves a score high enough to be awarded Housing Credits.
vii. If no nonprofit project in the General Pool scores high enough to receive an award and thereby use the remaining balance of the 10% pool, those credits will be awarded to the next ranking project in the Nonprofit Pool whose request can be at least 50% fulfilled with the balance remaining in the Nonprofit Pool. The remaining portion of needed Housing Credits will be funded from the General Pool.
viii. No additional Applications will be funded from this pool.

D. General Pool Selection (approximately 65%)

i. All remaining Applications will compete in the General Pool.
ii. Rank by score all conforming Applications within this pool.
iii. An award of Housing Credits will be recommended for the highest scoring project(s), in rank order until remaining credits are exhausted. UHC may, at its sole discretion, establish a cut-off point after which no further Housing Credits will be awarded.

UHC may, in its sole discretion, establish a cut-off point in each pool and in total, after which no further Housing Credits will be awarded from any pool.

From among those projects selected for an award of Housing Credits, UHC will give preference in allocating the dollar amounts first to projects which are located in a Qualified Census Tract (QCT), and the development of which contributes to a Concerted Community Revitalization Plan (CCRP); second, to those projects obligated to serve qualified tenants for the longest periods; and third, to the projects serving the lowest income tenants. Such preference in allocating the dollar amounts will result in a full award of Housing Credits from the current credit year (i.e., the project will not be subject to a partial award with a Forward Year Reservation).

In the event that any Housing Credits remain unallocated or revert back to UHC in a manner that requires UHC to allocate the Housing Credits during the same calendar year because the Housing Credits would otherwise be forfeited to the National Pool, UHC may, at its sole discretion, utilize any of the following selection criteria set forth below.

i. Reserve any unused Housing Credits to all projects needing them using a percentage increase set by UHC.
ii. Award Housing Credits from the current year and the subsequent year to the lowest scoring project that could receive a partial award.
iii. Fully or partially fund any Forward Year Reservation of Housing Credits.
iv. Fund previously allocated projects that are at risk of returning Housing Credits due to an inability to fund a shortfall in financing due to increased costs or other unforeseen events.
v. Reserve any remaining Housing Credits at risk of loss as follows:

- first to those Applicants that competed in the most recent cycle based on 1) the ability to proceed in a timely fashion; and 2) the next highest scoring Application; and
- then to projects selected by UHC on a basis that best accommodates the goals of the Program.

Pursuant to § 42(m)(1)(A)(iv) of the Code, a written explanation is available, upon request, to the general public for any reservation or allocation of a Housing Credit that is not made in accordance with established priorities and selection criteria of UHC.

In no case will UHC award Housing Credits to a project without competing in a round of competition open to all Applicants. In no case will UHC accept a return of Housing Credits in exchange for an allocation of a subsequent credit year's Housing Credits.

3. HOUSING CREDITS FOR TAX-EXEMPT BOND PROJECTS

INTRODUCTION

UHC is an independent public corporation created by Utah law in 1975. UHC's principal mission is to provide financing for housing low and moderate income residents of Utah. UHC receives no appropriations from the legislature. No tax dollars are allocated to UHC's programs or its operations, and it is self-supporting. UHC is a qualified issuer of tax-exempt municipal bonds, the interest on which is paid to bond owners is excluded from gross income for federal tax purposes, pursuant to the Code. Interest on UHC's bonds is also exempt from Utah individual income taxes. The tax exemption results in lower borrowing cost to UHC, and the lower interest rates are passed on to a multifamily rental housing project owner by funding a mortgage loan with proceeds of a bond issue. UHC also may issue federally taxable bonds under certain circumstances. Neither the State of Utah nor any of its subdivisions is obligated to pay the bonds and neither the faith and credit nor the taxing power of the State of Utah or of any it's subdivisions is pledged to the payment of the principal or redemption price of or interest on the bonds. UHC has no taxing power.

A. Private Activity Cap Limits Amount of Bonds

The Code provides for several categories of tax-exempt municipal bonds, one of which is referred to as private activity bonds which are principally used for non-governmental purposes; i.e., facilities owned by non-governmental entities. School bonds, water bonds, municipal general obligation bonds, etc. are used to build facilities that are owned by governmental entities and usually do not fall within the private activity bond category. Bonds issued for manufacturing facilities, student loans, and housing are usually private activity bonds. The Code limits the annual amount of private activity bonds that may be issued with each state (the "Cap") and the amount is adjusted each calendar year for inflation. The allocation of the Cap for Utah is administered under the direction of the Governor's Office of Economic Development. The Private Activity Bond Review Board ("PAB") (created by the legislature at Utah Code 63M-1-3002, et seq.) employing the formulas established by state law, allocates the Cap to issuers who have requested allocations for specific projects, facilities and programs. The formula provides initial allotment accounts that are available beginning the first of each year for different types of facilities and programs. Multifamily rental housing for low and moderate income occupants and manufacturing facilities and Qualified Redevelopment Project (QRP) fall within the Small Issue Bond Account, for which an annual initial amount is set-aside. Additional amounts may be allocated for rental housing after July 1 of each year, if certain other allotment accounts have not been depleted before then. The PAB is empowered to allocate the Cap in the amounts that it deems to be equitable. An additional benefit of utilizing tax-exempt private activity bonds is the availability of 4% (approximate) Housing Credits that may be used to reduce the amount of the owner's debt thereby enhance the affordability of the project.

B. New Construction or Substantial Rehabilitation

The Code requires that the proceeds of a multifamily tax-exempt bond issue be used to finance the acquisition and development of newly constructed multifamily rental housing or to finance the acquisition and rehabilitation of buildings and property to be used for multifamily rental housing. The Code requires that costs of rehabilitation equal or exceed 15% of the costs allocable to the

purchase price of the buildings which are financed by tax-exempt bonds. Generally the Code does not permit the simple refinancing or acquisition of an existing project.

C. Revenue Bonds vs. General Obligation Bonds

The sole source of repayment of UHC's bonds, including all interest and any premiums, for multifamily rental housing are the revenue sources related to the projects financed by the bonds. Neither the bonds nor any interest or premium shall ever constitute a general indebtedness of UHC nor can UHC use its resources to repay such bonds.

D. Tenant Income Restrictions

The Code requires that a portion of the units of a rental project financed by tax-exempt bonds be rented to, or if not rented, be vacant and available for, low income tenants. In each case the income requirements are determined by HUD and are based on family size adjustments.

The Code requires that not less than:

i. 20% of the units of a project be occupied by, or vacant and available for tenants with annual income of 50% or less of the "area median income" (AMI), or

ii. 40% of the units of a project must be occupied by, or vacant and available for tenants with annual income of 60% or less of the AMI.

Additionally, the PAB may require that all units be "rent restricted" and that the remaining units not restricted in (i) or (ii) above, be rent-restricted and occupied by individuals whose income averages 80% or less of the AMI. In no case may the income of the occupants of a unit at the time of their initial occupancy exceed 130% of the AMI. A unit is rent-restricted if the gross rent does not exceed 30% of the imputed income limitation. If the project owner utilizes Housing Credits, additional income and rent restrictions may apply.

E. Income Certifications

Each qualified tenant's income must be re-verified at least once each year. Each tenant household will be treated as a qualified tenant unless their household income exceeds a level greater than 140% of the maximum level under which they qualified (50%, 60%, or 80%) of median. Tenants cannot be evicted if their incomes have raised above qualifying income levels. However, the next unit in the project that becomes available for rent must be rented to, or if not rented, be vacant and available for, tenants with incomes that will enable the project to remain in compliance. The project owner must maintain records evidencing compliance with the rent and occupancy requirements. The project owner must file reports with the Treasury Department and with UHC at least annually, certifying that the project meets the income set-aside requirements.

F. Federal Penalties

The Code provides two penalties for projects financed by tax-exempt bonds that violate the federally mandated income set-aside requirements if the non-compliance is not corrected within a reasonable period of time. First, the bonds may become taxable retroactive to the date of issuance. Second, the interest on the bond-financed loan may no longer be deductible from gross income. If compliance is restored, the loan interest may again become deductible, but the interest on the bonds may remain taxable. Additional financial penalties may be charged to the owner by the Treasury Department if the annual reports referred to above are not filed completely or timely.

G. Bond Ratings

One or more national rating services must rate publicly offered bonds issued by UHC. A minimum rating of "A" or better is generally required. The rating will depend upon, among other factors, what type of "credit enhancement" backs the bond repayments. An additional backing for the bonds must be in place to assure that the bond owners will be repaid even if the project and its underlying mortgage loan defaults. A loan funded with the proceeds of a bond sale is not sufficient collateral behind the bonds. Various enhancements have been used including letters of credit issued by the banks with national ratings; bond insurance; certificates issued by one of the federal government sponsored enterprises such as Fannie Mae, Freddie Mac or Ginnie Mae; FHA insurance; and other forms of enhancement. UHC reserves the right to approve all forms of credit enhancement for the bonds. With certain restrictions UHC may permit bonds privately placed with institutional investors to be unrated.

H. Underwriting Process

Publicly offered bonds issued by UHC are sold to underwriter(s) with the financial backing and capability to generate cash at closing equal to the amount of the bonds regardless of whether the bonds have resold to investors. UHC encourages the use of Utah firms whenever possible. The underwriter is responsible to assist in the determination of the most efficient credit enhancement, structure the bond maturities and terms of the bonds, so that the project owner can obtain a satisfactory mortgage interest rate. UHC may appoint or may entertain the requests of the project owner to use underwriters selected by the owner; however UHC reserves the right to approve any underwriter, and may appoint "co-underwriters" as it deems appropriate.

I. Legal Opinion

An opinion with the respect to the tax exemption of the interest on the bonds must be rendered by an attorney with national recognition in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds ("Bond Counsel"). The tax opinion may only be rendered if the bond issue, the facilities financed by the bonds and the uses of the facility comply with the requirements of the Code. UHC appoints Bond Counsel.

J. Cost of Issuance

Bonds issued for the financing of a multifamily rental housing project involve a substantial amount of work and effort by many parties to the transaction. The costs related to a bond financed transaction can be substantial. Some of the costs and fees that the project owner can expect to pay include underwriter's fees, bond counsel fees, underwriter's counsel fees, credit enhancement fees, construction lender fees, permanent lender fees, real estate counsel fees, issuer fees, trustee fees, out of pocket expenses for any of the foregoing, printing costs, rating service costs, etc. UHC's issuer fee is based on the amount of bonds issued. The issuer fee for bonds that will be amortized for 30 years or more varies depending upon the amount of bonds issued and may be estimated using the table below:

Fee Scale		Issue Increments		Maximum Increment Fee
Flat		<$2.5MM		$25,000
0.00875		$2.5 - $7.5MM		$43,750
0.00750		$7.5 - $12MM		$33,750
0.00625		>$12.0MM		Varies

As an example, a $10,500,000 issue would result in an issuer fee of $91,250.

If the amortization period of the bonds is less than 30 years, UHC may reduce the fee representing the shortened term. In all cases, UHC reserves the right to determine the amount of the issuer fee.

Each of the foregoing costs must be paid no later than closing and some perhaps as retainers, beforehand. Some costs may be charged only if a transaction closes, others will be charged for services whether the transaction closes or not. Costs of issuance financed with the proceeds of tax-exempt bonds may not exceed 2% of the proceeds of such bonds.

K. General Requirements of Issuance

i. CAP ALLOCATION

The first step is for the project owner to attempt to obtain an allocation of the Cap from the PAB in the amount requested. Phone 801-538-8699 or visit the Utah Governor's Office of Economic Development website at http://business.utah.gov/relocate/PAB/ to obtain information. The application form of the PAB is the same as the Application. The project owner must complete the Application and pay any application fees, confirmations fees, or extension fees required for the Cap. The PAB generally meets quarterly and the Application must be submitted several weeks in advance of the meeting.

If the PAB allocates an amount of tax-exempt private activity bond which is less than that which is desired by the project owner, the issuance of federally taxable bonds by UHC is possible. The interest rate on the taxable bonds is typically somewhat higher than the tax-exempt rate for a similar maturity. However, when the taxable and tax-exempt rates are blended together to determine the rate required on the mortgage loan, there often remains a benefit over conventional financing.

ii. DETERMINATION OF HOUSING CREDITS FOR BOND PROJECTS

Low income housing projects financed with tax-exempt bonds are eligible for 4 percent Housing Credits if they meet the minimum requirements of the QAP.

- Applications for these Housing Credits may be submitted to UHC as soon as the project owner receives confirmation of Cap allocation from the PAB.
- Applicant must submit two hard copies, one original and one copy of the application together with supporting documentation as detailed in Exhibit A and other sections of the QAP, and an electronic copy of the Application on a disk, along with the UHC application fee.
- The Application submitted to UHC must be the same Application as was approved by the PAB.
- A copy of the approval letter from the PAB must be included with the Application for Housing Credits.
- The Application must satisfy all requirements of §42 and 103 applicable to bond projects.
- The review of an application for Housing Credits for bond projects may occur outside the normal Application rounds.

Applications must be sent to

Claudia O'Grady
Vice President, Multifamily Finance
Utah Housing Corporation
2479 South Lake Park Blvd.
West Valley City, Utah 84120

iii. REIMBURSEMENT RESOLUTION

The next step is for the project owner, UHC's Bond Counsel and staff of UHC to discuss the project, the intended occupants, the requirements of the Code (especially related to the income certifications of the tenants) and the annual reports to be prepared by the project owner, financial plans, the financing team and bond credit enhancements. This discussion should take place before

the project owner submits its Request for Reimbursement Resolution to UHC as described herein.

UHC requires the items listed below to be delivered to UHC's offices not fewer than 10 days in advance of the meeting at which the Reimbursement Resolution is expected to be adopted, in order to help UHC determine if it may wish to adopt a Reimbursement Resolution regarding the issuance of tax-exempt bonds for the financing of the multifamily rental housing project.

- **A non-refundable fee** of $1,000 in the form of a check payable to Utah Housing Corporation.

- **Two copies** of the Request for Reimbursement Resolution reproduced on your letterhead. (See Exhibit AA).

- **Two copies** of your completed Comprehensive Reimbursement Resolution Certification. (See Exhibit AC).

- **Two copies** of your completed Multifamily Housing Credit Application for Private Activity Bond/Low Income Housing Credits, updated to reflect any changes made following the submission of the applications for Cap and Housing Credits. (See Exhibit A).

- **Two copies** of your Certificate of Allocation from the PAB.

UHC must be persuaded or "induced" that the project is one that should receive the scarce benefit of tax-exempt bond financing. The project owner must provide a sufficient amount of information to enable UHC to perform a review that will enable UHC to be persuaded of the social benefits and the financial integrity of the project. The request Reimbursement Resolution and a subsequent public hearing must make reference to the correct project owner's name and entity type (e.g. XYZ, a Utah limited partnership) project address, number of residential units in the project, expected costs of the project, etc.

Changes to the foregoing may require the adoption of a new Reimbursement Resolution which may cause delays and may make costs incurred before the new Reimbursement Resolution ineligible for reimbursement from the proceeds of the bond sale.

The adoption of a Reimbursement Resolution is not a binding commitment by UHC to issue bonds, nor is it a commitment by the project owner to accept such financing. If UHC adopts a Reimbursement Resolution, the bonds may finance the costs incurred by the project owner thereafter, should the bonds be issued, and should the financing structure permit the inclusion of such costs in the debt. Developers are discouraged from incurring such costs until such

time that the terms of any possible financing are more defined and found to be mutually acceptable. Generally, costs incurred by a project owner prior to the adoption of a Reimbursement Resolution may not be financed with the proceeds of the bonds.

The loan underwriting criteria including loan to value ratios, debt service coverage ratios and so forth will determine the loan amount and consequently the amount of bond to be issued.

iv. BOND RESOLUTION / PUBLIC MEETING

The next step is for UHC to adopt a Bond Resolution that officially authorizes the sale of the bonds. Before the adoption of the Resolution takes place, a determination of the credit enhancement, underwriters, bond trustee, loan amount and amount of bonds must have been made by the project owner, including payment for their services, and approved by UHC. Those determinations must be documented in UHC's form of "Term Sheet" and delivered to UHC not less than 10 days in advance of the meeting at which the Bond Resolution is expected to be adopted. The Code requires that a public hearing, "TEFRA" hearing (Tax Equity and Fiscal Responsibility Act of 1982) regarding the proposed financing and bond sale be held by UHC.

The Reimbursement Resolution and TEFRA hearing must make reference to the correct project owner's name and entity type (e.g. XYZ, a Utah limited partnership), project address, and number of residential units in the project, expected costs of the project, etc. Changes to the foregoing may require an additional hearing for which the project owner will be required to pay an additional nonrefundable fee and any related expenses. Finally, the Code requires that the Governor of the state approve the financing.

Any of the steps in the preceding paragraphs can become a stumbling block for the owner to secure the bond financing. Additionally, the owner will incur costs in determining whether bond financing is feasible. Small projects may find the costs of bond financing to be too expensive.

L. Additional Forms and Documents

Additional forms related to the multifamily tax-exempt bond program include the form of Request for Reimbursement Resolution (Exhibit AA), List of Interested Parties (Exhibit AB), and the Comprehensive Reimbursement Resolution Certification (Exhibit AC).

Please be aware that a project financed in any way with tax-exempt bonds:

i. will only receive an allocation of Housing Credits outside of the Housing Credit Ceiling Amount;

ii. does not compete with other projects for an allocation of Housing Credits;

iii. is eligible for 4 percent Housing Credits only;

iv. must meet the requirements of this QAP including commitment to a minimum Extended Use Period of 35 years (for a total of 50 years) for the entire project*;

v. if State Credits are used for feasibility purposes, Applicant must commit to an Extended Use Period of 35 years (for a total of 50 years) for the entire project*;

vi. must submit a Project Development Schedule on or before April 1st and September 1st of each year the project is under development;

vii. does not receive a Housing Credit Reservation;

viii. does not receive a Carryover Allocation of Housing Credits;

ix. is not under time constraints determined by UHC;

x. does not submit a 10% Cost Certification;

xi. must sign and record a Land Use Restriction Agreement (LURA);

xii. must submit a Final Cost Certification; and

xiii. receives a final allocation (IRS Forms 8609) of Housing Credits in the year the project is placed in service.

The amount of Housing Credits allocated to a bond project is automatically calculated in the Application and is contingent upon the a number of factors including, but not limited to, the bond project's eligible basis, fees, applicable fraction, applicable percentage, funding gap, and financing terms.

UHC will review and approve or deny Applications for Housing Credits on bond projects within 60 days of receipt of the Application.

*For Housing Credit projects previously restricted by a LURA, the new LURA will require a 15 year initial compliance period plus a 35 year Extended Use Period, or the balance of years remaining on the previous LURA, whichever is longer.

4. THE SCORING PROCESS

PREFERENCE SELECTION CRITERIA

A. Lower Income Targeting weight = 50

Maximum weighted score for this criterion is 5,000

Purpose: **To recognize efforts to develop rental housing affordable to households across a broad range of incomes, yet favoring more units available to mid-range incomes to enhance long-term feasibility.**

§42 requires projects receiving Housing Credits to set aside a minimum percent of the project's units as rent-restricted units, affordable to households at certain income levels. Points will be awarded in this category to those projects committing to limit rents to levels affordable to households with incomes below the maximum levels permitted in §42. County area median income and related rent schedules for the State of Utah are provided with the Application. These schedules generally change annually.

- **THRESHOLD: §42 Minimum Election** Affordable unit income and rents must not exceed 60% AMI (Area Median Income) using the 40/60 convention (40% of units at or below 60% AMI or less) or 50% AMI using the 20/50 convention (20% of units at or below 50% AMI or less).

Applicant income and rent level commitments shall be fixed for the entire extended use period. Initial tenant incomes shall be restricted to the lesser of (i) the maximum AMI permitted by the Code under the chosen convention, or (ii) the AMI that is 5 percentage points greater than the committed rent level. Committed income and rent levels should be supported by the conclusions of the project's market study submitted during the Application process.

Projects will target rents into any or all of three ranges: "Mid Rent Range" (40% through 45% AMI), "Low Rent Range" (less than 40% AMI), and "Upper Rent Range" (greater than 45% AMI and less than or equal to 50% AMI). Projects may have units above the 50% AMI rent level if supported by a market study, but will score no points for these units.

Points are earned as follows:

(a) Points are determined from the percentage of units in each of the three ranges mentioned above.

(b) The Mid-Rent Range maximum is 60 points when targeting 60% of the units on a uniform scale from 0%-60% (1 point per percent).

(c) Low-Rent Range (i.e., below 40% AMI) units receive a maximum of 20 points for 20% of the total units on a uniform scale from 0%-20% (1 point per percent).

(d) Upper-Rent Range (i.e., above 45% AMI) units receive a maximum of 20 points for 20% of the total units on a scale from 0%-20% (1 point per percent). No points will be awarded for units above 50% AMI.

(e) Unrestricted units receive a score independent of this section.

(f) Homeless units below 25% AMI score points in addition to points earned under this section. See Section D of the Scoring Process for the scoring criteria.

There is no minimum or maximum percentage of units required in any of the three ranges.

The above scoring process is performed automatically after entering data in the electronic version of the Application. The Applicant will need to change the rent tiers in the Application to conform as closely as possible to the maximum point Scoring Module to achieve the highest score.

Projects that dedicate units to chronically homeless housing will receive an exemption from the above AMI targeting matrix for the purposes of scoring, but only for the chronically homeless units. As an example, if a project is 100% chronically homeless, all of the units will be exempt from the AMI tiering structure and the Application will receive the maximum points (5,000) for this category regardless of the specified AMI/rent targeting. However if a project is only 40% chronically homeless, the chronically homeless units will be exempt from the tiering structure but the remaining 60% of the units must employ the AMI tiering structure and will be scored accordingly.

SECONDARY SELECTION CRITERIA

§42 mandates additional Secondary Selection Criteria. These criteria represent social and quality characteristics.

A. Project Location weight = 20

Maximum weighted score for this criterion is 400

Purpose: **To recognize efforts to develop Housing Credit projects in communities that have been determined to be under-served or hard-to-develop.**

Points in this category will be awarded as follows:

	Maximum Score
a) Project is located in a HUD "Difficult to Develop Area" (See Exhibit B)	10
b) Project is located in a "Non-Participating Area", (See Exhibit U) First Housing Credit restricted Project in county* OR First Housing Credit restricted Project in municipality*	 5 5
c) Project is located within 1/3 of a mile of FrontRunner or TRAX stop. The distance shall be measured using the shortest walkable route along public access from the nearest entrance/exit of the project's site. All points along the public portion of the route must be accessible on a paved walkway (i.e., sidewalks and crosswalks). (See Exhibit C)	5
Maximum Points	20
Weighting	X20
Maximum Project Location Total Score	400

* Municipalities and Counties which have not yet been the recipient of an allocation of Housing Credits and are targeted to increase geographic distribution of Housing Credit projects. (See list in Exhibit U).

B. Project Characteristics weight = 20

Maximum weighted score for this criterion is 760

Purpose: **To recognize efforts to develop projects that serve certain populations or provide amenities deemed important to household stability.**

Points in this category will be awarded as follows:

1. Large Units: Project provides three or four bedroom units

	Maximum Score
a) 3 bedroom units: 1 pt. for a minimum of 10% of project 1 additional point for 20% or more of project. The 3 bedroom units included in this count for point scoring must be Housing Credit units.	2
b) 4 or more bedroom units: 1 point for 10% or more of project The 4 bedroom units included in this count for point scoring must be Housing Credit units.	1
Subtotal	3

2. Project Amenities: Project provides above average non-fee amenities

Maximum points in this category is 12. For points claimed for any amenity, a brief written description must accompany the Application. The description should include supporting documentation (e.g. maps), an itemization of inclusions (e.g. clubhouse will have two flat screen televisions, a seating area, and a kitchenette) and estimate of associated cost if applicable. An Application may only count an amenity once; therefore combined functions (a library which is part of a community room, for instance) will only count under one category. An amenity will only score points for the Application of the project in which its costs are incurred. If an Application is for a second or subsequent phase of a multi-phase development, an amenity will only count for one of the phases.

	Maximum Score
a) Covered Parking*	2
b) Tot lot	1
c) Day care facility, available for tenant use at no fee, fully staffed, licensed as required	2
d) Computer Room (must include at least 2 computers, 1 printer, and free internet**	2
e) Furnished Clubhouse or Community Room*** without a kitchen. For projects with 25 or fewer units, the Clubhouse or Community Room must be at least 300 square feet. For projects with more than 25 units, the Clubhouse or Community Room must be at least 450 square feet. These sizes are exclusive of any contiguous space used for leasing, maintenance, or any other purpose.	2
f) Furnished Clubhouse or Community Room*** with a full kitchen. For projects with 25 or fewer units, the Clubhouse or Community Room must be at least 400 square feet. For projects with more than 25 units, the Clubhouse or Community Room must be at least 500 square feet. These sizes are exclusive of any contiguous space used for leasing, maintenance, or any other purpose.	3
g) Wireless or separate wired data network into each unit with full internet service	2
h) Life Skills classes that meet UHC criteria **	2
i) Permanently installed bicycle rack	1
j) Raised vegetable garden area for resident use	1
k) Addition (not replacement) of air conditioning for rehabs	2
l) Dedicated wellness room for visiting health care providers	1
m) On-site storage provided for each unit outside of the living spaces. Contact UHC for approval of this amenity prior to submission of application.	2
n) Within 1/3 mile to a public park that has been designated as green space for public use by a governmental entity or deed restriction. Distance will be measured using the shortest walkable route along public access.	1
o) For senior housing, within 1/3 mile of senior center. Distance will be measured using the shortest walkable route along public access.	1

p) For projects with 3+ bedrooms, within 1/3 mile of a public school. Distance will be measured using the shortest walkable route along public access.	1
q) Furnished exercise room or sport court	2
r) Other _____ (must be approved by UHC prior to the submission of Application)	1
Subtotal	12

* At least 1 covered stall per unit, unless city only permits fewer parking stalls per unit.
**Life Skills and other classes should be made available to all tenants on an ongoing basis with scheduled classes, experts invited in as well as agencies and Nonprofits that provide the types of training listed below. (Some Nonprofits do the training free of charge). For points taken in either the Life Skills Classes category or Computer Room category, on-site space must be available and provide sufficient square footage and accessibility for attendance. A narrative must be submitted with the Application that describes the specific classes being offered and their frequency.
Letters of support from third party agencies providing training must be provided.
*** Clubhouse or Community Room does not need to be a separate building.

Life Skills Classes
1. Finance - banking, loans, budgeting, shopping smart
2. Consumer credit - repair
3. Employment - resources, expectations
4. Medical - hygiene, care, pregnancy, resources
5. Insurance - auto, renter's
6. Driver education
7. Computer literacy
8. Education - vocational, children, resources
9. Apartment living
10. Transportation - resources
11. Childcare - resources
12. Government assistance - resources
13. Health - diet, exercise

3. Historic Character: To encourage the preservation of historic buildings* Applicants may claim points in one of the following categories, but not both. The historic building(s) must be used for Housing Credit units. The historic character of the building(s) must be preserved.

	Maximum Score
a) Buildings that are on the National Register for Historic Places (see link http://history.utah.gov/historic_buildings/national_register/index.html)	3
b) Buildings in a Historic District (see link http://history.utah.gov/historic_buildings/national_register/index.html)	1
Maximum Subtotal	3

*In order to receive points the Applicant must provide evidence and supporting documentation from either of the aforementioned sources.

4. Enterprise Green Communities or LEED Certification: To encourage sustainable design of affordable housing.

	Maximum Score
Project will become certified through the Enterprise Green Communities Initiative or LEED.	5
Subtotal	5

5. Other:

	Maximum Score
a) Available only to substantial rehabilitation projects that maintain or lower the targeted rents below those paid by ALL current tenants.* Housing Credit projects operating under an existing LURA may claim these points if the new aggregate AMI in the rent tiering section is the same or lower than the aggregate AMI rent under the existing LURA. Vacant units are not considered in the analysis. Preservation projects that maintain rent levels or lower rent levels also qualify for this score.	10
b) Projects that involve the use of existing housing as part of a Community Revitalization Plan **	5
Subtotal	15

*Tenants may be temporarily relocated during rehab but must be offered the opportunity to re-lease their current unit or the same unit type at the same rent level or less.
** The CRP must be evidenced by a written document, signed by a local government, consistent with the goals and objectives used in the HUD CDBG program for revitalization areas. Projects must provide a copy of the CRP and a letter from the local government supporting the proposed project and verifying that it is in such an area and consistent with the revitalization plan.

	Maximum Score
Sum of Subtotals	38
Weighting	X20
Maximum Project Characteristics Total Score	760

C. Applicant Characteristics weight = 20

Maximum weighted score for this criterion is 260

Purpose: **To recognize previous development experience of private sector developers, Nonprofits, and quasi-government organizations applying for Housing Credits.**

Points in this category will be awarded as follows:

1. Development Experience: Application contains evidence confirming quality, experience and capacity of Applicant to create and develop Housing Credit units. At least one individual on the development team for the Applicant must have been an essential member of the development team in a previous Housing Credit project in order to claim these points. The development for which experience is being claimed must have been issued IRS Forms 8609 at the time of application in order to be considered under this point category. Joint ventures with a Utah based partner are acceptable for obtaining points in this category, but operating and other agreements must show that the Utah member has controlling interest and receives over 50% of the developer fee. The joint venture operating agreement must be submitted with the Application. *Applicant will receive points in only one of the following categories.*

	Maximum Score
a) Applicant has developed and has ownership interest in multifamily Housing Credit projects in other states but not in Utah.	5
b) Applicant is a Utah-based multifamily housing developer with Housing Credit experience and a minimum of three years of Utah local business licenses.	5
c) Applicant is a Utah based multifamily housing developer with Housing Credit experience and has ownership interest in Housing Credit or Tax-Exempt Bond projects in Utah.	10
Sub-Category Maximum	10

2. **Sponsor Tax Status:** Applicant or sponsor is either a qualified nonprofit, Community Housing Development Organization (CHDO) or Public Housing Authority, as defined by HUD, and materially participates in the development, ownership and management of the project. See Exhibit F for more information. *Applicant will receive points in only one of the following categories:*

	Maximum Score
a) Qualified 501(c)(3) organization	2
b) Utah Community Housing Development Organization (CHDO)	3
c) Public Housing Authority or 501(c)(3) established by Public Housing Authority*	3
Sub-Category Maximum	3

*Must be governed by the same board as PHA

Applicant Characteristics Totals

Maximum Points	13
Weighting	X20
Maximum Applicant Characteristics Total Score	260

D. Tenant Populations with Special Housing Needs weight = 20

Maximum weighted score for this criterion is 700

Purpose: **To recognize efforts to develop projects providing specialized units or assistance for households with special needs.**

Applicant agrees to set aside, continually rent and equip unit(s) to the tenant population as represented in the Application.

The required Market Study must address the feasibility of targeting the special needs populations noted in the Application.

Supportive services required for special needs population must be evidenced by a third-party Service Provider Letter of Intent with a Nonprofit or government provider or sponsor having experience and capacity to provide the services described. A Service Provider Letter (Exhibit R) is required for each special needs category specified in the Application to be eligible for points in targeted categories.

Points in this category will be awarded as follows:

1. Persons with Long Term Mobility Impairments:

Provide at least one fully accessible unit for long term mobility-impaired tenants.

All multifamily housing is required to construct a minimum of 5% of its dwelling units fully accessible for persons with long term mobility impairments. No points are awarded for meeting this minimum requirement. Points are awarded for the number of units over and above the 5% requirement. For instance, if a project is required by the formula to have 4 fully accessible units and the Applicant provides 5 units, points will be awarded for the 1 excess unit. These units are to include accessible food preparation areas, bathrooms, bedrooms and living areas. (See Project and Population Targeting Special Needs Units Section).

	Maximum Score
2 points per unit up to a maximum of 5	10
Subtotal	10

2. Older Persons:

Provide units for use by Older Persons (fifty-five (55) years or older) in accordance with the federal and Utah Fair Housing laws. *Applicant will receive points in only one of the following categories:*

	Maximum Score
A minimum of 80% or more of the units in project must be age-restricted to 55 and older.	3
100% of the units in project must be age-restricted to 62 and older.	5
Sub-Category Maximum	5

*For the purpose of the tie-breaker, an Applicant electing this category for points will only be credited with 80% of designated set aside units.

3. Homeless or chronically homeless units:

Provide at least one unit at or below 25% AMI. Evidence of contractual participation by a Nonprofit or government social service provider for referral of clients is required. (See Project and Population Targeting, Special Needs Units Section for more information).

	Maximum Score
2 points per unit up to a maximum of 5 units.	10
Subtotal	10

4. Housing for other special need individuals:

Provide at least one unit for the following special needs groups. Applicant must provide a narrative outlining an active marketing plan (not simply receiving referrals) for the units and the nature and extent of supportive services offered to tenants. All of the following must have a third-party service provider letter.

- Domestic Violence
- HIV / AIDS
- Developmentally Disabled
- Mentally Ill
- Maturing Foster Children
- Farm Labor
- Veteran
- Refugee

	Maximum Score
1 point per percent of the low-income units up to a maximum of 10.	10
Subtotal	10
Maximum Points	35
Weighting	X20
Maximum Tenant Populations with Special Housing Needs Total Score	700

E. Service to Tenants with Public Housing Assistance weight = 20

Maximum weighted score for this criterion is 200

Purpose: **To recognize efforts in the placement of households utilizing HUD Section 8 Vouchers or Certificates.**

Points in this category will be awarded as follows:

	Maximum Score
Applicant must provide a Memorandum of Understanding (MOU) between the Applicant and the local PHA (see Scoring Exhibit V), indicating willingness to accept tenant applications under the applicable program and restrictions.	10
Subtotal	10
Weighting	X20
Maximum Service to Tenants of Public Housing Assistance Total	200

F. Housing Needs Characteristics weight = 20

Maximum weighted score for this criterion is 300

Purpose: **To recognize efforts to develop mixed-income projects.**

Points in this category will be awarded as follows:

Mixed Income Projects:

Project combines Housing Credit units with Unrestricted Units that are not rent restricted and/or retail/commercial units. In order to receive points in this category the Unrestricted Units (or market rate units) may not be subsidized with any form of rental assistance. If the proposed project is a scattered site development all units must be rent restricted residential units under the Housing Credit program.

	Maximum Score
0.5 points per 1% of project total units that are not income/rent restricted up to 30% of the project	15
Subtotal	15
Weighting	X20
Maximum Housing Needs Characteristics Total	300

G. Cost and Credit Efficiency weight = 10

Maximum weighted scored for this criterion is 100

Purpose: **To recognize efforts to contain costs and maximize the efficient use of Housing Credits.**

In an effort to encourage efficient use of the Housing Credit, with an emphasis on producing the greatest number of quality, sustainable, and energy efficient units as possible, applications will include the potential for points for cost efficiency.

Each project's costs will be calculated at four levels:

- Hard costs per unit;
- Hard costs per Net Residential Square Footage (NRSF);
- Total Development Costs (TDC) per unit; and
- TDC per NRSF.

Hard costs are calculated as the sum of costs for existing structures, site work, rehab and/or new construction, and hard cost contingency.

Each cost category (hard costs per unit, hard costs per NRSF, TDC per unit, and TDC per NRSF) will then be measured against the averages of those categories from the previous year's competitive applications for Housing Credit, plus an inflation factor for the cost of construction determined by a third party consultant. Those averages will be published as Exhibit X, Average Cost Data. The spreadsheet application will calculate the score of these cost categories, determine an average of the three scores, and apply points for the average score weighted at 10.

Scores are awarded as follows:

≤ 80% of Average	10 points
80.1% - 90.0% of Average	8 points
90.1% - 100% of Average	6 points
100.1% - 125% of Average	3 points
≥ 125.1% of Average	0 points

An example is provided below.

	Hard Costs per NRSF	Hard Costs per Unit	TDC per Unit	TDC per NRSF	
≤ 80% of Average					
80.1% - 90.0% of Average	X				
90.1% - 100% of Average		X		X	
100.1% - 125% of Average			X		
≥ 125.1% of Average					
	8 points	6 points	3 points	6 points	Average = 5.75 Rounded = 6
					60 points

	Maximum Score
Cost and Credit Efficiency Points	10
Weighting	X10
Maximum Cost and Credit Efficiency Total	100

H. Tie-Breaker

As described in the above entitled section Housing Credit Pools and the Allocation Process, projects are rank ordered by score in their respective competitive pools. Housing Credits are awarded to projects in order of their score. In the event that there are only enough Housing Credits remaining to fund one project and two or more projects have identical Application scores, the determining tie breaker will be the Housing Credit efficiency, which is calculated as the ratio of Housing Credits requested per Net Residential Square Foot (NRSF) of Housing Credit units. The project with the lowest ratio for Housing Credit efficiency will win the tie breaker and, therefore, be awarded Housing Credits.

In the event the score remains tied after applying the Housing Credit efficiency tie-breaker, the second tie-breaker will be the percentage of special needs units in the project. Special needs units are those enumerated in the Project and Population Targeting section above, with the exclusion of housing for tenant populations of households with minor children. The project with the highest percentage of these designated special needs units will win the second tie breaker and, therefore, be awarded Housing Credits.

This tie breaker system will apply to each set-aside pool. The winning project will be awarded credit from that pool, and the non-winning project will be moved into the General Pool where it will compete against all other projects in that pool. If a tie remains at the end of distribution of credits from the General Pool, the tie breaker will be applied to determine the final project to receive Housing Credit.

The allocation of Housing Credits in a tie breaker situation is subject to, without limitation, all of the provisions of the Qualified Allocation Plan relating to allocation of Housing Credits.

5. OTHER AFFORDABLE HOUSING RESOURCES

STATE OF UTAH CREDITS

The State of Utah has authorized UHC to allocate State Credits against State of Utah tax liabilities pursuant to Utah Code § 59-7-607 and § 59-10-1010 for the purpose of creating affordable rental housing. UHC has incorporated the use of State Credits in the Application and set aside 50% of its annual State Credits Ceiling Amount for allocation to projects that combine the federal and state credits pursuant to paragraph (i) below.

i. Applicants will be required to first complete their Application without reliance on State Credits. Applicants will then complete the State Credit section to reduce rents.

ii. In the event the set-aside of State Credits has been exhausted, UHC may, at its sole discretion, allocate State Credits over the State Credits set-aside to Application requests.

iii. Initial Applications may not rely on State Credits to fund gaps. State Credits subsequently requested to fund financing shortfalls must demonstrate a dollar–for–dollar leveraging (including developer fees) of the proceeds of State Credits with additional financial resources with finance terms at or below the applicable federal rates (AFR) published by the IRS.

iv. The Applicant must demonstrate that other local, state, federal or private resources (including deferral of fees or equity contributions by the developer) have been approached and report the results of such efforts when applying for State Credits.

v. State Credits are not to be used to fund increases in developer or any Related Party fees.

State Credits may also be requested outside of the normal Application process. Contact UHC for assistance.

OLENE WALKER HOUSING LOAN FUND (OWHLF)

The Application allows Applicants to combine Housing Credits and OWHLF debt financing requests in one Application.

Further information on OWHLF can be found on the Utah Division of Housing & Community Development website at www.housing.utah.gov/owhlf/programs.html.

6. EXHIBITS

Exhibit A STATE OF UTAH 2016 HOUSING CREDIT APPLICATION TABLE OF CONTENTS/SELF-CERTIFICATION CHECKLIST

The Application Deadline is
Monday, October 5, 2015 at 5:00 p.m.

Application Submittal:

- One original and one copy of the entire Application, tabbed, with all required attachments, must be submitted in a 3–ring binder along with a CD of the electronic excel Application.
- The Table of Contents/Self-Certification Checklist and required exhibits will be provided to the Applicant along with the electronic Application for submission.
- Email electronic excel Application to David Seely at: dseely@uthc.org.
- If applying for Olene Walker Housing Loan Fund you must submit one more copy of the entire Application with all required attachments in a 3–ring binder.

Application Assembly:

Note: Applications require 38 tabs as outlined in the Table of Contents/Self-Certification Checklist.

- The completed and signed Table of Contents/Self Certification Checklist should be placed as the first pages in the Application Binders in front of the tabbed sections.
- Materials must be organized in the order of the table of contents.
- If any item in the table of contents that is not applicable, insert sheet stating "Not Applicable".
- Applications lacking documentation may be considered non-conforming and returned without consideration. All scoring items must be supported by third-party documentation.

Please check box

For any points claimed that are supported by a letter or email approval from UHC under any of the following categories, the Applicant must include a copy of the letter or email in the appropriate tab.

Tab 1. Executive Summary providing a thorough overview of the project that the Applicant feels should be considered in the Housing Credit review

☐ Executive Summary

Tab 2. Electronic Application

Note: Use colored separator sheets labeled with the name of the attachment in front of the attachment

☐ Application

☐ HC Score

☐ Proforma

☐ Required Forms

☐ OWHLF

Tab 3. Certified copies of the organizational documents of all the entities involved in the project

- ☐ Certificate of Organization and/or Operating Agreement
- ☐ Certificate of Limited Partnership and/or Partnership Agreements
- ☐ Government entity creation document
- ☐ Joint venture Operating Agreement

Tab 4. Resumes of the principals of the owner entity, or any sub-entities within the ownership structure

- ☐ Resume
- ☐ Resume of Sub-Entities

Tab 5. Current Financial Statements for each of the following

- ☐ Sponsor, and underlying entities related to the Application
- ☐ Applicant, and underlying entities related to the Application
- ☐ Developer, and underlying entities related to the Application

Tab 6. Comprehensive Financial Disclosure Certification

Exhibit E ☐ Comprehensive Financial Disclosure Certification

Tab 7. Nonprofit Applicants

- ☐ Articles of Incorporation and Bylaws, evidencing that one of its exempt purposes is the providing of low income housing
- ☐ Copy of the IRS determination letter of tax-exempt status

Tab 8. CHDO Designation

Note: Only one attachment is required

- ☐ CHDO Designation Certificate; or
- ☐ CHDO Letter attesting to the designation from the State or HUD

Tab 9. Community Revitalization Plan

- ☐ Regular Community Revitalization Plan
- ☐ Letter from local government supporting and verifying that the project is an integral part of the Plan

Tab 10. Service Provider Letter for Special Needs Set-Aside units to service the needs of special needs tenants proposed in the Application

☐ Detailed narrative outlining the (1) marketing plan for the units and the (2) nature and (3) extent of supportive services offered to the tenants

Exhibit R ☐ Service Provider Letter for each special needs category specified in the Application must outline the (1) experience of the service provider and the (2) provider's understanding of the number of units being set aside for the specific targeted population and (3) that the provider has enough clients to fulfill the needs of the requested set asides for the duration of a referral's tenancy, and has enough clients to continue to fulfill the needs of all previously committed set aside units, and (4) a full description of the services the provider will make available to the tenant

Tab 11. Life Skills Classes

Note: If points were taken for the above the following must be submitted

☐ A narrative must be submitted describing the specific classes being offered and their frequency.

☐ Letters of support from agencies providing the training

Tab 12. Project Amenities

Note: If points were taken for the above the following must be submitted

☐ Written Description (an itemization of inclusions e.g. clubhouse will have two flat screen televisions, a seating area, and a kitchenette)

☐ Supporting Documentation (e.g. maps)

☐ Estimate of associated costs, if applicable

Tab 13. Memorandum of Understanding (MOU)

Exhibit V ☐ MOU from Public Housing Authority accepting housing choice voucher holders

Tab 14. Chronically Homeless Projects

☐ Letters of Endorsement from the region Continuum of Care Coordinating Council

☐ Proposed Service Providers

☐ Supportive Services Plan Outline

☐ Evidence of Project Based Rent Subsidy

Tab 15. Energy Star, See Exhibit T

Note: Only one attachment is required

- ☐ A Preliminary rating score (HERS); or
- ☐ Letter from an independent Energy Star rater indicating Energy Star certification or enhancement

Tab 16. Prior Activities Certification certifying that owners, principals or management agents affiliated with the project have not been disbarred or are "Not in Good Standing" with UHC

Exhibit W ☐ Prior Activities Certification

Tab 17. Title Report

- ☐ Current Title Report

Tab 18. Evidence of Site Control (Site Control must extend to or beyond December 31, 2015)

- ☐ Warranty Deed; or
- ☐ Executed Real Estate Purchase Contract; or
- ☐ Executed Lease Agreement

Tab 19. Site Location

- ☐ Site Location Map
- ☐ Plat Map

Tab 20. Historic Character

Note: If points were taken for the above only one attachment is required

- ☐ Documentation providing evidence that the building(s) is on the National Register for Historic Places; or
- ☐ Documentation providing evidence that the building(s) is in a Historic District

Tab 21. Zoning

- ☐ Letter from the jurisdiction's zoning official (must be on jurisdiction's letterhead and signed by an authorized official) stating the property is properly zoned for the proposed project. The letter must address the current status, any procedures and timetables for the project relative to conditional use permits, density, parking requirements, and required public meetings
- ☐ Zoning Ordinance
- ☐ Zoning Map

Tab 22. Condition Use Permit

- ☐ A Stamped copy of the application filed with the appropriate jurisdiction
- ☐ Acknowledgement by the city or county
- ☐ Copy of receipt of fees paid

Tab 23. Environmental Study (if submitted at the time of Application it must be dated within six months of the Application submission deadline)

- ☐ Phase I or Phase II Environment Study

Tab 24. Elevation and Floor Plans, if available (8 1/2 x 11)

- ☐ Elevation
- ☐ Floor Plan

Tab 25. Project Owner of Identity Interest Certification in required forms section of the Application

Required Form 2 ☐ Project Owner Identity of Interest Certification

Required Form 1 ☐ Identity of Interest Information

Tab 26. Letters of Interest from each of the proposed sources of funds, including grants and investors. Letters of Interest shall include estimate of operating and rent up reserves. The Investor letter must stipulate estimated timeframe for capital contribution and pricing. (Enter the name of the source of fund in the space provided)

- ☐ Letter of Interest – Source Name _____
- ☐ Letter of Interest – Source Name _____
- ☐ Letter of Interest – Source Name _____

Tab 27. Current Utility Allowance Documentation from the local Public Housing Authority, HUD, or Rural Development utility allowance or a signed statement from the local public utility companies (based on actual data and not on engineering estimates of similar units)
Note: Only one attachment is required

- ☐ Utility Allowance from Public Housing Authority; or
- ☐ Utility Allowance from HUD; or
- ☐ Utility Allowance from Rural Development; or
- ☐ Signed Statement from local public utility companies; or
- ☐ Energy Star Rater's Utility Estimates based on plans and spec's for buildings

Tab 28. Independent Third Party Market Study along with the Market Study Checklist and Certification of Independence (must be less than 90 days from the time of application submission deadline)

- ☐ Current Market Study
- ☐ Market Study Checklist and Certification of Independence

Tab 29. Land Appraisal (must be dated within six months of the Application submission deadline)

- ☐ Land Appraisal for Rehabilitation Projects
- ☐ Land Appraisal for Related Party Transactions

Tab 30. Operating Subsidies Supporting Documentation for New Construction and Rehabilitation Projects

- ☐ Contract for operating subsidies for New Construction Projects
- ☐ Contract for operating subsidies for Rehabilitation Projects

Tab 31. Operating Statement for Rehabilitation Projects that are designated as either RD projects or HUD rent subsidized Projects

- ☐ Prior year Operating Statements

Tab 32. Rent Rolls for Acquisition/Rehabilitation Projects
Note: Only one attachment is required

- ☐ Independent Third Party certifying the current rents and occupancy levels of the Project; or
- ☐ Current leases, deposit slips, and rent rolls with supporting bank statements for the most recent 12- month period in lieu of third party certification

Tab 33. Relocation Plan for Acquisition/Rehabilitations with Current Tenants

- ☐ Relocation Plan, describing the extent to which current tenants will be relocated or dislocated either temporary or permanently, the amount of funds and assistance being provided to relocated/dislocated tenants, and the effort that will be made to bring the relocated/dislocated tenants back to the project upon completion

Tab 34. Capital Needs Assessments for Rehabilitation Projects

Exhibit Q ☐ Capital Needs Assessment

Tab 35. Enterprise Green Communities Certification (EGCC) or Leadership in Energy & Environmental Design (LEED)

☐ EGCC or LEED Narrative, include costs and

Note: Only one attachment is required

☐ EGCC Request Form

☐ For LEED – A self certifying written statement

Tab 36. OWHLF Required Additional Documentation

☐ Documents are available from OWHLF website at:
http://housing.utah.gov/owhlf/programs.html

Tab 37. Private Activity Bond (PAB) Application Requirements

☐ See requirements on PAB website at:
http://business.utah.gov/relocate/PAB/app-fees/

Tab 38. UHC Claim of Business Confidentiality Request

Exhibit AE ☐ UHC Claim of Business Confidentiality Request

If any item listed above is not checked or is not applicable to your Project, please reference the specific tab number and document and provide an explanation.

Self-Certification of Threshold Requirements

I, (Name), (Title of Authorized Official of (Sponsor Organization)) acknowledge that I have completed the self-certified threshold checklist and that all the required documentation necessary to review this application has been included.

ORGINAL SIGNATURE OF AUTHORIZED OFFICIAL

_____	_____
(Signature)	(Date)
_____	_____
(Name)	(Organization)
_____	_____
(Title)	(Project)

Exhibit B HUD'S DESIGNATED DIFFICULT DEVELOPMENT AREAS (DDA), QUALIFIED CENSUS TRACTS (QCT)

HUD NON-METROPOLITAN DDA BY COUNTY EFFECTIVE THROUGH DECEMBER 31, 2015

UINTAH

NON-METROPOLITAN AREA QCTs BY COUNTY EFFECTIVE THROUGH DECEMBER 31, 2015

BEAVER COUNTY	1001.00	
CARBON COUNTY	0003.00	
IRON COUNTY	1103.00	1105.00
SAN JUAN COUNTY	9420.00	9421.00
SANPETE COUNTY	9724.00	

METROPOLITAN AREA QCTs BY COUNTY EFFECTIVE THROUGH DECEMBER 31, 2015

LOGAN MSA

CACHE COUNTY

0005.02	0006.00	0007.02	0008.00	0010.02

SALT LAKE CITY-OGDEN MSA

DAVIS COUNTY

1256.00	1257.01

SALT LAKE COUNTY

1003.08	1006.00	1014.00	1016.00	1019.00	1020.00
1021.00	1023.00	1025.00	1027.01	1027.02	1028.02
1029.00	1114.00	1115.00	1116.00	1117.01	1124.03
1126.10	1133.06	1133.07	1134.06	1135.14	1135.38
1139.06	1140.00				

SUMMITCOUNTY

9644.01

WEBER COUNTY

2002.02	2004.00	2008.00	2009.00	2011.00	2012.00
2013.01	2018.00	2019.00			

PROVO-OREM MSA

UTAH COUNTY

0011.08	0014.02	0016.01	0016.02	0016.03	0017.01
0017.02	0018.01	0018.02	0018.03	0019.00	0023.00
0024.00	0025.00	0028.01	0028.02	0105.06	

ST. GEORGE MSA

WASHINGTON COUNTY

2713.00

Exhibit C UHC QUALIFIED BONUS AREAS

Pursuant to the Housing and Economic Recovery Act of 2008, UHC has been provided authority to increase the eligible basis of certain buildings to 130% of the eligible basis, when it determines that the financial feasibility of the building so requires.

Projects located within 1/3 of a mile of walking distance along public access to an existing or currently under construction Trax or FrontRunner stop/station are considered Transit Oriented developments (TOD) and will be considered a bonus area, eligible for a basis boost of up to 30 percent. UHC will use Google Maps as its measuring standard. **Please note tax-exempt bond projects are ineligible for a basis boost in a UHC qualified bonus area.**

UHC QUALIFIED BONUS AREAS ALONG UTA'S FRONTRUNNER AND TRAX RAIL LINES

Projects must be within 1/3 mile of an existing station or a station which is under construction as of the date of Application submission.

TRAX STATIONS

Downtown Line

Salt Lake Central – 325 S 600 W
Old Greek Town – 550 W 200 S
Planetarium – 150 S 400 S
Arena – 350 W South Temple
Temple Square – 150 W South Temple
City Center – 100 S Main Street
Gallivan Center – 275 S Main Street

University Line

Library – 225 E 400 W
Trolley – 625 E 400 S
900 East & 400 South – 875 E 400 S
Stadium – 1349 E 500 S
U. South Campus – 1790 E South Campus Dr
Fort Douglas – 200 S Wasatch Dr
U. Medical Center – 10 N Medical Dr

Salt Lake/Sandy Line

Courthouse – 450 S Main Street
900 South – 900 S 200 W
Ballpark – 1300 S 180 W
Central Pointe – 2100 S 221 W
Millcreek – 3300 S 210 W
Meadowbrook – 3900 S 188 W
Murray North – Fireclay Ave (4400 South) 71 W
Murray Central – Vine St (5144 S) Cottonwood St (140 W)
Fashion Place West – Winchester St (6400 S) 222 W
Midvale Fort Union – 7250 S 180 W
Midvale Center – 7720 S 95 W
Historic Sandy – 9000 S 165 E

Salt Lake/Sandy Line (Continued)

Sandy Expo – 9375 S 150 E
Sandy Civic Center – Sego Lily Dr (9800 S) 115 E
Crescent View – 361 E 11400 S
Kimballs Lane – 11796 S 700 E
Draper Town Center – 1131 E Pioneer Rd

Airport Line

Airport – 650 N 3700 W
1940 West – 1940 W North Temple
Power – 1500 W North Temple
Fairpark – 1150 W North Temple
Jackson/Euclid – 820 W North Temple
North Temple Bridge – 500 W North Temple

West Valley Line

West Valley Central – 2750 W 3590 S
Decker Lake – 3070 S 2200 W
Redwood Junction – 1740 W Research Way
River Trail – 2340 S 1070 W

Mid-Jordan Line

Daybreak Parkway – 11405 S Grandville Ave
South Jordan Parkway – 10605 S Grandville Ave
5600 W Old Bingham Hwy – 5651 W Old Bingham Hwy
4800 W Old Bingham Hwy – 4773 W Old Bingham Hwy
Jordan Valley – 3400 W 8600 S
2700 W Sugar Factory Rd – 8351 S 2700 W
West Jordan City Center – 8021 S Redwood Rd
Historic Gardner – 1127 W 7800 S
Bingham Junction – 7387 S Bingham Junction Blvd

FRONTRUNNER STATIONS

FrontRunner North

Pleasant View - 2700 N Highway 89
Ogden - 2350 S Wall Ave
Roy - 4155 S Sandridge Dr
Clearfield - 1250 S State Street
Layton - 150 S Main Street
Farmington - 450 N 800 W
Woods Cross - 750 S 800 W
Salt Lake Central – 250 S 600 W
North Temple – 500 W North Temple

FrontRunner South

Murray Central – 140 W Vine Street
South Jordan – 10351 S Jordan Gateway
Draper – 12997 S FrontRunner Blvd
Lehi – 3101 N Ashton Blvd
American Fork – 782 W 200 S
Orem – 1350 W 900 S
Provo – 690 S University Ave

Exhibit D RURAL TARGETED AREAS

The White House's Office of Management and Budget (OMB) designates counties as Metropolitan, Micropolitan, or Neither. A Metro area contains a core urban area of 50,000 or more population, and a Micro area contains an urban core of at least 10,000 (but less than 50,000) population. All counties that are not part of a Metropolitan Statistical Area (MSA) are considered rural. Micropolitan counties are considered non-Metropolitan or rural along with all counties that are not classified as either Metro or Micro.

Under this definition, all counties are rural targeted except the following SMSA counties:

Cache County
Davis County
Juab County
Morgan County
Salt Lake County
Summit County
Tooele County
Utah County
Washington County
Weber County

Exhibit E COMPREHENSIVE FINANCIAL DISCLOSURE CERTIFICATION

I hereby certify that the following statements and information, including information contained in any attachments to this Comprehensive Financial Disclosure Certification, are, to the best of my knowledge based upon due inquiry, true, accurate and complete.

If the answer to any of the following questions is YES, please provide a **signed,** comprehensive narrative regarding past and current facts describing the matter on separate pages. Include facts about such real estate developments including a listing of principals related to the real estate development, the financing and equity sources and the addresses. UHC reserves the right to disqualify an application based on an affirmative answer to any of the following questions. These questions must be answered by the Applicant on behalf of each identified member of the development team.

For the period beginning ten (10) years prior to the date of this certification:

1. ☐Yes ☐No The undersigned is or was a principal in a residential rental project (located in any state) for which an allocation of Federal Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986, or Private Activity Bond Volume Cap under Section 146 of the Internal Revenue Code of 1986 was made to the residential rental project or its developer or sponsor, but which allocation was not fully utilized and any portion of such allocation expired and was unable to be utilized within the state of its allocation.

2. ☐Yes ☐No Neither the undersigned, any Interested Party (as set forth in the attached list), nor a person or entity related to the undersigned or any such Interested Party, had an ownership interest in the residential rental project (including the project site) to be financed at any time during the preceding five (5) years.

3. ☐Yes ☐No The undersigned is or was a principal in a real estate development (located in any state) in which there has been or was alleged to have been a default or non-compliance regarding:
   - Tax-exempt bond compliance requirements, or
   - Low Income Housing Tax Credit compliance requirements, or
   - A mortgage loan, construction, bridge or interim loan (including any assignment, deed-in-lieu of foreclosure, foreclosure, or lender relief) or
   - Real estate development partnership or operating (investor) agreements, or
   - Rent-up / vacancy requirements, or
   - Federal, state or local building, housing maintenance and/or construction codes or laws.

4. ☐Yes ☐No There is or has been litigation or a judgment related to:
   - The ownership or operation of any real estate which could materially and adversely impact the financial condition of the undersigned, or
   - The undersigned's ownership interest in any real estate ownership, development, or management entity, or

- Any entity in which the undersigned owns a significant interest (5% or greater) which could materially and adversely impact the entity's financial condition.

5. ☐Yes ☐No There are unresolved findings raised as a result of audits, management reviews or other investigations by federal, state, or local government entities concerning the undersigned or real estate developments in which the undersigned is a principal.

6. ☐Yes ☐No The undersigned has been convicted of or plead guilty to fraud, a felony, or securities violation or is presently the subject of a material civil complaint, criminal charge, or indictment charging fraud, felony, or securities violation. (A felony is defined as any offense punishable by imprisonment for a term exceeding one year but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less).

7. ☐Yes ☐No The undersigned has been suspended, disbarred, debarred or otherwise restricted by any department or agency of the federal government or any state from doing business with such department or agency.

8. ☐Yes ☐No The undersigned is or was the subject of any bankruptcy or insolvency proceeding or is subject to unsatisfied liens or judgments.

9. ☐Yes ☐No The Project or the land upon which it is located, or any other real estate development in which the undersigned is a principal has any environmental or hazardous violations claimed against it.

10. ☐Yes ☐No The Project is located in a jurisdiction in which there is a court decision or court entered plan to address housing desegregation or remedy some other violation of law. [If the Project is located in such a jurisdiction provide the evidence for your conclusion that it is consistent with such court decision or court entered plan in an attachment to this omnibus certification].

Name _____

Title _____

% of Interest in ☐ Project ☐ Developer: ____ %
(check one box)

Signature _____

Date _____

Exhibit F ANNUAL CERTIFICATION OF QUALIFIED NONPROFIT ORGANIZATION

For purposes of Internal Revenue Code (the "Code") §42, _____ (the "Corporation") hereby represents and certifies to Utah Housing Corporation the following:

1. The Corporation owns an equity interest in _____ (the "Owner") which owns and operates the _____, a Housing Credit project (the "Project"), located in _____, Utah.

2. The Corporation is a "Qualified Nonprofit Organization" within the meaning of §42(h)(5)(C) of the Code with respect to the Project such that the Corporation is:
   (i) an organization described in §501(c)(3) or (4) of the Code and is exempt from tax under §501(a) of the Code;
   (ii) not affiliated with or controlled by a for-profit organization; and
   (iii) one of the exempt purposes of the Corporation includes the fostering of affordable housing.

3. The Corporation will materially participate (within the meaning of §469(h) of the Code) in the development and operation of the Project throughout the compliance period with respect to the Project. For purposes of this material participation representation, the Corporation represents and certifies that it has satisfied one of the following material participation standards provided for under Section 1.469-5T of the Income Tax Regulations (check applicable line):

   _____ The Corporation participated in the activity of the Project for more than 500 hours during the taxable year.

   _____ The Corporation participation in the activity of the Project for the taxable year constitutes substantially all of the participation in such activity of all individuals (including individuals who are not owners of interests in the Project) for such year.

   _____ The Corporation participated in the activity of the Project for more than 100 hours during the taxable year, and the Corporation's participation in the activity of the Project for the taxable year is not less than the participation in the activity of any individual (including individuals who are not owners of interest in the Project) for such year.

   _____ The activity of the Project is a significant participation activity (within the meaning of Section 1.469-5T(c) of the Income Tax Regulations) for the taxable year, and the

Corporation's aggregate participation in all significant participation activities during such year exceed 500 hours.

_____ The Corporation materially participated in the activity of the Project (determined without regard to this paragraph) for any five taxable years (whether or not consecutive) during the ten taxable years that immediately precede the taxable year.

_____ Other: _____

Explain: _____

_____

_____

_____

Under penalties of perjury, the undersigned hereby certifies that the foregoing information is true and correct as of the date hereof.

DATED this _____ day of _____, 20_____.

CORPORATION:

_____

By: _____

Its: _____

Exhibit G1 PROJECT DEVELOPMENT SCHEDULE – *New Project*

Must be submitted to UHC April 1st and September 1st each year until project is completed.

Project Name: _____

	Activity		Expected Date		Completed Date
A.	**Site**				
		Environmental Review			
		Closing / Site Transfer			
B.	**Financing**				
	1.	*Construction Closing*			
	2.	*Permanent Closing*			
	3.	*Investor Commitment*			
C.	**Plans & Specs (Final)-Approved by the City**				
D.	**Project Signage with UHC Logo**				
E.	**Building Permit**				
F.	**Groundbreaking**				
G.	**Construction Begins**				
H.	**Carryover Submission**				
I.	**Occupancy Certificate**				
J.	**Open House/Ribbon Cutting**				
K.	**Lease Up**				
L.	**Placed in Service (Last Bldg.)**				
M.	**Final Cost Certification**				

Indicate percent complete at the date of this schedule ___% Complete.

Developer must provide documentation for <u>any changes</u> to the project.

Failure to submit the Project Development Schedule on a timely basis will result in Developer being classified as Not in Good Standing.

Exhibit G2 PROJECT DEVELOPMENT SCHEDULE – ***Rehab Project***

Must be submitted to UHC April 1st and September 1st each year until project is completed.

Project Name: _____

	Activity		Expected Date		Completed Date
A.	**Site**				
		Closing / Site Transfer			
B.	**Financing**				
	1.	*Permanent Closing*			
	2.	*Investor Commitment*			
C.	**Plans & Specs (Final)-Approved by the City**				
D.	**Project Signage with UHC Logo**				
E.	**Building Permit**				
F.	**Construction Begins**				
G.	**Carryover Submission**				
H.	**Open House/Ribbon Cutting**				
I.	**Placed in Service (Last Bldg.)**				
J.	**Final Cost Certification**				

Indicate percent complete at the date of this schedule ___% Complete.

Developer must provide documentation for <u>any changes</u> to the project.

Failure to submit the Project Development Schedule on a timely basis will result in Developer being classified as Not in Good Standing.

Exhibit G3 PROJECT DEVELOPMENT SCHEDULE – ***Bond Project***

Must be submitted to UHC April 1st and September 1st each year until project is completed.

Project Name: _____

	Activity		Expected Date		Completed Date
A.	**Site**				
		Environmental Review			
		Closing / Site Transfer			
B.	**Financing**				
	1.	*Issuance of Bonds*			
	2.	*Investor Commitment*			
C.	**Plans & Specs (Final)-Approved by the City**				
D.	**Project Signage with UHC Logo**				
E.	**Building Permit**				
F.	**Ground Breaking**				
G.	**Construction Begins**				
H.	**Occupancy Certificate**				
I.	**Open House/Ribbon Cutting**				
J.	**Lease Up**				
K.	**Placed in Service (Last Bldg.)**				
L.	**Final Cost Certification**				

Indicate percent complete at the date of this schedule ___% Complete.

Developer must provide documentation for <u>any changes</u> to the project.

Failure to submit the Project Developer Schedule on a timely basis will result in Developer being classified as Not in Good Standing

Exhibit G4 PROJECT DEVELOPMENT SCHEDULE *Bond Rehab Project*

Must be submitted to UHC April 1st and September 1st each year until project is completed.

Project Name: _____

	Activity		Expected Date		Completed Date
A.	**Site**				
		Closing / Site Transfer			
B.	**Financing**				
	1.	*Issuance of Bonds*			
	2.	*Investor Commitment*			
C.	**Plans & Specs (Final) –Approved by the City**				
D.	**Project Signage with UHC Logo**				
E.	**Building Permit**				
F.	**Construction Begins**				
G.	**Open House/Ribbon Cutting**				
H.	**Placed in Service (Last Bldg.)**				
I.	**Final Cost Certification**				

Indicate percent complete at the date of this schedule ___% Complete.

Developer must provide documentation for any changes to the project.

Failure to submit the Project Development Schedule on a timely basis will result in Developer being classified as Not in Good Standing

Exhibit H UNDERWRITING GUIDELINES

The underwriting criteria below are threshold items, but exceptions are made for RD 515 and Section 8 contracts that have the potential for annual contract adjustments. Applications below the safe harbor minimums and/or maximums for these criteria will not proceed beyond the threshold review.

Applications will be underwritten with the following guidelines.

Financing Guidelines

Debt Service Coverage Ratio*:

	Minimum	Maximum
Hard debt:	1.15	1.25

* Debt that is contractually payable.

The maximum DCR can be exceeded in cases where the required cash flow produces a DCR greater than 1.25.

Financing Terms:

Projects will be underwritten using the terms contained in the Letters of Interest (LOI) provided by lenders and investors.

Olene Walker Housing Loan Fund financing does not require an LOI or term sheet if the terms are identical to those used in the Consolidated Application.

Operating Expenses

Unit Type	Minimum
Studio & SRO	$2,800
1 bedroom	$2,900
2 bedroom	$3,100
3 bedroom	$3,250
4 bedroom	$3,400
5 bedroom	$3,550

The above operating expense minimums exclude capital replacement reserves and taxes. They assume the tenant pays electric power and gas utilities and the owner pays typical municipal sewer, water fees, etc.

Income and Expenses

The inflation factor on income must be a minimum of 1 percent lower than the inflation factor on expenses.

Capital Replacement Reserves:

Replacement Reserve Minimum per unit annually unless funded at closing:

Rehabilitation Applications	$350
New Construction Applications	$300

Vacancy:

Number of Units	Minimum	Maximum
More than 75	5%	8%
More than 25 but fewer than 75 units	5%	8%
Fewer than 26 units	7%	10%

UHC staff must be consulted prior to submission of Application if vacancy rates are higher than the maximum ranges.

Rehabilitation Guidelines

The following minimum rehabilitation expenditures are based on the age of building(s).

Age of Building(s)	Minimum Rehab Per Unit
Pre 1940	$50,000
1940 – 1970	$35,000
1971 – 2000	$25,000

Rehabilitation costs below these minimums must be discussed with UHC staff before submitting an Application. UHC encourages the preservation of Historic Buildings with federal and/or state of Utah Historic Credits where feasible.

Affordable and Market Rents:

Housing Credit unit rents must be a least 10% below the adjusted market rents established by the market study. All proposed rent levels must be supported in the market study. UHC may make exceptions to the 10% differential if the Project is SRO Housing in which the units have no kitchens or bathrooms.

Minimum Cash Flow Per Unit:

The project must achieve cash flow on a per unit basis according to the following schedule. Rural projects may have difficulty meeting this standard because below market rents remain low. Please discuss with UHC staff prior to application submission.

Studio units	$350 per annum
1 Bedroom units	$350 per annum
2 Bedroom units	$375 per annum
3 Bedroom units	$400 per annum
4 Bedroom units	$425 per annum
5 Bedroom units	$425 per annum

Credit Adjustments:

Congress has mandated that allocators of federal Housing Credits establish cost or other limits to encourage quality, yet efficient use of credits. The amount of credits awarded may be decreased below the amount requested if project costs are not considered reasonable for affordable housing.

Proximity to Existing Tax Credit Developments:

Non-Metro communities face a greater risk of over-building than do metro communities. UHC believes it is in the best interest of all parties that Housing Credit projects have an opportunity to be completely rent-stabilized before approving additional Housing Credit projects in the same market. If more than one project is submitted in the same non-metro community and the market studies of all projects do not support the building of more than one Housing Credit project in that community, only the highest scoring project will be awarded credits. If this situation occurs, the lower scoring Applicants will receive a full refund of the Application fee.

If an Application is targeting a specific population, e.g. senior housing, UHC will not consider other Applications for Housing Credit as competing projects, unless they target the same demographic.

Exhibit I LAND USE RESTRICTION AGREEMENT (LURA) INSTRUCTIONS

A Land Use Restriction Agreement (LURA) is to be executed by the project owner and UHC and is to be recorded at the county recorder's office against the project's property committing the project to operate in accordance with the agreements (rent and income limits, special uses of units and extended use restrictions, etc.) made between the Applicant and UHC as inducements for the Housing Credit allocation.

The LURA is to be recorded at the time the sponsor or project owner obtains an ownership interest in the site and is to be superior to all other liens.

The project owner will submit the LURA information packet along with the required documents to UHC 30 days prior to the site/project acquisition takes place to facilitate document preparation. A LURA is required for all projects, including tax-exempt bond projects. Upon request, a LURA information packet will be provided by UHC via email.

In order to accurately complete the drafting of the LURA for your project, the following information is required:

- Project Information
- Legal Owner Information
- Federal Tax Identification Number of Owner Entity (attach copy)
- Organization Documents of Owner Entity (attach copy)
- Certification of Good Standing of Owner Entity (attach copy)
- Title Commitment
- Legal Description of Site (attach copy)
- Site Interest
- Utah State Housing Credits, if applicable
- HUD Insured, if applicable
- Building Numbers and Street Addresses

Please Note: If the LURA must be revised or amended, a minimum $500 fee to cover additional legal expenses must be paid by the project owner prior to final execution of the LURA or LURA amendment by UHC.

Exhibit J CARRYOVER ALLOCATION INSTRUCTIONS

Projects that have received a Housing Credit Reservation, but will not be placed in service by year end, may receive a Carryover Allocation of Housing Credits by submitting a Carryover Allocation package to UHC. §42 provides additional information and certification requirements with respect to Carryover Allocations. Upon request, a Carryover Allocation package will be provided by UHC via email.

To comply with §42 of the Code and requirements of UHC, the following checklist and information must be completed and submitted to UHC by November 1st.

☐Project Information for Carryover Allocation	**Form attached. Follow instructions for completing all or Section II only.**
☐Project Status Certification or explanation of changes	**Form attached.**
☐If owned by time of Carryover Allocation, trust deed to owner with closing statements	**Include any interim third party seller and other Related Party sellers, as applicable.**
☐Evidence of project ownership entity	**Limited Partnership, LLC, etc.**
☐Federal Tax Identification Number of new entity	**Attach copy.**
☐Carryover Allocation Fee	**$1000 with a discount of $500 if received by November 1st. Include check with submission.**
☐Certification of Qualified Nonprofit Organization	**If applicable. Form attached.**
☐All required outstanding documents	**Market Study, etc.**

Failure to comply with these requirements by the aforementioned deadline could result in the forfeiture of the project's Credit Reservation.

Exhibit K 10% COST CERTIFICATION

A 10% Cost Certification must be submitted to UHC no later than 30 days after the one year anniversary of the Carryover Allocation. Upon request, 10% Cost Certification documents for the project will be provided by UHC via email.

A. Certification of 10% Cost Report

A 10% Cost Certification on Excel spreadsheet needs to be submitted showing the costs. The costs that may be included in the 10% of expected basis amount are the project owner's adjusted basis in land or depreciable real property that is reasonably expected to be part of the project, including direct and indirect costs of acquiring, constructing and rehabilitating the project as of the 12 months after the allocation has been made. Application and Compliance Monitoring fees are not included in the 10% of expected cost basis amount. An amount is included in basis if it is treated as paid or incurred under the method of accounting used by the project owner. Please consult your CPA or attorney for further clarification.

B. CPA Certification

A 10% Cost Certification must be accompanied by a written certification from a qualified attorney or CPA certifying to UHC that the attorney or CPA has examined all eligible costs incurred with respect to the project and that, based on this examination, it is the attorney's or CPA's belief that the project owner has incurred at least 10% of its reasonably expected basis of the project.

C. Owner Certification

The Code requires UHC to obtain a written certification from the project owner, under penalty of perjury, that the project owner has incurred at least 10% of the reasonably expected basis in the project.

Exhibit L FINAL COST CERTIFICATION INSTRUCTIONS

The Final Cost Certification deadlines are as follows:

New construction projects - within 6 months after the last building in the project receives a Certificate of Occupancy or November 15th of that year in which the project is placed in service, whichever is earlier.

Rehabilitation projects - within 6 months after the last building in the project receives a Final Inspection Report or November 15th of that year, whichever is earlier. This Certification must be accurately complete before IRS Forms 8609 can be issued (which constitutes the final allocation of Housing Credits).

For same year allocation projects, if a Final Cost Certification is not submitted on or before November 15th of the same year, the project owner must enter into a Carryover Allocation with UHC by the end of the year. If the Carryover Allocation is not executed by both parties before the end of the year the project will forfeit those credits.

Upon request, Final Cost Certification documents for the project will be provided by UHC via email. Please submit two complete **tabbed and bound** copies (one original and one copy) as well as the Excel spreadsheets via email.

The files are in two formats, (1) MS Word 6.0 (doc) files comprising Certifications, and (2) MS Excel (xls) spreadsheet files comprising Owner and CPA Cost Schedules. Review all of them. The files are described as follows:

- **Checklist.doc** – The checklist shows the stacking order for the package. Submit as the cover sheet.
- **CPA FNL.doc** – Forward to your CPA to be completed and signed by the CPA.
- **FnlCert.xls** – The project owner completes the appropriate schedules, prints and signs them. Then the CPA must complete the CPA schedules and sign them. All printed and signed schedules must be submitted, in addition to emailing the completed forms to: dseely@uthc.org.
- **PC fnlcrt.doc** – This document contains all of the project owner certifications.

Exercise care in completing all documents properly. UHC uses the data you submit explicitly without editing it. Check names, numbers, EIN, etc.

All supporting documents must be submitted with the Final Cost Certification.

For Tax Exempt Bond Projects Only:

1. Project Owner Certification of Tax Exempt Bond Financed Project
2. Bond Issuer's Determination Statement of Tax Credit Allocation

Failure to comply with these requirements by the aforementioned deadline could result in the forfeiture of the project's Credit Reservation.

Exhibit M MARKET STUDY INSTRUCTIONS AND COMPANY INFORMATION

1. Market Study Checklist and Certification of Independence

- Fill out the Checklist on the following page with page numbers from the report that cover each item.
- Sign the bottom of the Checklist to certify that the Market Study was performed independently and without influence by the Applicant.

2. Market Study Summary

- Complete a narrative summary for each checklist item. This summary should come after the Checklist and precede the main body of the Market Study.

3. Market Study Company Information

New analysts (if not submitted in the last 3 years) must submit the following information.

- Analyst's name, address, telephone, fax, primary contact and email.
- Description of services provided and percent of time in each service area.
- Statement of experience. Include specifics for all project experience, including name of project, location, number of units, type of units (households, elderly, other special needs), financing subsidies in project (rental assistance, Housing Credits, other public agency financing), and dates of completion.
- Copy of license as an appraiser in the State of Utah.
- List of references with addresses and telephone numbers from financial institutions, government agencies and developers.

MARKET STUDY CHECKLIST
AND
CERTIFICATION OF INDEPENDENCE

Project:_____
Date of Market Study:_____
Market Study Prepared by:_____
Commissioned by:_____
Date of Review:_____

Provide a summary for each of the following items to be included at the beginning of each section and indicate the page in the market study that begins addressing the item:

EXECUTIVE SUMMARY **Page #**

- Concise description of the site and immediately surrounding area _____
- Brief summary of the project including the purpose population to be served _____
- Precise statement of key conclusions reached by analyst _____
- Concise statement of the analyst's opinion of market feasibility _____
- Recommendation and/or suggest modifications to the proposed project, if appropriate _____
- A summary of positive and negative attributes and issues that will affect the property's marketability, performance and lease-up and points that will mitigate or reduce any negative attributes _____

PROJECT DESCRIPTION

- Number of units by _____
  - Number of bedrooms and baths _____
  - Income limit as a percentage of AMI _____
  - Unit size square feet _____
  - Utility allowance for tenant paid utilities _____
  - Proposed rents _____
- Target population _____
  - Income restrictions _____
  - Proposed housing assistance _____
  - Special needs set-asides _____
- Utilities expected to be paid by the tenants and energy sources for the tenant paid hot water, heat, cooking _____
- Description of market area _____
  Site's relation to surrounding roads, public transportation, etc. _____
- Description of
  - The number of buildings _____
  - Design (walk-up, elevator, etc.) and number if stories _____
  - Unit and common amenities _____

- Site amenities and parking _____
- Status or date of architectural plans _____
  - Name of architect _____
  - Copy of floor plans and elevations _____
  - For Rehabilitation
    - Description of the methodology for the rehabilitation and scope of work _____
    - Identification of any existing assisted housing programs at the property _____
    - Current occupancy levels _____
    - Proposed rents _____
- Projected date for construction start and completion, and start of pre-leasing _____

MARKET AREA ECONOMY

- Detailed description of Primary Market Area (PMA) _____
- Define the secondary market area, if appropriate _____
- Map of market area that clearly delineates the areas and an explanation of the basis for the boundaries of the areas _____
- Identify the areas by census tracts, jurisdictions, street names or other geography forming the boundaries _____
- Description of site characteristics including size, shape, general topography and vegetation _____
- Proximity to adverse conditions _____
- Population and household trends _____
- Photographs of the site and neighborhood _____
- Map (or may be addressed in a narrative) clearly identifying the location of the project to public facilities, services and shops _____
- Suitability of the proposed site _____
- Population of qualified tenants _____
- Describe and evaluate the visibility and accessibility of the site _____
- Provide information or statistics on crime in the PMA relative to date for the overall area _____

EMPLOYMENT AND ECONOMY

- Description of employment by industry sector for the PMA and compare the data to the larger geographic area, e.g. the city, the county, labor market area, or MSA _____
- Show the historical employment rate for the last ten years (or other appropriate period) _____
- List major employers in the PMA, the type of business and the number employed _____
- Employment growth over the last 5 or 10 years and compare to the larger geographical Area _____
- Comment on trends for employment in the PMA in relation to the project _____
- Provide a breakdown of typical wages by occupation _____
- Provide commuting patterns of workers in the PMA _____

DEMOGRAPHIC CHARACTERISTICS

- Current and projected population and household counts _____
- History of building permits by housing type and comments on building trends in relation to household trends _____
- Total population characteristics such as age and household type _____
- Households by income _____
- Analysis of trends indicated by the data and explanation of analyst-generated estimates _____
- Households by tenure _____

COMPETITIVE ENVIRONMENT

- Identify a list of comparable properties, including:
  - Name and location _____
  - Population served _____
  - Type of design _____
  - Age and condition _____
  - Number of units by bedroom type _____
  - Rent levels _____
  - Number of bedrooms and baths for each unit type _____
  - Size in square footage of units _____
  - Kitchen equipment _____
  - Type of utilities and whether paid by tenant or owner _____
  - Unit and site amenities included _____
  - Site staffing _____
  - Occupancy rate _____
  - Name, address and phone number of property contact _____
  - Attach photos of each comparable property _____
  - Include a map identifying the location of each comparable property to the subject Project _____
- Narrative evaluation of the subject project in relation to comparables _____
  - Why the comparables have been selected _____
  - Which are the most directly comparable _____
  - Why certain projects have not been referenced _____
- Market vacancy rate of the PMA by population served, type of occupancy and unit size _____
- Impact of the subject development on existing rental housing stock _____
- The number of people on waiting lists for each project _____
- Size of overall market in the PMA; percentage of market rate and affordable housing _____
- Availability and cost of affordable housing options, including purchase of homes _____
- Discussion of rental projects planned or under construction in the market area _____

ANALYSIS / CONCLUSIONS

- Detailed analysis of the income levels of the potential tenants for the proposed units _____
- Calculate the capture rate for each income limit in the subject project _____
- Calculate the penetration rate _____
- Define and justify the absorption period and the absorption rate for the subject project _____
- Derive a market rent and achievable rent and compare to developer's proposed rent _____
- Project and explain any future changes in the housing stock within the market area _____
- Identify risks, unusual conditions and mitigating circumstances _____
- Evaluate need for voucher support or HUD contracts _____
- Summary of the perspective on the rental market _____
    - Need for the proposed housing _____
    - Unmet housing need in the market _____

OTHER REQUIREMENTS

- Date report was prepared, date of inspection and name and telephone number of analyst _____
- Certificate of no identity of interest _____
- Certificate that recommendation based solely on professional opinion _____
- Statement of qualifications _____
- Append current utility allowance schedule _____

The undersigned hereby certifies that the Market Study was performed independently and without influence by the Applicant or any relation thereof.

Date: _____

Company: _____

By: _____

Its: _____

Exhibit N (1) ARCHITECT'S CERTIFICATION

The undersigned, being a duly licensed architect registered in the State of Utah, has prepared for _____ (Project Owner) final plans, working drawings and detailed specifications (and addenda) dated _____ in connection with certain real property located at _____ _____ known as _____ (the Project).

I hereby certify that I am a licensed Architect, License No. _____, with the requisite skills and experience to provide the professional services necessary to assist in the construction of the units proposed by Project Owner and that I have experience on _____ development(s) of similar magnitude and construction type as this Project. I am knowledgeable of all federal, state, and local requirements and the requirements of:

(i) Architectural Barriers Act
(ii) Section 504
(iii) Fair Housing Act Title VIII
(iv) Americans with Disabilities Act Title II
(v) State of Utah fair housing laws and building codes compliant with ANSI 117-A.

To the best of my knowledge the final design, plans, and specifications comply with these requirements.

To the best of my knowledge that _____(#) fully accessible residential unit(s) have been designed for long-term mobility-impaired tenants which meet(s) the minimum federal and state law requirements in those plans and specifications listed above.

The undersigned hereby states to the best of his/her knowledge, to the Project Owner and Utah Housing Corporation that the Plans and Specifications for the Project have been duly filed with and have been approved by all appropriate governmental and municipal authorities having jurisdiction over the Project and that the Project as shown on the Plans and Specifications is in compliance with all requirements and restrictions of all applicable zoning, environmental, building, fire, health and other governmental ordinances, rules and regulations. All conditions to the issuance of building permits have been satisfied.

To the best of my knowledge, the Project has been constructed in a good and workmanlike manner substantially in accordance with the Plans and Specifications and is free and clear of any damage or structural defects that would in any material respect affect the value of the Project. In the further opinion of the undersigned, all of the preconditions have been met justifying the issuance of:

(i) The permanent certificate(s) of occupancy for the Project (or the letter or certificate of compliance or completion stating that the construction complies with all requirements and restrictions of all governmental ordinances, rules and regulations); and
(ii) Such other necessary approvals, certificates, permits and licenses that may be required from such governmental authorities having jurisdiction over the Project pertaining to the construction of the Project.

The Project will be in compliance with all current zoning, environmental and other applicable laws, ordinances, rules and regulations, restrictions and requirements, including without limitation Title III of the Americans with Disabilities Act of 1990 and the Fair Housing Act.

There are no building or other municipal violations filed or noted against the Project. All necessary gas, steam, telephone, electric, water and sewer services and other utilities required to adequately service the Project are now available to the Project. All street drainage, water distribution and sanitary sewer systems have been accepted for perpetual maintenance by the appropriate governmental authority or utility.

Dated: _____

PROJECT ARCHITECT:

By:_____
(signature)

Print Name:_____

Title:_____

Exhibit N (2) GENERAL CONTRACTOR'S CERTIFICATION

The undersigned has served as general contractor of the real property constructed at _____ _____ known as _____ (Project Name) for _____ (Project Owner).

The undersigned hereby certifies to the Project Owner and Utah Housing Corporation that the Project was constructed or rehabilitated in conformity with the Plans and Specifications dated _____. [PLEASE NOTE: THIS DATE MUST MATCH THE PLANS AND SPECIFICATIONS DATE IN ARCHITECT'S CERTIFICATION].

Dated:_____

GENERAL CONTRACTOR FOR PROJECT:

By:_____
(signature)

Print Name:_____

Title:_____

Exhibit O GENERAL REQUIREMENTS GUIDELINES

To assist Applicants in properly categorizing costs, thereby avoiding re-categorization by UHC when determining compliance with Contractor Fee, Developer Fee, and General Requirement limitations, UHC will allow the following items to be included under General Requirements for the purpose of determining Eligible Basis and fee limits:

- Supervision and job site engineering;
- Job office expenses including clerical wages, whether on-site or offsite, if for the project;
- On-site temporary buildings, tool sheds, shops and toilets;
- Temporary heat, water, light and power for construction;
- Temporary walkways, fences, roads, siding and docking facilities, sidewalk and street rental;
- Construction equipment rental not in trade item costs;
- Clean up and disposal of construction debris;
- Medical and first aid supplies and temporary facilities; and
- Watchman's wages, security cost, and theft and vandalism insurance.

Items not listed above, including, but not limited to, salaries of owners, partners or officers of the general contracting firm are not allowed under General Requirements. Eligible Basis from General Requirement costs is limited to 6% of on-site and building costs.

(The above list was developed from HUD Manual 4450.1 pages 1–4.)

Exhibit P PROJECT OWNER IDENTITY OF INTEREST CERTIFICATION

Project Name: _____
Address: _____
City: _____

UHC requires a full disclosure of all Related Party transactions affecting the payment of fees to the developer or contractor. Please see Required Form 1 in the Application, tab "Required Forms," for the "Identity of Interest Information" checklist. UHC must be notified of any changes in such relationships during the development process.

The undersigned represents that all fees and profit from the development of the project have been disclosed and that there are no undisclosed Related Party transactions involving the project owner / Applicant, developer, contractor, officers, consultants, land owners, intermediaries, realtors, or others.

Project Owner / Applicant Name

By: _____ Date: _____

Name: _____

Title: _____

Exhibit Q CAPITAL NEEDS ASSESSMENT REQUIREMENTS

Applicants for Housing Credit on acquisition/rehabilitation projects must submit as a threshold item a Physical Condition Assessment (PCA) Capital Needs Assessment (CNA) and replacement reserves analysis. The PCA/CNA must have been performed within six months of the submission date of the Application.

An independent consultant, architect, general contractor or engineer, any of whom must be licensed in the State of Utah, shall prepare the report. This independent consultant shall inspect at least 50% of the units in the project for projects built before 1960 and at least 20% for newer projects built up to 1980. Applicants must inspect 100% of the units before purchase. Certification will be required.

The PCA/CNA shall include the following four (4) components:

1. Critical Repair Items. All health and safety deficiencies or violations of Section 8 housing quality standards, including any/all Federal Lead Based Paint requirements and FHA's regulatory agreement standards that require immediate remediation.

2. Twelve-Month Physical Needs. An estimate of repairs utilizing B Grade finished construction, replacements, and significant deferred and other maintenance items that will need to be addressed within 12 months. Includes the minimum market amenities needed to restore the property to the affordable housing standard adequate for the rental market for which the project is approved.

3. Long Term Physical Needs. An estimate of the repairs, utilizing B Grade finished construction, and replacement items beyond the first year that are required to maintain the project's physical integrity over the next twenty (20) years, such as major structural systems that will need to be replaced during this period.

4. Analysis of Reserves for Replacement. An estimate of the initial and monthly deposit to the Reserves for Replacement account needed to fund the project's long term physical needs (20 years), accounting for inflation, the existing Reserves for Replacement balance (if any), and the Expected Useful Life of the major building systems. This analysis should include the cost of the twelve-month physical needs, but not any work items that would be treated as operating expenses.

Statement of Work

1. The PCA/CNA shall be written with detailed narrative and accompanying color photographs and shall describe the property's exterior and interior physical condition, including architectural and structural components and mechanical systems.

2. The report shall:
    a. Identify in detail any repair items that represent an immediate threat to health and safety, and all other significant defects, deficiencies, items of deferred maintenance, and material building code violations, (individual and collectively, Physical Deficiencies) that would limit the expected useful life of major components or systems;
    b. Provide estimated costs to remedy the detailed Physical Deficiencies (for 1 year of immediate needs); and
    c. Provide a Replacement Reserve Schedule, including an estimate of the initial and annual deposits (projected to increase at the operating cost adjustment factor) based on the useful life of the major building systems. The term of the analysis should be twenty-two (22) years.

3. The report shall identify any physical deficiencies note from:
    a. A visual survey;
    b. A review of any pertinent documentation; and
    c. Interviews with the property owner, management staff, tenants, interested community groups and government officials.

4. The report shall provide a description of directly observed potential on-site environmental hazards.

5. The report shall assess the twelve-month physical needs. The standard is a non-luxury standard adequate for the rental market. The physical needs identified should be those necessary for the project to retain its market position as an affordable project in a decent, safe, and sanitary condition (recognizing any evolution of standards appropriate for such a project). The twelve-month physical needs should include those improvements the project requires to compete in the market. Where a range of options exists, the most effective options for rehabilitation should be chosen, when both capital and operating costs are taken into consideration.

6. The report shall determine the cost-benefit of each significant work item in the rehabilitation plan (i.e. greater than $5,000 per work item) that represents an improvement to the project, an upgrade to current standards or that will reduce the operating expenses. For example, individual utility metering, extra insulation, thermopane windows, water savers on showers and toilets, automatic setback thermostats, and durable siding.

   Compare the cost of the item with the long-term impact on rent and expenses, taking into account the remaining useful life of the building systems as needed.

7. The report shall explain how the project will meet the requirements for accessibility/visibility to persons with disabilities, to the extent applicable.

8. The PCA/CNA report, in addition to the four major components stated on the previous page, at a minimum shall include the following checklist sub-components:

- ☐Project Summary Sheet;
- ☐Executive Summary (discussion of the physical condition of the property and any major repair/rehab items observed);
- ☐An index;
- ☐Introduction of the Report;
- ☐Building Evaluation (property identification-survey, legal description of property);
- ☐Site Improvement evaluation/analysis (utilities, parking, paving, sidewalks, sewer and drainage, landscaping, trash enclosures/compactors and general site improvements);
- ☐Building Architectural and Structural Systems Evaluation (foundation superstructure and floors, roof structures and roofing, exterior walls and stairs, siding, downspouts, and common areas energy efficiency, tenant amenities, playgrounds and playground equipment;
- ☐Building Mechanical and Electrical Systems Evaluation (building HVAC, plumbing, electrical, elevators, fire protection/security systems);
- ☐Interior Dwelling Units Evaluation (interior finishes, walls, ceilings, paint, kitchen and appliances, carpet, vinyl, interior doors, shelves, cabinets, vanities, closets, interior HVAC, plumbing, bathroom fixtures, electrical fire protection systems, security systems);
- ☐Evaluation/Analysis of Other Structures;
- ☐Environmental Evaluation;
- ☐Estimated Useful Life Analysis (computation of Repairs and Replacement Reserves);
- ☐Basis for identifying any item for repair or replacement;
- ☐Unit cost breakdown for multiple items (i.e. stoves, refrigerators, cabinets, bathroom fixtures, etc.);
- ☐Acknowledgements (who prepared report, when report was prepared, who received report, and when report was reviewed);
- ☐Appendices (photographs, site plans, maps, title report, etc.);
- ☐Identification of any observed hazards, flammable or explosive facilities/operations in the immediate area of the project; and
- ☐State whether the project is located in a Flood Plain.

An individual representing the firm who prepared or supervised the preparation of the report must sign the report.

The architectural report must include the following:

a. Total floor area in square feet for the entire development, units, common area
b. Demonstrate that units will provide the furnishings as stated in the Application (range, hood, refrigerator, exhaust fans, grab bars, etc.)
c. A final report itemizing the extent of renovation and replacement and summary comparing the PCA/CNA report submitted to UHC and final results.

Exhibit R SERVICE PROVIDER LETTER OF UNDERSTANDING

[Service Provider Letterhead]

[Date]

Claudia O'Grady
V.P. Multifamily Finance
Utah Housing Corporation
2479 S. Lake Park Boulevard
West Valley City, UT 84120

RE: [Project Name]
[Project City]
[Name of Ownership Entity]

Dear Ms. O'Grady:

[This letter of understanding must include the following:

- An explanation of the service provider's experience with providing services to the specific targeted population.
- A statement indicating the provider's understanding of the number of units being set aside for the specific targeted population.
- A statement indicating that the provider has enough clients to fulfill the needs of the requested set aside units, as well as all previously committed set aside units, and has the capacity to provide services for the duration of a referral's tenancy.
- A full description of services that the provider will make available to the tenant post move in.]

We look forward to working with the project owner on this project.

Sincerely,

[Name of Authorized Official]
[Title]
[Service Provider Name]

Exhibit S FAIR HOUSING

THE GUIDELINES

The design requirements of the Guidelines to which new buildings and dwelling units must comply are presented in abridged form below. Dwelling units are not subject to these requirements only in the rare instance where there are extremes of terrain or unusual characteristics of the site.

REQUIREMENT 1
Accessible Building Entrance on an Accessible Route: Covered multifamily dwellings must have at least one building entrance on an accessible route, unless it is impractical to do so because of terrain or unusual characteristics of the site. For all such dwellings with a building entrance on an accessible route the following six requirements apply.

REQUIREMENT 2
Accessible and Usable Public and Common Use Areas: Public and common use areas must be readily accessible to and usable by people with disabilities.

REQUIREMENT 3
Usable Doors: All doors designed to allow passage into and within all premises must be sufficiently wide to allow passage by persons in wheelchairs.

REQUIREMENT 4
Accessible Route Into and Through the Covered Dwelling Unit: There must be an accessible route into and through the dwelling units, providing access for people with disabilities throughout the unit.

REQUIREMENT 5
Light Switches, Electrical Outlets, Thermostats and Other Environmental Controls in Accessible Locations: All premises within the dwelling units must contain light switches, electrical outlets, thermostats and other environmental controls in accessible locations.

REQUIREMENT 6
Reinforced Walls for Grab Bars: All premises within dwelling units must contain reinforcements in bathroom walls to allow later installation of grab bars around toilet, tub, shower stall and shower seat, where such facilities are provided.

REQUIREMENT 7
Usable Kitchens and Bathrooms: Dwelling units must contain usable kitchens and bathrooms such that an individual who uses a wheelchair can maneuver about the space.

For further information about the Fair Housing Accessibility Guidelines, call or visit their website:
www.hud.gov/offices/fheo/disabilities/fhefhag.cfm

U.S. Department of Housing and Urban Development
(303)672-5430 TDD (303)672-5248

Fair Housing Information Clearinghouse
1-800-343-3442 TDD 1-800-290-1617

Exhibit T ENERGY STAR PROCEDURES

When applying for Housing Credits:

1. All new construction **must be** ENERGY STAR Certified;
2. All rehabilitation projects must be ENERGY STAR certified or ENERGY STAR enhanced if certification cannot be achieved; and
3. Rehabilitation projects must be ENERGY STAR certified when using OWHLF funds unless a waiver is granted from the Division of Housing and Community Development (DHCD).

Both new and rehabilitation projects must obtain an independent Home Energy Rating System (HERS) score to determine ENERGY STAR eligibility. Projects receive an initial score during design and a final score after construction is completed.[1] It is important for developers to work carefully with the HERS rater to develop a strategy that achieves the highest, cost effective final score.

The HERS rater will provide Applicants with the list of the upgrades that can be implemented to achieve ENERGY STAR qualifying status. Although ENERGY STAR applies to both new and existing units, ENERGY STAR is a more difficult and expensive achievement for existing units. Once project development is complete, Applicants must submit the initial certificate showing the preliminary score from the HERS rater for each project.

The costs of ENERGY STAR compliance including cost increments for equipment and envelope upgrades over and above the current statewide energy code and rating costs should be included in the overall project budget.

Facilities three stories or fewer with or without a central heating and cooling system require a sampling of individual housing units by the certified rater. The independent HERS raters generally charge $250-300 per multifamily unit rating. For projects within the Rocky Mountain Power (formally Utah Power and Light) or Questar service area, the HERS rater can help prepare special rebate documentation for submittal to Rocky Mountain Power and Questar, and help the Applicant work with the utility representative.

As of June 1, 2007, the EPA is still developing a category for rating "apartments" through the ENERGY STAR website. Any delay in developing this category could postpone a larger building's submittal for ENERGY STAR qualification. In the meantime and for larger facilities (over three stories) with central heating and cooling plants, ENERGY STAR compliance can be determined by rating the entire facility using the "other building" category at EPA's ENERGY STAR website:https://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager

It should also be noted that existing multi-family units may be eligible for retrofit grant funding through the Utah Weatherization Assistance Program.
http://housing.utah.gov/wap/index.html

[1] . For a list of independent HERS raters, please contact Mike Glenn (801-526-4495) at the Utah Division of Housing and Community Development.

ENERGY STAR focuses on a housing unit's energy efficiency. Solar and other renewable features are independent of the ENERGY STAR rating. Developers choosing to include renewable energy features over and beyond ENERGY STAR can request funding from UHC and DHCD for the additional upgrade costs.

For any energy efficient units (with or without any renewable features), the utility allowances can be based upon the utility usage and costs estimated by a certified and independent HERS rater or independent professional energy provider. After rehabilitation or construction, the allowance can be based upon actual utility charges from the previous year.

Projects may be eligible for federal and state energy efficiency and renewable Tax Credits. For additional information, see: http://geology.utah.gov/sep/incentives/index.htm

Procedure for *New* Projects
Individual or Central Heated and Cooled Systems (1 to 3 Stories)

Step 1. Notify project architect that the proposed building's drawings and specifications must be ENERGY STAR certified.

Step 2. Work with the utility company to submit a pre-application to the utility for possible rebates (this must be submitted to the utility companies prior to construction).

Step 3. Developer contacts the HERS rater. The HERS rater can complete ratings or train and certify HERS raters. For the new units, a HERS rater reviews plans and specifications for necessary upgrades that achieve an ENERGY STAR rating which is approximately 15% more efficient than the current state energy code.

Step 4. From the review, the rater prepares an improvement analysis based upon cost effective measures and then estimates incremental costs to be added for each measure.

Step 5. The developer includes the upgrades in the overall and proposed project budget and request for funding. At the time of Application, the developer also submits the initial HERS score contained on a HERS rater's certificate.

Step 6. The developer selects contractors who are knowledgeable and sensitive to energy efficiency.

Step 7. The HERS rater completes interim inspections of the construction site to ensure that contractors are meeting ENERGY STAR specifications.

Step 8. Once the new units are complete, the HERS rater samples the units and conducts tests and inspection to confirm the ENERGY STAR score.

Step 9. The developer submits the final ENERGY Star certificate to UHC and DHCD.

Step 10. The developer applies for the utility rebates if the project is located within the Rocky Mountain Power or Questar service area. The utility rebate which average over $250+ per unit helps offset the cost of the rating. The utility rebate applies to structures of 6 units of more and that are separately metered. Structures with 5 or fewer units may qualify for higher rebates.

Procedure for *New* Projects
Individual or Central Heated and Cooled Systems (Over 3 Stories)

Step 1. Notify project architect that the proposed building's drawings and specifications must be ENERGY STAR certified.

Step 2. Work with the utility company to submit a pre-application to the utility for possible rebates (this must be submitted to the utility company prior to construction).

Step 3. Generally, new multifamily units that are centrally heated and cooled and that are 4 stories or taller are processed on-line for ENERGY STAR compliance through the EPA ENERGY STAR rating system for commercial buildings. In such cases, the architect prepares plans and specifications in accordance with the EPA ENERGY STAR's targeted energy consumption baseline (see: http://www.energystar.gov/index.cfm?c=new_bldg_design.bus_target_finder)

Step 4. The developer includes the upgrades in the overall and proposed project budget and request for funding. At the time of Application, the developer submits documentation of the initial ENERGY STAR score.

Step 5. The developer selects contractors who are knowledgeable and sensitive to energy efficiency.

Step 6. The architect completes interim inspections of the construction site to ensure that contractors are meeting ENERGY STAR specifications.

Step 7. Once the new units are completed, the architect completes a final rating through the EPA ENERGY STAR website to ensure that the building meets the ENERGY STAR qualifying threshold.

Step 8. The developer submits the final ENERGY STAR certificate to UHC and DHCD.

Step 9. The developer applies for the utility rebates if the project is located within the Rocky Mountain Power or Questar service area. The utility rebate for larger buildings that possess central systems is based upon the amount of KWH and KW saved. Unlike smaller buildings where a rebate per unit is available, a representative of Rocky Mountain Power will calculate the rebate for these large buildings.

Procedure for *Rehabilitation* Projects
Individual or Central Heated and Cooled Systems (1 to 3 Stories)

Step 1. Contact the HERS rater. For existing units, the HERS rater conducts a diagnostic inspection and review of the units (a sample of units for large facilities), suggesting energy improvements to achieve ENERGY STAR.

Step 2. The developer works with the utility company to submit a pre-application to the utility for possible rebates (this must be submitted prior to construction).

Step 3. From the inspection and review, the certified rater prepares a list of cost effective individual energy efficiency measures and can estimate costs to be added to the rehab project for each measure.

Step 4. The developer includes the upgrades into the overall and proposed project budget and request for funding. At the time of Application, the developer submits documentation of the initial ENERGY STAR score.

Step 5. The developer selects contractors who are knowledgeable and sensitive to energy efficiency.

Step 6. The HERS rater completes interim inspections of the construction site to ensure that contractors are meeting ENERGY STAR specifications.

Step 7. Once the improvements are completed through the rehabilitation process, the HERS rater conducts tests and does an inspection to confirm the ENERGY STAR score.

Step 8. The developer submits the ENERGY STAR certificate to UHC and DHCD.

Step 9. The developer applies for the utility rebates if the project is located within the Rocky Mountain Power or Questar service area. The utility rebate which averages over $250+ per unit helps offset the cost of the rating. The rebate applies to structures of 6 units or more and that are separately metered. Structures of 5 units or fewer may qualify for higher rebates.

Energy Star Submittal Form

One form can be submitted for all similar units. For assistance or questions regarding this form, contact Mike Glenn at 801 526-4495 at the Utah Division of Housing and Community Development.

Check one: ____ this project is new construction
____ this project is a rehabilitation project
____ # of stories (please contact DHCD for buildings greater than 3 stories)
____ # of units covered by this form

Name of project: _____

Name of owner/applicant: _____

Owner/applicant's address and ZIP code: _____

Address for Energy Star rated property (if different from above):

_____

Owner/applicant contact name and phone number: _____

Name of certified rater (attach a copy of the rater's printout): _____

Date of rating: _____

Energy Star criteria: _____ Initial score _____ Final score

Energy Efficiency Measure (Enter items from Energy Star Analysis schedule)	Base cost of a standard unit	Incremental cost to achieve Energy Star for this unit
Less RMP rebate		
Less federal and state tax credits		
Totals costs:	$	$

UHC and DHCD use only:
Date Received: _____ $_____ Eligible costs approved per unit

Approved by: _____ (UHC/DHCD official) Date: _____

Exhibit U NON-PARTICIPATING AREAS

This list may not be current. Please check with UHC Multifamily staff with questions.

COUNTIES:

Daggett Morgan Piute Wayne

CITIES: (List from: "Local Government Officials Directory, Incorporated Cities and Towns")

Alpine	Cottonwood Heights	Henefer	Lyman
Alta	Daniel	Henrieville	Lynndyl
Altamont	Deweyville	Hideout	Manila
Alton	Duchense	Highland	Mantua
Amalga	Eagle Mountain	Hildale	Mapleton
Annabella	East Carbon	Hinckley	Marriot-Slaterville
Antimony	Elk Ridge	Holden	Marysvale
Apple Valley	Elsinore	Honeyville	Mayfield
Aurora	Elwood	Hooper	Meadow
Ballard	Emery	Howell	Mendon
Bear River	Enterprise	Huntington	Midway
Bicknell	Escalante	Huntsville	Millville
Big Water	Eureka	Hyde Park	Mona
Boulder City	Fairfield	Hyrum	Morgan
Brian Head	Fairview	Independence	Naples
Bryce Canyon City	Farr West	Ivins	New Harmony
Cannonville	Fayette	Joseph	Newton
Castle Valley	Ferron	Junction	Nibley
Cedar Fort	Fielding	Knarraville	Oak City
Cedar Hills	Fountain Green	Kanosh	Ophir
Centerfield	Fruit Heights	Kingston	Orangeville
Centerville	Garland	Koosharem	Orderville
Central Valley	Genola	Laketown	Paradise
Charleston	Glendale	LaVerkin	Paragonah
Circleville	Glenwood	Leamington	Parowan
Clarkston	Goshen	Leeds	Perry
Clawson	Gunnison	Levan	Plain City
Cleveland	Hanksville	Lewiston	Plymouth
Corinne	Harrisville	Lindon	Portage
Cornish	Hatch	Loa	Providence

Randolph
Redmond
Richmond
River Heights
Riverdale
Riverton
Rockville
Rocky Ridge
Rush Valley
Salem
Santa Clara
Scipio
Scofield
Sigurd
Snowville
South Jordan
South Weber
Spring City
Sterling
Stockton
Sunnyside
Sunset
Syracuse
Tabiona
Toquerville
Torrey
Trenton
Uintah
Vernon
Vineyard
Virgin
Wales
Wallsburg
Wellington
Wellsville
Wendover
West Bountiful
West Point
Willard
Woodland Hills
Woodruff
Woods Cross

Exhibit V MEMORANDUM OF UNDERSTANDING

(regarding acceptance of qualified Section 8 vouchers or certificate holders)

This Memorandum of Understanding is by and between the HOUSING AUTHORITY NAME (the "Housing Authority") and PROJECT OWNER NAME, (the "Owner") (both parties are sometimes collectively referred to herein as the "Parties"), regarding Owner's renovation or construction development and operation of the PROJECT NAME (the "Project") located at ADDRESS, CITY, STATE.

Owner desires to enter into an agreement with Housing Authority to accept qualified Section 8 voucher holders and Housing Authority desires to enter into such an agreement with Owner.

Therefore, in the event Owner receives federal Housing Credits through Utah Housing Corporation for the construction or renovation of the Project, the Parties agree as follows:

1. Owner shall accept referrals from Housing Authority on an ongoing basis, subject only to the availability of rental units.
2. It is understood that applicants referred by Housing Authority must meet, without exception; all requirements for tenancy as established by management for the above-referenced Project and that such requirements may be changed by management from time-to-time.
3. Resident referred by Housing Authority shall be required to sign the standard lease agreement or the applicable standard Section 8 lease agreement and abide by the rules and regulations of the Project as well as meet all income requirements of project management.
4. Owner and Project management reserve the right, from time-to-time, to alter, amend or change, without notice to Housing Authority, any portion of its procedures and criteria for tenancy.
5. Owner and/or Project management shall have the final and absolute right, at its sole discretion, to accept or reject for tenancy, an applicant referred by Housing Authority, according to the same criteria used to accept or reject all other applicants.
6. Owner shall have the right to assign this Memorandum of Understanding at any time and without the comment of Housing Authority.
7. This Memorandum of Understanding is subject to modification as agreed to in writing by the Parties in a form acceptable to UHC.

The undersigned hereby attest to their agreement of the aforementioned terms.

[HOUSING AUTHORITY NAME]	**[PROJECT OWNER NAME]**
By:_____	By:_____
Its:_____	Its:_____
Date:_____	Date:_____

.

Exhibit W PRIOR ACTIVITIES CERTIFICATION

UHC may disqualify an application if an owner, principal or management agent affiliated with the project

1. has been debarred or received a limited denial of participation in the past ten years by any federal or state agency from participating in any development program;

2. within the past ten years has been in a bankruptcy, an adverse fair housing settlement, an adverse civil rights settlement, or an adverse federal or state government proceeding and settlement;

3. has been in a mortgage default, breech, or arrearage of three months or more within the last five years on any publicly subsidized or assisted project;

4. has been involved within the past ten years in a project which previously received an allocation of tax credits but failed to meet standards or requirements of the housing credit allocation or failed to fulfill one of the representations contained in an application for housing credits, or violated the Land Use Restriction Agreement;

5. has been found to be directly or indirectly responsible for any other project within the past five years in which there is or was uncorrected noncompliance more than three months from the date of notification by the Agency or any other state allocating agency; or

6. is Not in Good Standing* with UHC at the time of this Application.

☐ I hereby certify that I have reviewed the forgoing and none of the above items are applicable to any of the owners, principals or management agents affiliated with the project.

☐ I wish to submit an application with a detailed explanation and supporting documentation regarding any applicable event(s) listed above. I understand that this application may still be returned without further review.

Date: _____

Company: _____

By: _____

Its: _____

*See Glossary

Exhibit X AVERAGE COST DATA

Point Categories

≤ 80% of Average	10 Points
80.1% - 90.0% of Average	8 Points
90.1% - 100% of Average	6 Points
100.1% - 125% of Average	3 Points
≥ 125.1% of Average	0 Points

2015 Adjusted Averages

Hard Cost/Unit	$105,653.90
Hard Cost/SqFt	$146.81
TDC/Unit	$148,872.93
TDC/SqFt	$208.64

2016 Inflation Factor

2.98%

2015 Adjusted Averages

Hard Cost/Unit	$108,802.39
Hard Cost/SqFt	$151.18
TDC/Unit	$153,309.34
TDC/SqFt	$214.86

Points awarded will be determined based on the categories and averages listed above. The averages will be increased or decreased by the inflation factor to provide a more current cost that takes the time difference into account. Inflation Factor based on year over year data provided by RSMEANS.

Exhibit Y SUMMARY OF CRITICAL DATES FOR COMPETITIVE PROJECTS

Event or Action	Timing or Due Date
Application …….....	October 5, 2015
Application Fee……. …..	Due with Application
Awards Notification…….	Approx. 90 days from Application deadline
Reservation Agreement…….……..	Mid-January
Reservation Fee……	Due prior to the execution of the Reservation Agreement
Land Use Restriction Agreement (LURA)…	30 days before site/project acquisition
Project Development Schedules……	April 1st and September 1st of each year the project is under development
Carryover Allocation….……	On or before November 1st of the year in which a Reservation Agreement was issued with or without 10% Cost Certification
Carryover Fee……	Due with Carryover Allocation Packet
Extended Carryover Fee……	January 1st for each year thereafter that the credit reservation is still active
10% Cost Certification …….	30 Days after the 1 year anniversary of the date of the Carryover Allocation
Final Cost Certification……..	New construction projects- Within 6 months after last building in the project receives its Certificate of Occupancy or November 15th of that year, whichever is earlier Rehabilitation projects- within 6 months after the last building in the project receives a Final Inspection Report or November 15th of that year, whichever is earlier
Annual Income/Rent Limits……...	Distributed by UHC, typically in December

Exhibit Z SUMMARY OF CRITICAL DATES FOR BOND PROJECTS

Event or Action	Timing or Due Date
Application …….....	Visit Private Activity Bond Review Board Website at http://housing.utah.gov/pab/schedule.html
Application Fee……..	Due with Application
Awards Notification……	Approx. 2 Months from Application Cycle
Award Letter…….……..	Approx. 1 to 2 days from Awards Notification
Award Fee……..	10 days from receipt of Award Letter
Land Use Restriction Agreement (LURA)…	30 days before site/project acquisition
Project Development Schedules……	April 1st and September 1st of each year the project is under development
Final Cost Certification…….	New construction projects- Within 6 months after last building in the project receives its Certificate of Occupancy or November 15th of that year, whichever is earlier Rehabilitation projects- Within 6 months after the last building in the project receiver its Final Inspection Report or November 15th of that year, whichever is earlier
Annual Income/Rent Limits…...	Distributed by UHC, typically in December

Exhibit AA REQUEST FOR REIMBURSEMENT RESOLUTION

_____
(Date)

To: Utah Housing Corporation
2479 Lake Park Blvd.
West Valley City, Utah 84120

Attn: Jonathan A. Hanks, Senior Vice President/COO

RE: [Insert Name of Project]

The undersigned hereby requests Utah Housing Corporation ("UHC") to adopt a resolution evidencing its present intention to issue its revenue bonds pursuant to Part 9, Chapter 4, Title 9, Utah Code Annotated 1953, as amended (the "Act") and Section 142(d) of the Internal Revenue Code of 1986 (the "Code") to fund a mortgage loan to the undersigned or its designee to finance the multifamily residential rental housing project referred to above (the "Project") to be located in the State of Utah and occupied by low and moderate income persons in compliance with the Act and the Code. In making this request, the undersigned hereby acknowledges that the adoption of such a resolution does not obligate UHC to finance the Project, and that UHC will only be obligated to issue its bonds if it executes a loan agreement with the undersigned having terms and conditions satisfactory to UHC, in its sole discretion.

☐ Attached hereto are two separately bound, completed copies of the following:

- List of Interested Parties (Exhibit AB)
- Comprehensive Reimbursement Resolution Certification for each person or entity on the List of Interested Parties (Exhibit AC)
- Consolidated Affordable Multifamily Housing Application for Private Activity Bond Authority/Low Income Housing Tax Credits
- Certificate of Allocation from the Private Activity Bond Review Board
- UHC Term Sheet (Exhibit AD) or something substantially similar

☐ Attached hereto is an application fee in the form of a check payable to Utah Housing Corporation in the amount of $1,000. The undersigned acknowledges that such fee is for the purpose of covering the costs of reviewing the application and preparation of a Reimbursement Resolution and related materials and such fee is non-refundable.

Name of Owner:_____ ,

a_____
(State of registration and type of entity, e.g., a Utah Limited Liability Company)

By:_____

Signature:_____

Title:_____

Exhibit AB LIST OF INTERSTED PARTIES

The Applicant hereby certifies that set forth below is a complete list of all persons and entities with a 5% or more projected interest (capital, management or profit, either legally or beneficially) in the Project, the owner or developer of the Project, or the general partner or the managing member of the owner or developer of the Project.

Please Note: Entities that have been or will be organized solely for the purpose of owning the Project or an interest in the owner of the Project should not be listed, and entities the majority ownership of which consists of persons who are already listed should not be listed. This list is intended to cover only natural persons and entities that meet the 5% threshold. Also, if a developer has not entered into a binding agreement with an investor (for example, the projected tax credit investor), the investor need not be listed. If you have any questions, please consult with UHC staff.

Illustration: Assume an experienced developer, Multifamily Development Company, has formed a limited partnership ("New Housing, LP") for the purpose of acquiring and developing the Project, with a newly formed limited liability company ("NH LLC") as the general partner, and John Johnson, a principal of the developer, as the limited partner (i.e. while the developer anticipates bringing in an investor as the limited partner in New Housing, LP, it has not done so at this time). Assume further that Multifamily Development Company owns 80% of NH LLC and Jane Hampton owns 20% of NH LLC. Assume further that John Johnson and Jim Gonzalez each owns 45% of Multifamily Development Company, and two other individuals own the rest equally. Only Jane Hampton, John Johnson and Jim Gonzalez need to be listed below.

Name: _____

Title: _____

% of Interest in ☐ Project ☐ Developer: _____%
(check one box)

Name: _____

Title: _____

% of Interest in ☐ Project ☐ Developer: _____%
(check one box)

Name: _____

Title: _____

% of Interest in ☐ Project ☐ Developer: _____%
(check one box)

[Add more if necessary]

Exhibit AC COMPREHENSIVE REIMBURSEMENT RESOLUTION CERTIFICATION

I hereby certify that the following statements and information, including information contained in any attachments to this Comprehensive Reimbursement Resolution Certification, are, to the best of my knowledge based upon due inquiry, true, accurate and complete.

The information is submitted to Utah Housing Corporation in order that _____ _____ (an entity in which I have an interest) may obtain approval for passage of a Reimbursement Resolution for _____ (the Project).

If the answer to any of the following questions is YES, please provide a **signed,** comprehensive narrative regarding past and current facts describing the matter on separate pages. Include facts about such real estate developments including a listing of principals related to the real estate development, the financing and equity sources and the addresses.

For the period beginning ten (10) years prior to the date of this certification:

1. ☐Yes ☐No The undersigned is or was a principal in a residential rental project (located in any state) for which an allocation of Federal Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986, or Private Activity Bond Volume Cap under Section 146 of the Internal Revenue Code of 1986 was made to the residential rental project or its developer or sponsor, but which allocation was not fully utilized and any portion of such allocation expired and was unable to be utilized within the state of its allocation.

2. ☐Yes ☐No Neither the undersigned, any Interested Party (as set forth in the attached list), nor a person or entity related to the undersigned or any such Interested Party, had an ownership interest in the residential rental project (including the project site) to be financed at any time during the preceding five (5) years.

3. ☐Yes ☐No The undersigned is or was a principal in a real estate development (located in any state) in which there has been or was alleged to have been a default or non-compliance regarding:
   - Tax-exempt bond compliance requirements, or
   - Low Income Housing Tax Credit compliance requirements, or
   - A mortgage loan, construction, bridge or interim loan (including any assignment, deed-in-lieu of foreclosure, foreclosure, or lender relief) or
   - Real estate development partnership or operating (investor) agreements, or
   - Rent-up / vacancy requirements, or
   - Federal, state or local building, housing maintenance and/or construction codes or laws.

4. ☐Yes ☐No There is or has been litigation or a judgment related to:
   - The ownership or operation of any real estate which could materially and adversely impact the financial condition of the undersigned, or
   - The undersigned's ownership interest in any real estate ownership, development, or management entity, or
   - Any entity in which the undersigned owns a significant interest (5% or greater) which could materially and adversely impact the entity's financial condition.

5. ☐Yes ☐No There are unresolved findings raised as a result of audits, management reviews or other investigations by federal, state, or local government entities concerning the undersigned or real estate developments in which the undersigned is a principal.

6. ☐Yes ☐No The undersigned has been convicted of or plead guilty to fraud, a felony, or securities violation or is presently the subject of a material civil complaint, criminal charge, or indictment charging fraud, felony, or securities violation. (A felony is defined as any offense punishable by imprisonment for a term exceeding one year but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less).

7. ☐Yes ☐No The undersigned has been suspended, disbarred, debarred or otherwise restricted by any department or agency of the federal government or any state from doing business with such department or agency.

8. ☐Yes ☐No The undersigned is or was the subject of any bankruptcy or insolvency proceeding or is subject to unsatisfied liens or judgments.

9. ☐Yes ☐No The Project or the land upon which it is located, or any other real estate development in which the undersigned is a principal has any environmental or hazardous violations claimed against it.

10. ☐Yes ☐No The Project is located in a jurisdiction in which there is a court decision or court entered plan to address housing desegregation or remedy some other violation of law. [If the Project is located in such a jurisdiction provide the evidence for your conclusion that it is consistent with such court decision or court entered plan in an attachment to this omnibus certification].

Name_____

Title _____

% of Interest in ☐ Project ☐ Developer: _____%
(check one box)

Signature _____

Date_____

Exhibit AD MULTIFAMILY BOND TERM SHEET

This form, or a substantial equivalent, must be completed and delivered to UHC before it will adopt a bond resolution or conduct the public hearing required by the Code. A distribution list containing all or some of the participants may be delivered in lieu of completing all participant information.

PROJECT DESCRIPTION:

Project name _____
address (approximate) _____
city, state, zip code _____
(attach legal description)

Total number of units _____
0 bedroom units (studios) _____
1 bedroom units _____
2 bedroom units _____ w/ 1 bath _____ w/ 2 baths _____
3 bedroom units _____ w/ 1 bath _____ w/ 2 baths _____
4 bedroom units _____ w/ 1 bath _____ w/ 2 baths _____

residential buildings _____ site acreage _____ zoning _____

Describe amenities and auxiliary buildings or spaces _____

units ≤ 30% AMI _____
units ≤ 35% AMI _____
units ≤ 40% AMI _____
units ≤ 45% AMI _____
units ≤ 50% AMI _____
units ≤ 60% AMI _____
units averaging ≤ 80% AMI_____
units other __ % AMI _____

PARTICIPANTS:

OWNER

entity name _____

entity type _____
(e.g., A Utah Limited Liability Company)

mailing address _____

city, state, zip code _____

primary contact person _____

secondary contact person _____

phone _____ fax _____ e-mail _____

GENERAL CONTRACTOR

entity name _____

APARTMENT MANAGMENT

entity name _____

PROPOSED SENIOR UNDERWRITER (for publicly offered bonds)

entity name _____

primary contact person _____

mailing address _____

city, state, zip code _____

phone _____ fax _____ e-mail _____

PROPOSED PLACEMENT AGENT or INITIAL BOND PURCHASER (for privately placed bonds)

entity name _____

primary contact person _____

mailing address _____

city, state, zip code _____

phone _____ fax _____ e-mail _____

(attach purchaser's most recent annual report or audited financial statement)

FINANCIAL ADVISOR (if applicable)

entity name _____

primary contact person _____

mailing address _____

city, state, zip code _____

phone _____ fax _____ e-mail _____

TRUSTEE (must be located in Utah)

bank _____
primary contact person _____
mailing address _____
city, state, zip code _____
phone _____ fax _____ e-mail _____

BOND RATING

rating service _____
primary contact person _____
mailing address _____
city, state, zip code _____
phone _____ fax _____ e-mail _____
expected rating _____

EQUITY/BOND/MORTGAGE INFORMATION

EQUITY

Low Income Housing Credit proceeds $_____
cash $_____
deferred developer fee, etc. $_____
land $_____

AMOUNT OF BONDS

Tax Exempt $_____ Taxable $_____

BOND USES

☐ first mortgage loan $_____
☐ construction loan $_____

BOND STRUCTURE

☐ fixed rate term _____ months balloon payment? ☐
☐ variable rate term _____ months convertible to fixed? ☐ swapped to fixed? ☐
☐ other term _____ months _____
(describe)

(attach description e.g., indices for variable rates and swaps and others counterparties and liquidity providers)

CREDIT ENHANCEMENT (if applicable)

entity name _____
primary contact person _____
mailing address _____
city, state, zip code _____
phone _____ fax _____ e-mail _____

DEBT

construction loan $_____
lender/servicer _____
primary contact person _____
mailing address _____
city, state, zip code _____
phone _____ fax _____ e-mail _____

first mortgage loan $_____
lender/servicer _____
primary contact person _____
mailing address _____
city, state, zip code _____
phone _____ fax _____ e-mail _____

OTHER DEBT

describe_____

(attach additional sheets for explanations or clarifications if necessary)

Exhibit AE UHC CLAIM OF BUSINESS CONFIDENTIALITY REQUEST

Business Name:
Street Address:
City, State, Zip Code:
Representative Making Request:
Title:
Telephone No.:
Email Address:
Name of Record:
Description of Record:

Pursuant to Utah Code Ann. §§ 63G-2-305 and in accordance with Utah Code Ann. §§ 63G-2-309, the undersigned asserts a claim of business confidentiality to protect the attached information submitted.

The following Reasons support this claim for business confidentiality as it includes:

Reason A: Trade secrets as defined in Utah Code Ann. §§ 13-24-2 and referenced in Utah Code Ann. §§ 63G-2-305(1).

Reason B: Commercial information or non-individual financial information as defined in Utah Code Ann. §§ 63G-2-305(2) and (4).

Reason C: Real or personal property, including intellectual property information as defined in Utah Code Ann. §§ 63G-2-305(8) and (9).

Complete the following information listing the individual document(s) name, tab, page, and paragraph numbers. The document must be identified as specifically as possible. Provide the reason (A, B, and/or C) and an explanation that supports the claim of business confidentiality as it applies to the above named record.

Document Identification (Name, tab, page, and paragraph)	Reason (A, B or C above) plus explanation

Please use additional sheets if needed.

Signature of Representative Date

7/30/2015

7. COMPLIANCE MONITORING PLAN

COMPLIANCE MONITORING PLAN INTRODUCTION

The Code requires UHC to monitor Housing Credit projects for compliance with the provisions of §42 and to notify the IRS of any noncompliance of which UHC becomes aware.

As a condition to the allocation of Housing Credits, owners are required to enter into a binding agreement to comply with the terms and conditions of this Plan.

The Compliance Monitoring Plan is part of UHC's Qualified Allocation Plan for the State of Utah. UHC's Compliance Manual, which contains more detailed information on procedures and fees, is incorporated into the Qualified Allocation Plan by reference and is available in its entirety on our website, www.utahhousingcorp.org. It may be amended as deemed necessary by UHC to comply with §42 and the regulations issued thereunder, as the same may be amended, or to further promote or clarify the Housing Credit Program in the State of Utah.

RECORDKEEPING AND RECORD RETENTION REQUIREMENTS

A. Recordkeeping Requirements

A project owner is required to keep separate records for each qualified low-income building in a Housing Credit project that show for each year in the compliance period:

1. The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);

2. The percentage of residential rental units in the building that are low-income units;

3. The rent charged on each residential rental unit in the building (including any utility allowances);

4. The number and ages of occupants in each low-income unit, but only if rent is determined by the number of occupants in each unit under Code §42 (g)(2)(as in effect before the amendments made by the Revenue Reconciliation Act of 1989);

5. The status of all units in each building tracked on the Occupancy Report including Move-in/Move-out dates, Affordable or Market, Resident Name, and Rent Concessions given for each unit for the year.

6. The annual income certification of each low-income tenant per unit;

7. Documentation supporting each low-income tenant's income certification (for example, a copy of the tenant's federal income tax return, Form W-2, or verification of income from third parties such as employers or state agencies paying unemployment compensation. See Compliance Manual for further information);

8. The eligible basis and qualified basis of the building at the end of the first year of the Credit period;

9. The character and use of the nonresidential portion of the building included in the building's eligible basis under Code §42(d) (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities, or facilities reasonable required by the Housing Credit project); and

10. Any other data necessary to allow UHC to comply with applicable federal and state law.

For purposes of §42 and this QAP, 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, (see HUD handbook 4350.3 for policies and procedures to determine income, occupancy, etc.) and not in accordance with the determination of gross income for federal income tax liability. See the Compliance Manual for a copy of 24 CFR 813.106 HUD Definition of Annual Income, which is required to be used for determining income levels under §42.

In the case of a tenant receiving housing assistance payments under Section 8 of the Housing Act, the documentation requirement of this section is satisfied if the applicable public housing authority provides a statement to the owner declaring that the tenant's income does not exceed the applicable income limit under §42(g).

B. Record Retention Requirements

An owner is required to retain the records described in this section for at least six years after the due date (with extensions) for filing the federal income tax return for the year. The records for the first year of the Credit period, however, must be retained for at least six 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.

CERTIFICATION AND REVIEW REQUIREMENTS

A. Certification Requirements

An owner is required to certify at least annually to UHC that, for the preceding 12-month period:

1. The Housing Credit project met the requirements of: the 20-50 test under §42(g)(1)(A) or the 40-60 test under §42(g)(1)(B), whichever minimum set-aside test was applicable to the project;

2. There was no change in the applicable fraction (as defined in §42(c)(1)(B)) of any building in the project, or that there was a change, and a description of the change;

3. The owner has received an income certification from each low-income tenant in accordance with the UHC Compliance Manual and documentation to support that certification; or, in the case of a tenant receiving housing assistance payments under Section 8 of the Housing Act, the statement from a PHA described in the Recordkeeping Requirements section;

4. Each low-income unit in the project was rent restricted under §42(g)(2);

5. All units in the project were for use by the general public and used on a non-transient basis (except for transitional housing for the homeless provided under §42(i)(3)(B)(iii));

6. Each building in the project was suitable for occupancy, taking into account local health, safety, and building codes;

7. There was no change in the eligible basis (as defined in §42(d)) of any building in the project, or if there was a change, the nature of the change (e.g., a common area has become commercial space, or a fee is now charged for a tenant facility formerly provided without charge);

8. All tenant facilities included in the eligible basis under §42(d) of any building in the project, such as swimming pools, other recreational facilities, and parking areas, were provided on a comparable basis without charge to all tenants in the building;

9. If a low-income unit in the project became vacant during the year, that reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income;

10. If the income of tenants of a low-income unit in the project increased above the limit allowed in §42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the project was or will be rented to tenants having a qualifying income; and

11. An extended low-income housing commitment as described in §42(h)(6) was in effect.

B. Review Requirements

UHC will review the certifications submitted for compliance with the requirements of §42. UHC will also inspect each Housing Credit project at least once every three years. At that time UHC will inspect the low-income certification, the documentation the owner has received to support that certification, and the rent record for each low-income tenant in at least 20% of the low-income units in those projects.

UHC will determine which tenants' records are to be inspected or submitted by the owners for review. The records to be inspected will be chosen in a manner that will not give owners advance notice that their records for a particular year will or will not be inspected. However, UHC may give an owner reasonable notice that an inspection will occur so that the owner may assemble records (for example, 30 days notice of inspection).

As an alternative to inspecting at least 20% of Housing Credit projects each year and the inspection of low-income certifications, supporting documentation, and rent records for at least 20% of the low-income units in those projects, UHC may rely on either of the following in satisfaction of the Review Requirements:

1. The owners of at least 50% of all Housing Credit projects in UHC's jurisdiction shall submit to UHC for compliance review a copy of the annual income certification, the documentation the owner has received to support that certification, and the rent record for each of the low-income units in their projects; or

2. The owners of all Housing Credit projects shall submit to UHC each year information on tenant income and rent for each low-income unit, in the form and manner designated by UHC, and the owners of at least 20% of the Housing Credit projects must submit to UHC for compliance review a copy of the annual income certification, the documentation the owner has received to support that certification, and the rent record for each low-income tenant in at least 20% of the low-income units in their projects.

C. Frequency and Form of Certification

The certifications and Review Requirements shall be made at least annually covering each year of the fifteen year compliance period under §42(i)(1) and thereafter for such period determined by UHC not to exceed the Housing Credit project's extended use period. The certifications must be made under penalty of perjury. The certifications and reviews may be completed more frequently than on a 12 month basis, provided that all months within each 12 month period are subject to certification.

INSPECTION REQUIREMENTS

An owner shall permit, and UHC shall have the right to perform, an on-site inspection of any building in a Housing Credit project, at least through the end of the compliance period and thereafter for such period determined by UHC, not to exceed the Housing Credit project's extended use period. The inspection provision of this section is separate from any review of low-income certifications, supporting documents, and rent records under the Review Requirements section.

NOTIFICATION OF NON-COMPLIANCE REQUIREMENTS

UHC has a continuing responsibility to monitor compliance. All recipients of Housing Credits will be required to supply UHC with annual Housing Credit certifications, and/or inspections will be conducted each year to monitor compliance. Prior to such inspections, project owners will receive notification advising them of what records will be required by the compliance auditors. If non-compliance is discovered, UHC will, as required, report events of non-compliance to the Internal Revenue Service.

A. Notice to Owner

UHC will provide prompt written notice to the owner if UHC does not receive the certifications as required by this Plan, or has not received or is not permitted to inspect the tenant income certifications, supporting documentation and rent records described in this Plan, or discovers by inspection, review, or in some other manner, that the Housing Credit project is not in compliance with the provisions of the Code.

B. Notice to Internal Revenue Service

UHC will file IRS Form 8823, "Low-Income Housing Credit Agencies Report of Non-Compliance," with the IRS no later than 45 days after the end of the correction period (including permitted extensions) and no earlier than the end of the correction period, whether or not the non-compliance or failure to certify is corrected.

UHC will explain on IRS Form 8823 the nature of the non-compliance or failure to certify and indicate whether the owner has corrected the non-compliance or failure to certify. Any change in either the applicable fraction or eligible basis, that results in a decrease in the qualified basis of a Housing Credit project under § 42(c)(1)(A), is non-compliance that must be reported to the IRS.

If UHC reports on IRS Form 8823 that a building is entirely out of compliance and will not be in compliance at any time in the future, UHC need not file IRS Form 8823 in subsequent years to report that building's noncompliance.

C. Correction Period

The correction period is that period during which an owner must supply any missing certifications and bring the Housing Credit project into compliance with the provisions of the Code. The correction period is not to exceed 90 days from the date of the notice to the owner. UHC may extend the correction period for a limited time, but only if the owner demonstrates to UHC reasonable efforts to bringing the project back into compliance within the specified time frame.

D. Record Retention

UHC must retain records of non-compliance or failure to certify for six years beyond UHC's filing of the respective IRS Form 8823. In all other cases, UHC must retain the certifications and records described in this plan for six years from the end of the calendar year in which UHC receives the certifications and records.

HOUSING CREDIT PROJECT REAL ESTATE TAXATION AND PROJECT OWNER REQUIREMENTS

The Utah Housing Corporation sponsored legislation which standardized the process by which an assessor arrives at the assessed value of a Housing Credit project.
The legislation emphasized the use of the income approach to valuation and also characterized the low-income housing tax credits as "intangible" property, thus not subject to valuation in the assessment process.

Certain administrative rules were required to standardize the process whereby assessors would obtain the information necessary to make their valuation. Failure to provide this information allows the assessors to use whatever information they have available.

The Utah Administrative Code (R884-24P-67) requires certain information for the valuation of Housing Credit pursuant to Utah Code Ann. Sections 59-2-102 and 59-2-301.3.

County Assessors must receive certain information by April 30 of each year. The owner of a Housing Credit project must provide the county assessor of the county in which the project is located the following project information for the prior year:

a) Operating statement;
b) Rent rolls;
c) Federal and commercial financing terms and agreements.

The county assessor will require a 3-year history of the above information if not previously provided.

The county assessor will assess and list the property described in this rule using the best information obtainable, if the property owner fails to provide the information required as described above.

DELEGATION OF AUTHORITY

UHC may retain an agent ("Authorized Delegate") or other private contractor to perform compliance monitoring. The authorized delegate must be unrelated to the owner of any building that the authorized delegate monitors. The authorized delegate may be delegated all of the functions of UHC, except for the responsibility of notifying the IRS under the Notification of Non-Compliance Requirements section.

For example, the authorized delegate may be delegated the responsibility of reviewing tenant certifications and documentation, the right to inspect buildings and records, and the responsibility of notifying owners of lack of certification or non-compliance. The authorized delegate must notify UHC of any non-compliance or failure to certify.

If UHC delegates compliance monitoring to an authorized delegate, UHC will use reasonable diligence to ensure that the authorized delegate properly performs the delegated monitoring functions. Delegation by UHC of compliance monitoring functions to an authorized delegate does

not relieve UHC of its obligation to notify the IRS of any noncompliance of which UHC becomes aware.

UHC may delegate all or some of its compliance monitoring responsibilities to another governmental agency of the State of Utah. This delegation to a governmental agency may include the responsibility of notifying the IRS under the Notification of Non-Compliance Requirements section of this plan.

Independent Third Party Compliance Audits for Recertification Waivers under Code §42(g)(8)(B) may be contracted directly by the owner with nationally recognized compliance training and services companies that the project owner or affiliates have not had business dealings for at least three prior years. Contact UHC for a list of Compliance Training and Service Companies.

LIABILITY

Compliance with the requirements of the Code is the responsibility of the owner of the building for which the Housing Credits were allocated. UHC's obligation to monitor for compliance with the requirements of the Code does not make UHC liable for an owner's non-compliance.

8. GLOSSARY

ADA	American with Disabilities Act and its associated acts of Congress. Specific architectural regulations have been developed to house persons that are dependent on wheelchairs for mobility and/or who may have other physical impairments.
Adjusted Basis	Eligible Basis and land cost for determining if the 50% bond test has been met.
Affordable Housing Unit	A Housing Unit that meets the definition of a Qualified Housing Credit Unit. Common area units are not included, i.e., manager and maintenance personnel units.
Allocation, award and reservation	The terms allocation, award and reservation are used throughout the QAP interchangeably and generally refer to an Application that has been successful in competition for Housing Credits and through the period when the project has been placed in service but before an IRS Form 8609 has been issued for a project or its individual buildings. None of these terms necessarily entitle a to a specific amount of Housing Credits.
Annual Credit Amount	Qualified Basis multiplied by the Applicable Credit Percentage.
Applicable Credit Percentage (ACP)	The U.S. Treasury publishes the exact rates monthly. Multiplying the Qualified Basis by this percentage produces the maximum annual Housing Credits for a building. The rate applied to a building may be determined as follows: 1. The month the building is placed in service; 2. The owner elects to use the ACP the month a Carryover Allocation is entered into with UHC; 3. For a tax exempt bond project, a notarized election statement is submitted to UHC by the 5th day of the month following the issuance of the bonds.
Applicable Fraction	The lesser of the following two ratios: 1. Percentage of qualified low-income units compared to the total units within the project; 2. Percentage of qualified square footage compared to the total square footage within a project.
Applicant	Applicant means the party that submits an Application to UHC for a Credit Reservation, including its successors in interest as approved by UHC.
Application	Application means the Housing Credit Program Application submitted by an Applicant for a project.
Area Median Income	Mid-point income with half the population above and half below in a particular area. The HUD Area Median Incomes are published every year for metropolitan and county areas. The AMI is adjusted for household size. UHC allows the actual income tenants earn to be 5% greater than the AMI used to determine rent, but cannot exceed the minimum set-aside election of 20%/50% or 40%/60%, whichever is applicable. See Minimum Set-Aside Election.
Assisted Living	Assisted living refers to services provided in conjunction with housing for persons who cannot live independently.

BIN	Building Identification Number assigned by UHC.
CDBG	Community Development Block Grant. This is a program administered by the Department of Community and Economic Development in the State of Utah. It is a federal program designed to assist local municipalities in developing infrastructure such as water treatment plants, bridges, roads, etc. Occasionally it is used in a Housing Credit project to obtain land or to develop sewer, water and other infrastructure on or to the site.
CHDO	Community Housing Development Organization. A nonprofit housing development corporation whose mission and organizational structure are defined by HUD. This type of organization can obtain various funds on a priority basis from HUD and other sources.
Carryover Allocation	This is the document that UHC issues when it allocates Housing Credits to a project that is not complete. Housing Credits are reserved to projects from Utah's Credit Ceiling available each calendar year. Housing Credit projects which are not completed in the calendar year in which the Credits are allocated may carry over that allocation for up to two additional calendar years.
Certificate/Articles of Incorporation	Legal document filed with the State which describes a corporation's legal organizational structure, as well as any amendments and restatements.
Certification Period	The 12-month period preceding the date that the Owner is required to give the Annual Certification in accordance with the reporting requirements of the LURA and §42(m).
Code	The Internal Revenue Code of 1986, as amended, together with corresponding and applicable temporary, proposed, and final Treasury Regulations, and Revenue Rulings and pronouncements issued or amended regarding it by the U.S. Department of the Treasury or IRS.
Common Areas	Land, improvements, and amenities for the benefit and use of all occupants, as well as the property owner. Examples are corridors, hallways, playgrounds, community rooms, management offices, and elevators.
Compliance Period	The 15 year period during which projects must comply with the requirements of the Housing Credit Program. The compliance period is fifteen years for projects that received 1990 and later Housing Credits. The extended use period involves an additional number of years as stated in the Land Use Restriction Agreement.
Community Revitalization Plan (CRP)	A CRP seeks to create communities of opportunity in neighborhoods by stimulating the reinvestment of human and economic capital and economically empowering low-income residents. A CRP also seeks to create partnerships among federal and local governments, and neighborhood residents.

Concerted Community Revitalization Plan (CCRP)	A CCRP must be evidenced by a written document which establishes an active partnership between local government(s) and community-based organizations and which commits each signatory to specific and measurable goals, actions and timetables to foster, among other things, the construction or rehabilitation of affordable housing. Is a published document, approved and adopted by a governing body, by ordinance, resolution, or other legal action, and targets funds or tax incentives to specific geographic areas for either of the following: 1. economic development, including economic related initiatives; or 2. commercial/retail development, including infrastructure and community facility improvement.
Cost Certification	An accounting of actual project-related costs, verified by a CPA.
Credit Ceiling	Annual amount of federal Housing Credits received by Utah and allocated according to the QAP.
Credit Reservation	The Credit Reservation serves as the preliminary assignment of Housing Credits to a qualified project. It contains special conditions with which the project must comply in order to receive an allocation of those Housing Credits.
Department of Workforce Services (DWS)	Utah Department of Workforce Services. A department of the State of Utah that administers various housing resources, including the State HOME funds and the OWHLF, which are frequently used by Housing Credit projects.
DCR	Debt Service Coverage Ratio. This is a commonly used measure of project feasibility. It is the annual net operating income before income taxes divided by the annual debt service.
Developmentally Disabled	Refers to a person with severe, life-long disabilities attributable to mental and/or physical impairments, manifested before the age 22.
Difficult Development Areas (DDAs)	Areas designated by HUD as having high construction costs, land and utility costs, relative to the AMI. Projects located in these areas can increase their eligible basis by 30%. DDA's are updated and published annually by HUD are published herein in Exhibit B.
Disabilities	Physical or mental impairments that substantially limit one or more of the major life activities of an individual, such as, being unable to care for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, or learning.
Due Diligence	Review performed by the syndicator of a Housing Credit project to assess the project's feasibility. It includes information on local approvals, environmental review, project funding, market demand, and capacity and experience of the sponsor.

Elderly Housing	A project that conforms to the Fair Housing Act, as amended, and: 1. In which all housing units are intended for and solely occupied by residents who are 62 or older; 2. In which all housing units are each intended and operated for occupancy by at least one resident who is 55 or older, and where at least 80% of the total housing units are in fact occupied by at least one resident who is 55 or older; or 3. Is financed, constructed, and operated under the RD Section 515 program for the elderly (i.e., where each resident is either 62 or older or is a person with handicaps or disabilities regardless of age, as such terms are defined in the RD program).
Eligible Basis	Development expenditures that are eligible for obtaining Housing Credits.
Energy Star	Energy Star qualified construction incorporates: 1. Tight construction (reduced air infiltration) 2. Tight ducts 3. Improved insulation 4. High performance windows 5. Energy efficient heating & cooling equipment The Utah Energy Conservation Coalition (UECC) does the rating certification and certifies other analysts. A project must be rated by UECC, or equivalent, and then certified after construction to be an Energy Star Qualified project. See website www.energystar.gov.
Equity	Funds a developer receives from an investor or syndicator resulting from the sale of Housing Credits that were awarded to a project in the Housing Credit Program.
Equity Gap	This is the difference between long-term financing and project construction and interim expenses, including reasonable soft costs and reserves.
Extended Use Period	The period of years (commencing after the close of the Compliance Period) that an Applicant committed to in the Application: 1. maintain the units as low-income housing units; 2. to comply with all the terms and conditions of the LURA; and 3. comply with the Housing Credit Program and certain requirements of the Code.
Fair Market Value	The highest price a property would bring if offered for sale in a competitive market for a reasonable time period, with both buyer and seller being fully aware of all the property's present and future uses without being compelled to conduct the transaction.

Farm Worker	A person hired to work in the agricultural industry who may or may not be related to the individuals who own or run the farm, but his or her job entails a more formal relationship than a family member or neighbor who might do occasional chores on the farm. A farm worker may engage in seasonal or permanent work.
Firm Commitment	A lender's irrevocable agreement to loan a specific sum of money to an owner at a specified interest rate for a definite term, subject to certain conditions.
Forward Year Reservation	Reservation and/or allocation of Housing Credits to a project from the Credit Ceiling amount from the following year.
GRAMA	Utah Government Records Access and Management Act.
General Partner	A natural person, partnership, corporation or other person or entity in its own or any representative capacity who has been admitted to a limited partnership as a general partner in accordance with the partnership agreement.
Good Standing	A project owner who, on all previous and current projects, has paid all UHC required fees, corrected any noncompliance (Form 8823) within the correction period, and has no pattern of ongoing non-compliance in either the allocation and compliance aspects of the Program and is not in violation of the LURA.
Hard Costs	Costs incurred by the contractor in providing all labor, materials, equipment, general conditions, overhead and profit for the construction of a project.
HOME Funds	HOME Funds investment partnership is a federal housing program administered by HUD and granted to states. Home Funds provides loans at below market interest rates to assist Housing Credit projects achieve below market rents. Please note that projects utilizing HOME funds must have 40% of their units at or below 50% AMI.
HOPWA	Housing of Persons With AIDS. The HOPWA Program is used to develop housing and assist in the operation of the project by providing rent subsidies for persons with AIDS or HIV.
HUD	The U.S. Department of Housing and Urban Development. A federal agency responsible for housing. HUD is the regulatory body over Public Housing Authorities and provides funds for various housing priorities.
Housing Credit	A dollar-for-dollar reduction in federal tax liability for parties that invest in affordable housing under the Housing Credit Program.
Housing Credit Ceiling Amount	Annual amount of federal Housing Credits received by Utah and allocated according to the QAP.
Housing Credit Program	UHC's program for awarding, reserving and allocating Housing Credits and monitoring projects for compliance with Housing Credit Program and §42 of the Code, as set forth in the QAP, and UHC's agreements, contracts, manuals, guides, and other documents.
Housing Credit Reservation	Formal reservation of Housing Credits to a project by the UHC Board of Trustees.

Housing Unit	Housing Unit means an affordable housing unit and/or market rate housing unit in a building that is available for rent or rented by residents. A common area unit is not a Housing Unit in a project.
HAP Contract	The HAP Contract is an agreement between the PHA and the owner of a unit occupied by an assisted household. The HAP Contract provides sufficient operating subsidies.
IRS	Internal Revenue Service. The federal agency having jurisdiction over the Program, as mandated by Congress.
Identity of Interest	A financial, familial, or business relationship that permits less than arm's length transactions. For example: Related Parties; persons, entities, or organizations affiliated with or controlled by or in control of another; existence of a reimbursement program or exchange of funds; common financial interests; and etc.
Investor Member	An investor who is admitted into the ownership of a project through an Operating Agreement or Limited Partnership Agreement, typically acquiring the interest without becoming involved in the daily management of the project. Its main role is to invest in the project through a purchase of Housing Credits.
LURA	Land Use Restriction Agreement. This is the Low Income Housing Credit Commitment Agreement and Declaration of Restrictive Covenants, an agreement between UHC and the property owner. The agreement is a restrictive covenant that runs with the land. Except under limited situations, all other liens are subordinate to the LURA.
Large Household	A group of four or more income qualified residents who are not necessarily related and who live together in a low-income housing unit containing three or more bedrooms.
Limited Liability Company	A company formed with limited liability in accordance with Utah state laws.
Low Income	Households or persons whose incomes are 60% or below of the AMI.
Mentally Ill	Refers to a person who is incapable of managing his/her person or affairs. A mentally ill person requires care, treatment or control for his/her own good or in the public interest.
Minimum Set-aside Election	To participate in the Program, the project must dedicate (set aside) at least 1. 20% of the project units at 50% or less AMI rents, or 2. 40% of the project units at 60% or less AMI rents. Housing Credit units in excess of the minimum election are also limited to the applicable election limit.
Moderate Income	Households or persons whose incomes are from 60% to 80% of the AMI.
Mutual Consent of Return Agreement	The agreement is a mutual consent between UHC and the project owner to return unused housing credits.

National Pool	The unused Housing Credit of a state for any calendar year is assigned to the IRS for inclusion in a national pool of unused Housing Credits (National Pool) that is reallocated among qualified states the succeeding calendar year.
Net Residential Square Footage (NRSF)	The area of an individual unit that is available for the exclusive use of the tenant. NRSF for each unit is measured from the inside finished surface of surrounding permanent walls, and excludes walls, columns, and projections enclosing the structural elements of the building within the unit. Exterior space including patios and balconies that are available for the exclusive use of tenants is also included in this calculation.
Non-Compliance	Failure to observe or perform any covenant, condition or term of any agreement between the Applicant and UHC or failure to meet the requirements of §42 of the Code, the QAP, or the Housing Credit Program.
Nonprofit Organization	An organization organized and operated exclusively for charitable purposes and that is tax-exempt under Section 501(a) of the Code. Examples of these are organizations described in Sections 501(c)(3) and 501(c)(4) of the Code. A Nonprofit Organization also includes PHA's and public development corporations and agencies that are tax exempt.
Not in Good Standing	A designation issued by UHC to a developer, owner, property management company, or any other party to a Housing Credit project, so issued as a result of failure to pay required fees on time, failure to complete required reporting on time, failure to address noncompliance issues on time, exhibiting a pattern of ongoing noncompliance in the Housing Credit Program or in violation of the LURA, or for any other reason of malfeasance, misconduct, or abuse of the Housing Credit Program as determined by UHC. Anyone found to be Not in Good Standing may be disqualified from future participation in the Housing Credit Program for a determined period of time.
OWHLF	Olene Walker Housing Loan Fund – provides financial assistance for the acquisition, construction, or rehabilitation of affordable rental housing.
Operating Agreement	Document that defines and governs the business relationship between the members of a limited liability company.
Operating Expenses	Periodic expenses which are essential for a project's continuous operation and maintenance. Operating expenses may be fixed, such as property taxes and insurance, or they may be variable, such as utilities or payroll. Operating and replacement reserve contributions are operating expenses; mortgage principal and interest, and depreciation are not.
PAB Board	Private Activity Bond Review Board Authority – allocates tax exempt bonds. The PAB is with the Governor's Office of Economic Development. See the following website: http://business.utah.gov/relocate/ for more information.

PHA	Public Housing Authority. An independent organization set up to provide housing assistance within a community. PHA's are the issuing agents for HUD Section 8 vouchers and certificates. They also may have ownership interest in Housing Credit Units.
PUD	Planned Unit Development. This is a form of ownership typical of townhouse construction. Unlike a condominium, where the owner owns a percentage of the project and the area within his unit, each owner of a PUD unit owns the land under their unit and a percentage of any common area.
Placed in Service Date (PIS)	For a residential rental building, it is the date when the first unit in the building is ready and available for occupancy under state or local law, usually the date when a Certificate of Occupancy is issued. For Rehabilitation projects, this date is selected by the project owner as of any date during the 24-month period over which the expenditures are aggregated, whether or not the building is occupied during the rehabilitation period. However, with respect to Housing Credits for acquisition costs, the PIS is the date the building was acquired.
Pre-development Costs	Costs which are incurred in conjunction with, but prior to, the actual commencement of the project's construction, such as site option costs, site carrying charges, architectural and engineering fees, and appraisal fees.
Present Value	The value today of payments to be made or received in the future.
Qualified Allocation Plan (QAP)	A plan prepared by UHC and adopted by the State of Utah pursuant to §42 that establishes the criteria and preferences for allocating Housing Credits.
Qualified Basis	Eligible Basis multiplied by the Applicable Fraction.
Qualified Census Tract (QCT)	Census tracts where 50% or more of households have incomes of less than 60% of the AMI. Projects located in a QCT can increase their eligible basis by 30%. A list of qualified census tracts is published by HUD and updated annually and is included herein in Exhibit B.
RD	U.S. Department of Agriculture Rural Development Service, an agency of the federal government responsible for economic and housing development in rural areas. Formerly known as the Farmers Home Administration.
Refugee	A person who owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it.

Rehabilitation	Restoration of a building to its former or an improved condition, as when buildings are renovated or modernized. Rehabilitation usually does not alter a structure's basic plan or style, but may include some new construction, buildings, or additions.
Related Party	1. The brothers, sisters, spouse, ancestors, and direct descendants of a person; 2. A person and corporation where that person owns more than 50% in value of the outstanding stock of that corporation; 3. Two or more corporations that are connected through stock ownership with a common parent with stock possessing: i. at least 50% of the total combined voting power of all classes that can vote, or ii. at least 50% of the total value of shares of all classes of stock of each of the corporations, or iii. at least 50% of the total value of shares of all classes of stock of at least one of the other corporations, excluding in computing that voting power or value stock owned directly by the other corporation; 4. A grantor and fiduciary of any trust; 5. A fiduciary of one trust and a fiduciary of another trust, if the same person is a grantor of both trusts; 6. A fiduciary of a trust and a beneficiary of that trust; 7. A fiduciary of a trust and a corporation where more than 50% in value of the outstanding stock is owned by or for the trust or by or for a person who is a grantor of the trust; 8. A person or organization and an organization that is tax-exempt under Section 501(a) of the Code and that is affiliated with or controlled by that person or the person's family members or by that organization; 9. A corporation, partnership, limited liability company, or joint venture if the same persons own more than: i. 50% in value of the outstanding stock of the corporation; and ii. 50% of the capital interest or the profits' interest in the partnership, limited liability company, or joint venture;

Related Party (Cont.)	10. One S corporation and another S corporation if the same persons own more than 50% in value of the outstanding stock of each corporation; 11. An S corporation and a C corporation, if the same persons own more than 50% in value of the outstanding stock of each corporation; 12. A partnership, limited liability company, or joint venture and a person or organization owning more than 50% of the capital interest or the profits' interest in that partnership, limited liability company, or joint venture; or 13. Two partnerships, limited liability companies, or joint ventures, or a combination thereof, where the same person or organization owns more than 50% of the capital interests or profits' interests. For purposes of 1 through 13 above, the constructive ownership provisions of Section 267 of the Code apply.
Replacement Reserve	The amount set aside at the time of initial occupancy, or each month thereafter, for the future replacement of items including, but not limited to, flooring, plumbing systems, heating systems, security systems, electrical systems, roofs, and window and door units.
Reservation Agreement	UHC's notification to a project sponsor that Housing Credits have been set aside for the project.
Restricted Rent	The rent limitation for a dwelling unit for purposes of qualifying for Housing Credits.
SMSA	Standard Metropolitan Statistical Areas is defined into three metropolitan statistical Areas: • Metropolitan Statistical Area (MSA) is a city of at least fifty thousand people with a surrounding rural population • Primary Metropolitan Statistical Area (PMSA) is an area of more than a million people with internal and social links • Consolidates Metropolitan Statistical Areas (CMSA) is two or more PMSA's that are geographically linked
SRO	Single Residential Occupancy unit. This is a very small rental unit that usually has a small kitchenette with common bathroom and shower facilities. It is generally built for households having only one person.

Scattered Site Project	A qualified low income housing project located on multiple sites, and which buildings would (but for their lack of proximity) be treated as a project shall so be treated if all of the dwelling units in each of the buildings are rent-restricted residential units under the Housing Credit program. UHC requires that all components of a scattered site project be located within the same county.
Set-Aside Pools	Pools of Applicants or project types that are given specified percentages of the Credit Ceiling amount.
Scoring Criteria	Criteria set forth in the Scoring Section of the QAP and the Application used by UHC to assess the degree to which a proposed project promotes the priorities determined by UHC and the Code.
Soft Costs	Costs, other than for acquisition and construction/ rehabilitation, which are incurred while holding unimproved property or during construction. Soft costs may include such items as carrying charges (interest, real estate taxes, and ground rents), professional service and audit fees, offering plan/prospectus costs, surveys, relocation expenses, insurance, assessment, mortgage insurance premiums, inspection, recording and filing fee, not-for-profit developer's allowance, FNMA/GHMA fee, mortgage recording tax, title examination costs, and others.
Subsidy	A grant made by a government or other entity to reduce the cost of housing to the occupant.
Substantial Rehabilitation	Requires the replacement of at least two major systems. The expenditures exceed $6,000 per unit or 20% of Adjusted Basis, whichever is greater. (See Exhibit H).
Syndication Costs	The costs of legal, marketing and syndicator fees necessary to sell partnership or limited liability company interests providing federal tax benefits through the purchase of Housing Credits.
Takeout/Permanent Financing	Long-term permanent financing used to pay off a project's short-term construction loan. This term is used when a project's financing involves two lenders- the construction lender and the permanent lender. Prior to making a construction loan, a construction lender usually requires a commitment from the permanent lender to "take out" or pay off the construction lender when construction is completed.
10% Cost Certification	A 10% Cost Certification must be submitted to UHC within one year from the date of the Carryover Allocation. This certification is verified by a CPA and shows that 10% of the projected eligible costs (land and depreciable costs) have been spent.
Tax Exempt Bond	Congress established government bonds that could be used for private activities; these activities include mortgages, student loans, and industrial loans. States may issue these bonds to foster economic and housing development. Interest paid to owners of these bonds is exempt from federal and in some cases state income taxes. They are authorized under Section 103 of the Code.

Ten Year Plan to End Chronic Homelessness	A plan adopted by the State of Utah with the goal of providing access to safe, decent, and affordable housing with the needed resources and support for self-sufficiency and well being for every person.
Ten-Year Previous Ownership Rule - Rehabilitation Projects	A provision of the Code regulations that states that buildings must not have changed ownership nor have been placed in service in the previous ten years in order to be eligible for the acquisition Housing Credit. Certain exceptions apply.
Threshold Requirements	The requirements that must be met in the Application for a project to be considered for a Housing Credit reservation and allocation as set forth in the QAP.
Transit Oriented Development (TOD)	UHC places a priority on the development of projects located within 1/3 mile of walking distance along public access to an existing or currently under construction Trax or FrontRunner stop/station but not bus lines.
Total Project Costs	The sum of all eligible, necessary and reasonable acquisition, construction/ rehabilitation, and soft costs for a project, as well as working capital and reserve fund capitalization costs, where applicable. Total Project Costs excludes intermediary costs, any amounts set aside for reserves and any amounts attributed to commercial areas or other non residential areas.
UECC	Utah Energy Conservation Coalition. Scores or rates construction of projects according to Energy Star and certifies other rating organizations.
Unrestricted Units	Units in a Housing Credit project that have none of the Housing Credit Program affordability or other reporting restrictions. They are also called market rate units.
Veteran	A person who has served in the armed and/or military forces.
Very Low Income	Households or persons whose incomes are equal to 50% of the AMI or less.