State of Utah

2019
Federal and State Housing Credit Program

Allocation Plan

Approved By UHC Trustees
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1. THE HOUSING CREDIT PROGRAM AND ALLOCATION PLAN

INTRODUCTION

The Utah Housing Corporation (UHC), created by enactment of the Utah Housing Corporation Act, 63H-8-101 et seq. of the Utah Code annotated, 1953 as amended (the Act), is Utah's designated Housing Credit Agency and administrator of the Federal Low Income Housing Tax Credit Program (Housing Credit Program" or "Program) under Section (§) 42 of the Internal Revenue Code of 1986, as amended (Code), and all regulations promulgated thereunder, and under the Act, 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 preservation of rental housing for lower income households in such a way as to further the following goals:

A. Promote the public purposes declared in the 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 children;

E. Promote projects that provide housing to Seniors and tenant populations with special housing needs.

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 (Allocation Plan" or "QAP). The QAP provides an equitable and reasonable basis for the submission, review, processing, selection and subsequent monitoring of Applications within the guidelines and requirements established by the federal government.

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 QAP is amended typically on an annual basis. Because UHC is the designated Housing Credit

Agency and administrator of the Federal Low Income Housing Tax Credit Program, UHC is the author and interpreter of all matters relating to the QAP, Application and Compliance manual. No other entity is designated as having superior judgment in such matters.

The federal laws establishing the Housing Credit Program are subject to change. Interpretations of certain rules and regulations governing various facets of the Program may be issued by the U.S. Department of Treasury from time to time. 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 (State Tax Code). UHC is authorized and required by the State Tax 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 State Tax Code, UHC establishes this QAP as the criteria and procedures for allocating the State Housing Credit.

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.

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 711 or 1-800-223-3131. Please contact UHC for any special accommodations.

CONDITIONS AND DISCLAIMERS

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 shall be entitled to use its discretion in making all such decisions and interpretations, as determined by UHC on a commercially reasonable basis. UHC reserves the right to amend the QAP from time to time. UHC may make non-substantive amendments to the QAP, including without limitation, (i) to reflect changes, additions, deletions or interpretations necessary to comply with §42 of the Code, the State Tax Code, or regulations issued thereunder; (ii) to resolve any ambiguity, supply any omission, or cure or correct any defect or inconsistency in the QAP; or (iii) to add provisions clarifying matters or questions with respect to the QAP. UHC may make substantive amendments to the QAP at any time following public notice and public hearing, and following approval of such amendments by the UHC Board of Trustees and by the Governor of the State of Utah. In the event of a major natural disaster or major disruption in the financial markets, UHC may disregard any portion of the QAP, 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.

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 Form 8609, is not a representation or warranty as to the financial feasibility or economic 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 that the project is in compliance with the Code, Treasury regulations, or any other laws or regulations governing Housing Credits.

2. THE APPLICATION AND UHC FEES

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.

APPLICATION PROCESS

Applicants desiring a Reservation of Credits under the 2019 Reservation Cycle must:

- Comply with the format and content of this QAP and submit clear and complete Applications, including all required support documentation, supplements and certificates required by UHC. In instances where the information or formulas provided by UHC in the Application conflict with the QAP, the QAP shall govern.
- Adhere to Exhibit 2A, and the Table of Contents/Self-Certification Checklist required for Application submission.

Applications, once submitted, are considered final for UHC's review, although additional information and updates may be requested by UHC to effectuate the review process. 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. Although it is the intent of UHC to reserve all Housing Credits through one cycle, additional cycles may be utilized by UHC to further the goals of the Housing Credit program.

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.

A. Applicant Disqualification

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 a Reservation or Allocation of Housing Credits but failed to meet standards or requirements of the Housing Credit Reservation or 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 may be as many as five years, and any Application in which they are participating in any way, will be removed from consideration. Applications with any development team member "Not in Good Standing" with UHC will also be removed from consideration.

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 the Act and this QAP, (ii) does not meet the requirements of §42 of the Code or (iii) is incomplete.

B. Market Saturation Ineligibility

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

C. Ineligible Project Types

UHC will not accept Applications for projects licensed as Assisted Living.

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 project 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 a Tax Information Authorization (IRS Form 8821) to UHC.

The Application also includes the application for Private Activity Bonds.

UHC frequently receives requests from investors, owners and lenders for a copy of an annual compliance certification filed with respect to a project. 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 project Non-Compliance, after receipt of 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) Utah Code Title 63G, Chapter 2 and the federal Freedom of Information Act. 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 therefore the Applicant has a greater interest in prohibiting access than the public in obtaining access. Accordingly, Applicants must complete Exhibit 2C, 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 of an Applicant to comply with the requirement to complete Exhibit 2C may result in UHC classifying applicable records as public. See Utah Code Ann §§ 63G-2-305 and 63G-2-309 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.

DOCUMENTATION REQUIREMENTS

Applications must include all required documentation to be deemed conforming and must include required documentation supporting claims of points made in the Application. Applications without required documentation to meet thresholds will be removed from consideration. Applications without required documentation supporting claims of points will have points deducted in scoring

performed by UHC. The Table of Contents/Self-Certification Checklist (See Exhibit 2A) is provided to assist Developers with properly completing and documenting the Application and must accompany the Application. No new, additional or replacement documentation will be accepted after the Reservation Cycle submission deadline.

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 2B with the market study. For complete instructions on preparing the market study, see Exhibit 2B.

Based upon its review of required experience documentation, 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 a Reservation of credit to a project. UHC recognizes that smaller projects may require little explanation in several of the required areas of study and analysis.

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 from 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 submitted 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 reserve Housing Credits until all first and second level appeals have been reviewed.

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 a Reservation 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.

UHC 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 be received by UHC by the Application deadline. 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 Reservation.

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

If a 9% Housing Credit project fails to pay the required Reservation fees within 30 days of the issuance of the Reservation letter, a $500 late fee will apply. If a project fails to pay the required Reservation fee within 60 days of issuance of the Reservation letter, the Reservation may be rescinded. Projects receiving 4% Housing Credits may pay the Reservation fee at the time of closing with the investor member.

C. 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.

D. Carryover Allocation Fee(s)

A Carryover Allocation Fee must accompany the carryover packet. The Carryover Allocation Fee is $1,000 subject to a discount of $500 if received by November 1st. All Carryover Agreements must be executed and returned to UHC by December 1 of the credit year. If the executed Carryover Agreement is not returned to UHC by December 1 a late fee of $500 will apply. 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.

E. 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.

F. 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 + $35 per unit
For projects with more than 25 units	$1,000 + $35 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.

G. 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.

H. Subordination Fee

No lien, encumberance, or other such document recorded against the property, the default of which provides a right to foreclose out the owner's interest in the property, either express or implied, or would otherwise terminate the LURA, may be recorded ahead of the LURA. Agreements between the owner and another party describing or limiting the use of the property or requiring certain development requirements must be recorded behind the LURA. If subordination agreements must be prepared and/or reviewed, a fee of $500 per subordination agreement will be assessed and must be paid by the project owner prior to final execution of the subordination agreements.

I. 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.

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

See the Compliance 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.

3. HOUSING CREDIT POOLS

HOUSING CREDIT SET-ASIDE POOLS

Applications meeting each set-aside pool's specified criteria may compete within such pool. UHC may designate additional Set-Aside Pools during the year if deemed appropriate in meeting the goals 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 3B). 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 20%

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 20 percent of the Housing Credit Ceiling Amount for projects located in those areas of the State identified by UHC (see Exhibit 3A), and for projects with 25 or fewer units. Applicants may not divide a larger project into smaller parcels in an effort to qualify under this set-aside. Examples of a larger, non-divisible project include multiple phases of a development, whether or not controlled by the same ownership interest, a non-Scattered Site development of multiple buildings which are or will be under a single financing structure, a project of multiple buildings which share a single tax identification number. Any Housing Credits remaining in this set-aside following the cycle shall be reassigned to the general pool during the cycle.

C. Permanent Supportive Housing Set-Aside 30%

To encourage the development of Permanent Supportive Housing (PSH) projects. PSH targets people, particularly the homeless or chronically homeless, with psychiatric Disabilities, chronic health challenges, or other barriers to accessing or retaining stable housing, and provides robust supportive services to reduce instability in housing. All PSH units must be rent restricted at or below 35% AMI, and be supported with an operating subsidy. Projects competing in this pool must be 100% set-aside for households that meet the described criteria. Any Housing Credits remaining in this set-aside following the cycle shall be reassigned to the general pool during the cycle.

D. 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.

E. General Pool 35%

UHC will initially set aside approximately 35 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. UHC will:

- Determine which Applications meet the criteria (qualify) for each pool.
- Rank by score all qualified Applications within each pool.
- Recommend a Reservation of Housing Credits for the highest scoring project(s), in rank order, until the next ranking project cannot be wholly funded.

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

i. 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.

ii. Applications that fall below the cut-off point will be moved into the General Pool.

iii. Any unused Housing Credits from this pool will be moved into the General Pool.

B. Small / Non-Metro Pool Selection (approximately 20%)

i. 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.

ii. If a balance of Housing Credits remains 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.

iii. If a balance of Housing Credits remains 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.

iv. No additional Applications will be funded from this pool.

v. Any unused Housing Credits from this pool will be moved into the General Pool.

C. Permanent Supportive Housing (30%)

i. 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.

ii. If a balance of Housing Credits remains 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.

iii. If a balance of Housing Credits remains 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.

iv. No additional Applications will be funded from this pool.

v. Any unused Housing Credits from this pool will be moved into the General Pool.

D. Nonprofit Pool Selection (10%)

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

i. 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.

ii. If a balance of Housing Credits remains 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.

iii. If a balance of Housing Credits remains 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 reserved to the highest scoring nonprofit

project in the General Pool which achieves a score high enough to be reserved Housing Credits.

iv. If no nonprofit project in the General Pool scores high enough to receive a Reservation and thereby use the remaining balance of the 10% pool, those credits will be reserved 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.

v. No additional Applications will be funded from this pool.

E. General Pool Selection (approximately 35%)

i. All remaining Applications will compete in the General Pool.

ii. Rank by score all conforming Applications within this pool.

iii. A Reservation 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 reserved.

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 reserved from any pool.

REMAINING OR REVERTED HOUSING CREDITS

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. Reserve Housing Credits from the current year and the subsequent year to the lowest scoring project that could receive a partial Reservation.

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.

4. THE ALLOCATION AND UNDERWRITING PROCESS

PROJECT SELECTION PROCESS

A. Introduction

Applications shall be selected by UHC 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.

In no case will UHC either reserve Housing Credits to a project without competing in a Reservation Cycle of competition open to all Applicants or accept a return of Housing Credits in exchange for an Allocation of a subsequent credit year's Housing Credits.

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.

B. Financial Feasibility

Financial feasibility is critical to the long term viability of the project. In an effort to ensure feasibility and maximum credit efficiency, a project will undergo the underwriting process a minimum of four (4) times: 1) at the time of Application, 2) prior to admission of the Equity investor/partner into the ownership entity, 3) at ten percent test for a Carryover Allocation, if applicable, and 4) at submission of documents requesting Form 8609. At each underwriting, the project must meet the feasibility requirements as outlined in Exhibit 4A and elsewhere in this QAP.

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. 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.

D. General Project Underwriting and Threshold Requirements

UHC will utilize the Underwriting Guidelines set forth in Exhibit 4A to evaluate feasibility and determine Housing Credit needs. The Application must satisfy the following criteria to be considered for the Reservation cycle:

i. 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.

ii. At the time of Application, a project must 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).

iii. Current zoning must permit multiple residential use and be consistent with the proposed project. If the project requires a conditional use permit, the application for it must be filed with the appropriate jurisdiction and 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. See After Receiving Housing Credits for zoning performance bond requirements.

iv. Letters of interest/commitment are required for all projects from financial sources including investors, construction and permanent lenders, lenders of soft financing, project based rental assistance providers, and grantors. When applicable, 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 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.

v. 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.

vi. A land appraisal dated within six months of the Application submission deadline is required on all rehabilitation and Related Party new construction transactions. However if the land for the proposed project will be donated or if title will be transferred at no cost to the project, 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.

vii. A title report dated within 90 days of the Application submission deadline is required for all Applications.

viii. Applicants must demonstrate financial capacity and credit worthiness by providing (see Exhibit 4D), Comprehensive Financial Disclosure Certificate.

ix. 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.

x. For competitive Applications the floating rate will be that which is published by the IRS for August, 2018. For noncompetitive Applications, the rate will be that in effect for the month in which the Application is requested from UHC.

xi. Project buildings will be able to claim a 130 percent increase in Eligible Basis if located in a HUD-designated Qualified Census Tract or Difficult Development Area. Those not using tax-exempt bonds and in UHC Qualified Bonus Areas (See Exhibit 4B) also may claim the increase.

E. Additional Requirements for Rehabilitation Projects

i. UHC, at its sole discretion, shall determine if a project qualifies as Substantial 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 4A).

ii. 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.

iii. Projects that include a purchase/sale of reserves may not include the cost of the reserves in Eligible Basis.

iv. Projects must consider rehabilitation costs per unit consistent with the Rehabilitation Safe Harbors ranges by age as shown in Exhibit 4A, except as otherwise approved by UHC.

v. Applications must include a comprehensive Capital Needs Assessment on the project and 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 an independent CPA.

vi. Projects 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.

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

viii. Project owners must certify at the time of Application that they have inspected 100% of the units.

ix. Projects will be required to meet current local building code.

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

F. Housing Credit Program Training

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.

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.

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 goals 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 5G) 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 maximums include both Developer and contractor/builder fees and ceilings (see below).

In competitive 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 any time 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 4E). 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
Acquisition Fee	6% of building(s) acquisition cost*
General Requirements	6% of direct construction** in Eligible Basis; additional fee may be outside of basis
Builder Profit and Overhead	4% of direct construction** in Eligible Basis; additional fee may be outside of basis

***Building Acquisition Cost = Purchase Price - Land Value - Related Party Fees and Commissions. All allowed in Eligible Basis.**
****Direct Construction = Site Work + Rehab/New Construction + Contingency - General Requirements.**

Developer Fee Limits, As a Percent of Qualified Basis*†	
Number of Units in Project	**Maximum Fee, As Percent of Qualified Basis**
1-40	**15%**
41-100	**12%**
101-200	**11%**
201+	**10%**

***Developer fee may be in or out of Eligible Basis, but in total may not exceed the fee limits as calculated above.**
†The Developer fee percentage is applied to Qualified Basis, after reducing Eligible Basis by the building acquisition costs, acquisition fee, and Developer fee, but including other federal sources (e.g. federal energy tax credits) that must be subtracted as required under the Code.

For projects that would exceed $2,500,000 in Developer fee based on the formulas above, only the first $2,500,000 will be considered in Eligible Basis for the purpose of credit calculation. Any additional amount must appear outside of Eligible Basis, and the dollar amount outside of basis must be specified at the time of initial Application. Additional Developer fee will not be permitted if not included in the initial Application.

MAXIMUM HOUSING CREDIT ALLOCATION

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

A. Allocation Limit

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. Applicants or related parties involved in PSH projects will be exempt from this limit to the extent that the PSH project causes an Applicant to exceed the cap of $1,000,000 or 20%, whichever is less. This exemption applies to Applicants or Related Parties on one (1) open PSH project at a time. No single project will be awarded more than the lesser of $1,000,000 or 20% of the available annual Housing Credit Ceiling Amount.

iii. 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 a Reservation of Housing Credits, and closed upon placement in service. An Applicant or Related Party with more than two (2) open Housing Credit projects may be a party to one (1) PSH application or open project in addition to the limits described herein.

iv. 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 competitive cycle and provide a new market study supporting the additional phase.

v. 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.

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 Reservation as part of the underwriting process. UHC reserves the right to adjust the Housing Credit Reservation limit at any time.

B. 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.

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.

5. AFTER RECEIVING HOUSING CREDITS

RESERVATION OF HOUSING CREDITS

After each Application has been processed and the Housing Credit Reservation 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 Reservations 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 toward 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 D (iii) of the General Project Underwriting and Threshold Requirements (see page 26), a performance bond naming UHC as the obligee and 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.

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.

PROJECT DEVELOPMENT SCHEDULE 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.

A Project Development Schedule (see Exhibits 5A-B and 7A-B) must be completed and submitted 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)

A Land Use Restriction Agreement (LURA) (see Exhibit 5E) shall 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 and reasonable consideration for the significant financial benefits derived from the Housing Credits. The LURA shall 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

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 documents must be submitted to UHC 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 5C), 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.

Should a qualified project receive a subsequent Reservation of Housing Credits, the above requirements will also apply.

PRE-CLOSING REVIEW

No more than 45 days prior to closing with the Investor Member, Projects shall submit to UHC a pre-closing review request. UHC will conduct a review of sources and uses to ensure that only the minimum amount of Housing Credit necessary for financial feasibility is made available for the Project. See Exhibit 5F for more information.

10% COST CERTIFICATION

A 10% Cost Certification (see Exhibit 5D) that the project owner has incurred at least 10% of its reasonably expected cost basis in the project, must be submitted to UHC in a timely manner. This also applies to subsequent Carryover Allocations.

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.

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

A. Final Cost Certification and Equity Price Changes

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. 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). 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 5G.

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 and Inspections

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 and 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 complete and certified Final Cost Certification package from the owner.

UHC will reduce Housing Credits at the time of final Allocation if the commitments made in an Application are not honored.

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 to UHC of $500 before the review is completed.

SIGNAGE

Applicants who receive a Reservation 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.

6. PROJECT DESIGN AND SPECIAL NEEDS

SUSTAINABLE DESIGN

A. Energy Star Requirements

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 costs will affect the future feasibility of Housing Credit projects.

UHC Requirements:

- 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 upon completion of construction receive Energy Star Certification. The Application must include the Energy Star submittal form with expected cost increases and savings. (See Exhibit 6C 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

Projects claiming points for this certification must submit a copy of the Enterprise Green Communities Certification Request Form with the Application. If the project fails to 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 up to 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 example 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.

D. LEED and National Green Building Standards (NGBS)

If an Applicant elects to undertake a LEED or NGBS 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 or NGSB 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.

E. Other Sustainable Opportunities

Certain grants and financing may be available to projects 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.

SPECIAL NEEDS UNITS

A. Permanent Supportive Housing Projects

Permanent Supportive Housing, or PSH, is a model that combines low-barrier access to affordable housing and dedicated supportive services in an effort to help individuals and families lead more stable lives. PSH targets people, particularly the homeless or chronically homeless, with psychiatric Disabilities, chronic health challenges, or other barriers to accessing or retaining stable housing. PSH provides robust supportive services to reduce instability in housing. PSH projects will deliver supportive services through a combination of on-site services and linkages to available community services. PSH projects will have tenant selection policies that prioritize people who have been homeless the longest or have the highest service needs as evidenced by vulnerability assessments. All PSH units must be rent restricted at or below 35% AMI and are required to have a minimum 15-year commitment of project based rent subsidy. Owners and operators of PSH must utilize the Coordinated Entry System (CES) from the applicable Continuum of Care, if available, though not exclusively.

B. PSH Requirements

i. If a project incorporates PSH units (as described below), the Application must include the following:

- Tenant selection policies describing the low-barrier selection criteria;
- MOU between Project owner and Service Provider(s) describing their expertise with providing services in PSH models, the planned delivery of services on- and off-site, and the staff capacity for providing ongoing case management.
- Budget for supportive services;
- Evidence of a 15-year commitment of project based rent subsidies;
- Sample vulnerability assessment tool; and
- A Service Provider Letter of Understanding (see Exhibit 6E) for each population type specified in the Application.

ii. 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.

iii. 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. The Set-Aside Tracker connects Service Providers with vacant units that are available to specific targeted populations, enabling Service Providers to supply referrals to project managers. Owners and managers may also utilize other Service Providers and resources to maintain full occupancy of units set-aside for specific Special Needs as agreed upon when Housing Credits were awarded.

With respect to the tenants, neither the project owner's partners/members nor the property management company may engage medical, therapeutic, or other activities regulated by the U.S. Centers for Medicare & Medicaid Services.

C. Homeless Projects

Projects with units serving the Chronically Homeless must meet the PSH requirements above.

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.

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 are those individuals who: (1) lack a fixed, regular, and adequate night-time residence; or (2) have 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; or (2) either have been residing as described in one of those places listed in (1) above for the past year or four times in the past three years; or (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.

Projects that claim points for either homeless units or chronically homeless units will have to obtain certification (See Exhibit's 6F-6I) from a Service Provider or ecclesiastical leader to verify homelessness and/or disability status.

FULLY ACCESSIBLE UNITS

No Service Provider letter is required for accessible 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, including food preparation areas, bathrooms, bedrooms and living areas;
- 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 6A) signed by a licensed architect and the General Contractor's Certification (Exhibit 6B) 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 6D). Fair Housing Act Guidelines can be found at www.hud.gov/offices/fheo/disabilities/fhefhag.cfm.

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.

7. HOUSING CREDITS FOR TAX-EXEMPT BOND PROJECTS

INTRODUCTION

UHC is a qualified issuer of tax-exempt municipal bonds. 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 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 63N-5-101, 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.

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 development and/or rehabilitation of newly constructed multifamily rental housing.

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. 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.

E. 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.

F. 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.

G. Cost of Issuance

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.

GENERAL REQUIREMENTS OF ISSUANCE

A. 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 801-468-0145 or visit the Utah Governor's Office of Economic Development website at https://jobs.utah.gov/housing/community/pab/index.html 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. PAB Allocations are typically valid for approximately 90 days after which an extension request may be required along with information demonstrating the progress of the project development.

B. 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 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.
- A complete Housing Credit Application must be received by UHC no fewer than 30 days prior to the UHC board meeting at which the Project resolutions will be considered. The Housing Credit resolution and bond resolution (or tax exempt loan resolution) will be considered at the same meeting.

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

C. 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.
- **Electronic submission** of the Request for Reimbursement Resolution reproduced on your letterhead (See Exhibit 7D). This should be uploaded to Tab 36 on the On-line Application.
- **Electronic submission** of your completed Comprehensive Reimbursement Resolution Certification. (See Exhibit 7F). This should be uploaded to Tab 36 on the On-line Application.
- **Electronic submission** 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 2A).
- **Electronic submission** of your Certificate of Allocation from the PAB. This should be uploaded to Tab 36 on the On-line Application.

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 for 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.

D. 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.

E. Additional Forms and Documents

Additional forms related to the multifamily tax-exempt bond program include the form of Request for Reimbursement Resolution (Exhibit 7D), List of Interested Parties (Exhibit 7E), and the Comprehensive Reimbursement Resolution Certification (Exhibit 7F).

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.

*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.

8. THE SCORING PROCESS

SELECTION CRITERIA

The Code requires UHC to adopt an Allocation plan that considers the following selection criteria:

- project location;
- housing needs characteristics;
- project characteristics, including the use of existing housing as part of Community Revitalization;
- sponsor characteristics;
- tenant populations with special housing needs;
- tenant populations of individuals with children;
- public housing waiting lists;
- historic nature of projects;
- energy efficiency and sustainability of the project; and
- projects intended for eventual tenant homeownership.

The Code also requires UHC give preference to projects which:

- serve the lowest income tenants for the longest periods, and;
- are located in Qualified Census Tracts and contribute to a Concerted Community Revitalization Plan area.

In addition to the above selection criteria, UHC, in its sole discretion, has established other criteria. All selection criteria and preferences shall be consistently applied to all Applicants through the Scoring System established below.

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.**

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 Not Electing the Income Averaging Minimum Set-Aside

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 restricted 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 restricted 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 restricted 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 Part D of Section 8, The Scoring Process for the Scoring Criteria.
(g) The Low-, Mid-, and Upper-Rent Ranges must each contain a distribution of unit types. If a project will include 1-, 2-, and 3-bedroom units, each rent range must include representation of each.

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

Projects Electing the Income Averaging Minimum Set-Aside

Projects will target rents into any income-restricted level that is an increment of 10, up to 80% of AMI, i.e., 10% AMI, 20% AMI, 30% AMI, 40% AMI, 50% AMI, 60% AMI, 70% AMI, or 80% AMI.

Points are determined from the percentage of units in each of the categories described below:

(a) The Mid-Rent Range maximum is 60 points when targeting 30% of the restricted units at 40% AMI and 30% of the restricted units at 50% AMI (1 point per percent).
(b) Low-Rent Range maximum is 20 points when targeting 10% of the restricted units at 20% AMI and 10% of the restrictred units at 30% AMI (1 point per percent).
(c) Upper-Rent Range maximum is 20 points when targeting 6% of the restricted units at 60% AMI, 6% of the restricted units at 70% AMI, and 8% of the restricted units at 80% AMI.
(d) Unrestricted Units receive a score independent of this section.
(e) Homeless units elected in Part D of Section 8 must be divided between 20% AMI and 30% AMI.

(f) The Low-, Mid-, and Upper-Rent Ranges must each contain a distribution of unit types. If a project will include 1-, 2-, and 3-bedroom units, each rent range must include representation of each.

Under the Income Averaging election, AMI designations are permitted to float between units within the project but the total unit mix must be maintained.

Applicability to 4% Tax-Exempt Bond Projects

Section 142 (tax-exempt bond regulations) was not amended to include income averaging provisions. For eligibility for tax-exempt bonds under Section 142, a project must still meet a 20-50 or 40-60 minimum set-aside. However, for purposes of the 4% credit allocation, the project can elect the Income Averaging option as long as the unit mix selected would also meet either a 20-50 or 40-60 minimum set-aside test for purposes of bond compliance.

Projects that dedicate units to Permanent Supportive Housing (PSH) or chronically homeless housing will receive an exemption from the above AMI targeting matrix for the purposes of scoring. PSH projects must be 100% PSH, therefore all units will be exempt from the rent tiering matrix and the Application will receive the maximum points for this scoring category (5,000 points) regardless of the specified AMI/rent tiering. Projects that are 100% Chronically Homeless will receive an exemption from the AMI targeting matrix for the purposes of scoring, and will receive the maximum points in this category (5,000 points) regardless of the specified AMI/rent tiering.

Projects that are not 100% Chronically Homeless will receive a score for the AMI/rent tiering of the non-Chronically Homeless units only. As an example, if a project is 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.

Resyndication projects that have a lower weighted average AMI than what would be achieved by maximizing the rent tiering structure for the same number and configuration of rent-restricted units are required to maintain the rents under the existing LURA, but will be exempt from the rent tiering structure and will receive the full 5,000 points in this scoring category.

SECONDARY SELECTION CRITERIA

A. Project Location weight = 20

Maximum weighted score for this criterion is 280

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 an Area of Opportunity (See Exhibit 8A)	4
b) Project is located in a "Non-Participating Area", (See Exhibit 8B) First Housing Credit restricted Project in county* **OR** First Housing Credit restricted Project in municipality* **OR** First Housing Credit restricted Project on tribal reservation*	5 5 5
c) Project is located within 1/3 of a mile of FrontRunner or TRAX OR bus stop along core route (See Exhibits 4B and/or 8C). Project is located within 1/3 of a mile of FrontRunner or TRAX (See Exhibit 4B) **OR** Project is located within 1/3 of a mile of bus stop along core route (See Exhibit 8C) 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 Exhibits 4B & 8C). Scattered-site projects are not eligible for these points unless all tax parcels are located within 1/3 of a mile of FrontRunner, TRAX, or core route bus stop.	 5 3
Maximum Points	14
Weighting	X20
Maximum Project Location Total Score	280

* See list in Exhibit 8B.

B. Project Characteristics weight = 20

Maximum weighted score for this criterion is 700

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. Although Permanent Supportive Housing Projects may provide Large Units if desired, no points will be awarded to PSH Applications under this category.

	Maximum Score
a) 3 bedroom units: 1 pt. for a minimum of 10% of Housing Credit units 1 additional point for 20% or more of Housing Credit units. 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 Housing Credit units. 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 9. For points claimed for any amenity, a brief written description must accompany the Application. The description should include supporting documentation (e.g. maps), and an itemization of inclusions (e.g. clubhouse will have two flat screen televisions, a seating area, and a kitchenette). An estimate of associated cost must be itemized if there is a cost to the project. Cost itemization must include the cost of constructing or rehabilitating a space within a project (such as a fitness room) any equipment supplied to the project (such as fitness equipment) and any ongoing periodic service cost (such as the cost of internet service or cable television). Amenities that do not require an estimate of cost include only the following: (1) proximity to public spaces (such as parks, playgrounds, community centers) and public transportation (Trax, Front Runner, or core route bus stop), (2) life skills classes that are available at no cost to the project, (3) historic character, (4) rent reduction in Substantial Rehabilitation projects, (5) projects in Community Revitalization Plan areas. 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) Outdoor tot lot or playground (includes safe play surface, e.g., wood chips, rubber)	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. Full kitchen includes full sized fridge, range, sink, dishwasher, and prep space. 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 or bike locker. Minimum of 1 stall for every 10 units.	1
j) Raised vegetable garden area for resident use. Raised beds must be at least 30 inches tall and include access paths.	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	9

* 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). 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.
***For points taken for Computer Room category, on-site space must be available and provide sufficient square footage and accessibility for attendance.
**** 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 https://heritage.utah.gov/history/national-register)	3
b) Buildings in a Historic District (see link https://heritage.utah.gov/history/national-register)	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 Certification: To encourage sustainable design of affordable housing.

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

5. Other:

	Maximum Score
a) Available only to Substantial Rehabilitation projects that maintain or reduce 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 reduce rent levels also qualify for this score.	10
b) Projects that are part of a Concerted 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.

	Maximum Score
Sum of Subtotals	35
Weighting	X20
Maximum Project Characteristics Total Score	700

C. Applicant Characteristics weight = 20

Maximum weighted score for this criterion is 360

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 who is on the development team for the Applicant and has an ownership interest in the Project 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, and operating and other agreements must show that the Utah member has controlling interest and receives over 50% of the Developer fee. The joint venture agreement must be submitted with the Application. *Applicant will receive points in only one of the following categories*.

	Maximum Score
Applicant has developed and has ownership interest in multifamily Housing Credit projects in other states but not in Utah.	5
Applicant is a 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. Service Provider Experience (For PSH Projects only): Application contains evidence confirming the experience and capacity of the service provider. Applicant must provide with the Application the resume of the service provider, which demonstrates the capacity and past experience in providing wrap-around supportive services in previous PSH projects or units catering to tenants who are exiting homelessness or who have psychiatric disabilities, chronic health challenges, or other barriers to accessing or retaining stable housing.

	Maximum Score
PSH service provider has capacity and experience providing wrap-around supportive services in previous PSH projects or units catering to tenants who are exiting homelessness or who have psychiatric disabilities, chronic health challenges, or other barriers to accessing or retaining stable housing.	5
Sub-Category Maximum	5

3. 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 3B 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	18
Weighting	X20
Maximum Applicant Characteristics Total Score	360

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.**

Applications must comply with the relevant requirements of Section 6 in order to be eligible for points in this category.

1. Persons with Mobility Impairments:
Provide at least one fully accessible unit.

All multifamily housing is required to construct a minimum of 5% of its dwelling units as fully accessible. 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.

	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. Permanent Supportive Housing projects may not be age-restricted. PSH Applications will not be awarded points under this category. *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.

	Maximum Score
For small projects (25 or fewer units): 1 point per 2% of total number of units, up to a maximum of 10%. For all other projects: 2 points per unit up to a maximum of 5 units.	10
Subtotal	10

4. Housing for other populations:
Provide at least one unit for the following 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 at least one third-party Service Provider letter.

- Persons with Disabilities
- Domestic Violence
- Maturing Foster Children
- Refugees
- Veterans
- Other Special Needs units with written pre-approval by UHC

	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 8D), 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 Score	200

F. Housing Needs Characteristics weight = 20

Maximum weighted score for this criterion is 200

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

Points in this category will be awarded as follows:

Mixed Income Projects:

Permanent Supportive Housing Applications will not be awarded points under this category. 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 20% of the project	10
Subtotal	10
Weighting	X20
Maximum Housing Needs Characteristics Total	200

G. Cost and Credit Efficiency weight = 50

Maximum weighted scored for this criterion is 500

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 five levels:

- Hard Costs per unit;
- Hard Costs per Net Residential Square Footage (NRSF);
- Total Development Costs (TDC) per unit;
- TDC per NRSF; and
- Housing Credits per LIHTC bedroom

Hard Costs are calculated as the sum of costs for existing structures, site work, rehab and/or new construction, and hard cost contingency, as related to the housing components of the development only. The costs considered for calculating these points will not include any costs related to commercial or retail space.

Land costs are included in total development costs for the purposes of calculating credit efficiency. If the project will lease the land instead of purchasing the land, a copy of the land lease agreement must be provided with the Application, along with a statement from a Certified Public Accountant providing a valuation of the leasehold agreement. The determined value will be added to total development costs for the purposes of calculating credit efficiency.

Each cost category (Hard Costs per unit, Hard Costs per NRSF, TDC per unit, TDC per NRSF, and Housing Credits per low-income bedroom) will then be measured against the rolling average, plus an inflation factor for the cost of construction determined by a third party consultant. Those averages will be published as Exhibit 8E, 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 50.

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	Housing Credit per LIHTC Bedroom
≤ 80% of Average					X
80.1% - 90.0% of Average	X			X	
90.1% - 100% of Average		X			
100.1% - 125% of Average			X		
≥ 125.1% of Average					
	8 points	6 points	3 points	8 points	10 points

Average = 7.00 350 points

	Maximum Score
Cost and Credit Efficiency Points	10
Weighting	X50
Maximum Cost and Credit Efficiency Total Score	500

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.

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.

9. 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 the State Code for the purpose of creating affordable rental housing. UHC has incorporated the use of State Credits in the Application and set aside approximately 37% of its annual State Credits Ceiling Amount for Allocation to projects that combine the federal and state credits pursuant to paragraph (i) below. These credits are referred to as State Credit Pool I.

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.

UHC has set aside approximately 63% of its annual State Credits Ceiling Amount for Allocation to PSH projects only. These credits are referred to as State Credit Pool II. PSH projects may apply for a Reservation of State Credits at the time of initial Application without being required to reduce rent targeting. No project may receive an Allocation of more than 25% of State Credit Pool II. PSH Applicants are required to discuss the proposed request **prior to** submission of the Application.

If the State Credit Pool II is not fully utilized at the end of a calendar year, those credits may roll into State Credit Pool I if there is demand. Similarly, if the State Credit Pool I is not fully utilized at the end of the year, those credits may roll into State Credit Pool II if there is demand.

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

10. 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 Compliance Monitoring 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.

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.

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.

C. Required Project and Tenant Data Reporting

The Housing and Economic Recovery Act of 2008 (HERA) requires HUD to collect and report 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 is collected at tenant and project levels. 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 provides a template format and further instruction for the submission of this data. Information is provided in the Compliance Manual.

D. 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), or the 40-60 test which meets the Income Averaging rules, 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.

E. 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.

F. 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.

G. 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 Compliance Monitoring Plan, or has not received or is not permitted to inspect the tenant income certifications, supporting documentation and rent records described in this Compliance Monitoring 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.

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 State Tax Code 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.

11. EXHIBITS

Exhibit 1 SUMMARY OF CRITICAL DATES FOR COMPETITIVE PROJECTS

Event or Action	Timing or Due Date
Application …….....	October 1, 2018 by 5:00 P.M. MDT
Application Fee……..…..	Due with Application
Reservations Notification…….	Approx. 90 days from Application deadline
Reservation Agreement…….……...	Approximately 120 days from Application deadline
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 2A STATE OF UTAH 2019 HOUSING CREDIT APPLICATION TABLE OF CONTENTS/SELF CERTIFICATION CHECKLIST

The Application Deadline is
Monday, October 1, 2018 at 5:00 P.M. MDT

Application Submittal:
Electronic submission of the entire Application, with all required attachments uploaded. To obtain the application, please go to https://hca.utahhousingcorp.org.

- Applications must be submitted through the URL by the Application Deadline.
- Applications must be submitted to UHC before 5:00 P.M. MDT October 1, 2018.
- Application fee must be received by UHC by the Application Deadline for consideration of a submitted Electronic Application.

Application Assembly:

Note: Applications require 39 tabs as outlined in the Table of Contents/Self-Certification Checklist.

- The completed and signed Table of Contents/Self Certification Checklist should be uploaded with the Application.
- All scoring items must be supported by third-party documentation. Please remember to upload supporting documents.
- If an Application does not include all required complete and conforming documents, attachments, exhibits, supporting documentation, and applicable fees at the time of submission, the Application will be considered "non-conforming" and will be removed from consideration or scoring and will be ineligible for further review.
- No new, additional or replacement documentation will be accepted after the Application Cycle submission deadline.

For any points claimed that are supported by written correspondence from UHC under any of the following categories, the Applicant must upload a copy of the letter or email in the appropriate place within the on-line Application.

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

☐ Spreadsheet Application

☐ Program Goal Explanation

☐ Certifications and Representations

☐ Required Forms

☐ Project Unit Breakout

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 4D ☐ 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 6E ☐ 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 8D ☐ 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

Note: Only one attachment is required

Exhibit 6C ☐ Energy Star Submittal Form or an incremental cost breakdown to achieve Energy Star Certification.

☐ Preliminary letter or report from a certified energy rater indicating Energy Star Compliance.

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 2D ☐ Prior Activities Certification

Tab 17. Title Report

- ☐ Current Title Report dated no more than 90 days before the date of Application submission

Tab 18. Evidence of Site Control (Site Control must extend to or beyond December 31, 2018)

- ☐ Recorded Warranty Deed; or
- ☐ Executed Real Estate Purchase Contract; or
- ☐ Executed Option Agreement to Purchase Real Estate
- ☐ 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. Conditional 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

☐ Independent Third Party certification of the most recent 12 month rent history and occupancy levels of the Project

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 4C ☐ Capital Needs Assessment

Tab 35. Enterprise Green Communities Certification (EGCC), Leadership in Energy & Environmental Design (LEED), or National Green Building Standards (NGBS)
Note: Points are only given for EGCC

☐ EGCC Narrative, include costs and

☐ EGCC Request Form

OR

☐ For LEED or NGBS - A self-certifying written statement

Tab 36. Private Activity Bond (PAB) Application Requirements

☐ See requirements on PAB website at:
https://jobs.utah.gov/housing/community/pab/index.html

Tab 37. UHC Claim of Business Confidentiality Request

Exhibit 2C ☐ UHC Claim of Business Confidentiality Request

Tab 38. Unit Inspection Certification for Rehabilitation Projects

☐ Applicants certify they have inspected 100% of the units for rehabilitation projects

Tab 39. Permanent Supportive Housing Required Documents

☐ Tenant selection policies describing the low-barrier selection criteria

☐ MOU from the Service Provider(s) describing their experience with providing services in Permanent Supportive Housing models, the planned delivery of services on- and off-site, and the staff capacity for providing ongoing case management

☐ Budget for supportive services

☐ Evidence of a 15-year commitment of project based rent subsidies

☐ Sample vulnerability assessment tool

Self-Certification of Threshold Requirements

I, (Name), (Title of Authorized Official of (Sponsor Organization)) acknowledge that I have completed the Table of Contents/Self Certification 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 2B MARKET STUDY INSTRUCTIONS AND COMPANY INFORMATION

1. Market Study Checklist and Certification of Independence

- Fill out the Market Study Checklist on the following page with page numbers from the report that cover each item.

- Sign the bottom of the Market Study 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 Market Study 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 2C 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

Exhibit 2D 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 Housing 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 3A NON-METRO 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) or Combined Statistical Area 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:

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

Exhibit 3B ANNUAL CERTIFICATION OF QUALIFIED NONPROFIT ORGANIZATIONS

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 4A UNDERWRITING GUIDELINES

The underwriting criteria below are threshold items. Applications outside of the safe harbor minimums and/or maximums for these criteria will not proceed beyond the threshold review. The safe harbors must be met based on underwriting the housing component of the development only. All costs and revenues related to commercial, retail, or other unrelated space will be excluded from analysis.

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.

RD, Section 8, or other types of permanent subsidy may cause the DCR to exceed 1.25. UHC will accept a 1.35 DCR on these projects, **but approval must be obtained from UHC prior to submission of the Application**.

Financing Terms:

Project underwriting will consider the terms contained in the Letters of Interest (LOI) provided by lenders and investors as well as current market data and trends.

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 for 9 percent projects are based on the age of building(s).

Age of Building(s)	Minimum Rehab Per Unit
Pre 1940	$50,000
1940 – 1970	$45,000
1971 – 2018	$40,000

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 at 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.

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:

The amount of credits awarded may be decreased below the amount requested if project costs are not considered reasonable for affordable housing.

Exhibit 4B 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 up 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**. Scattered-site developments are not eligible for this basis boost unless all tax parcels are located within 1/3 of a mile distance.

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 4C 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 (20) years.

3. The report shall identify any physical deficiencies noted 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 4D 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 4E 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 4F 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 5A 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.	**Pre-Closing Review (No more than 45 days prior to closing)**				
F.	**Building Permit**				
G.	**Groundbreaking**				
H.	**Construction Begins**				
I.	**Carryover Submission**				
J.	**Occupancy Certificate**				
K.	**Open House/Ribbon Cutting**				
L.	**Lease Up**				
M.	**Placed in Service (Last Bldg.)**				
N.	**Final Cost Certification**				

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

Developer must provide an updated sources and uses as well as any 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 5B 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.	*Construction Closing*			
	2.	*Permanent Closing*			
	3.	*Investor Commitment*			
C.	**Plans & Specs (Final)-Approved by the City**				
D.	**Project Signage with UHC Logo**				
E.	**Pre-Closing Review (No more than 45 days prior to closing).**				
F.	**Building Permit**				
G.	**Construction Begins**				
H.	**Carryover Submission**				
I.	**Open House/Ribbon Cutting**				
J.	**Placed in Service (Last Bldg.)**				
K.	**Final Cost Certification**				

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

Developer must provide an updated sources and uses as well as any 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 5C 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 5D 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 5E 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 shall 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

<u>Please Note</u>: 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 5F PRE-CLOSING REVIEW REQUEST

No more than 45 days prior to closing with the Investor Member, Project Owner shall submit to UHC Multifamily Housing Credit Analyst a pre-closing review request, which includes the following:

- Spreadsheet Application with updated sources and use;
- Current letters of commitment and from all sources;
- Written explanation of significant changes to the project design and construction; and
- Self Certification (see below).

I, (Name), (Title of Authorized Official of (Sponsor Organization)) attest that the information provided for the Pre-Closing Review Request is true and complete. If any of this information changes prior to closing with the Equity investor I will provide updated information to Utah Housing Corporation for additional review.

ORGINAL SIGNATURE OF AUTHORIZED OFFICIAL

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

Exhibit 5G 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.xls** – The checklist shows the stacking order for the package. Submit as the cover sheet. This document contains all of the project owner certifications.
- **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 rcordova@uthc.org.

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 6A 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 6B 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 6C 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).

Energy Star Submittal Form
One form can be submitted for all units. Use average cost data for projects with multiple unit types.

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 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:	$	$

Exhibit 6D 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 6E 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 6F CHRONICALLY HOMELESS SELF CERTIFICATION

If self-certification is 90 days or longer, Sections 1 and 2 must be filled out. Section 2 requires approval from the Housing Admin Supervisor.

Section 1

I certify that I was homeless (that is sleeping in a place not meant for human habitation such as living on the streets **OR** living in a homeless emergency shelter for the following period(s) of time:

Between _____ and _____ I lived at _____
Between _____ and _____ I lived at _____
Between _____ and _____ I lived at _____
Between _____ and _____ I lived at _____

What else would you like to share about your history? For example, "*I cannot remember the name of the place where I was living during the fall of 2004 but I believe that it was a homeless emergency shelter. I have problems with my memory from that time due to an illness."*

_____
_____
_____

I certify that the above information is correct.

Client Signature:_____ Date:_____

I reviewed the above statement with the client.

Witness Signature:_____ Date:_____

Section 2

TRH staff must provide documentation of all attempts to obtain third-party verification of client's chronically homeless status. For example: "*CM has contacted agency on these dates to obtain documentation of CT's status (list dates). CM has received verbal confirmation of CT's status, but no written documentation."*

_____
_____
_____

I verify that I have made the above attempts to document client's chronic homeless status.

TRH Staff Signature: _____ Date:_____

I approve of the use of self-certification for verification of chronic homeless status.

Admin Supervisor Signature:_____ Date:_____

Exhibit 6G CHRONICALLY HOMELESS THIRD PARTY VERIFICATION

I certify that _____ stayed at _____
(Client's Name) (Facility/Program)

for the following period of time:

(1) between: _____/_____/_____ and: _____/_____/_____

(2) between: _____/_____/_____ and: _____/_____/_____

(3) between: _____/_____/_____ and: _____/_____/_____

(4) between: _____/_____/_____ and: _____/_____/_____

Additional detail about the client's episodes of homelessness may be written below.

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

Before coming to this facility, the homeless person resided at _____.

This facility is classified as one of the following types of facilities/programs:

___ Emergency Shelter
___ Transitional Housing
___ Permanent Housing
___ Medical Institution
___ Mental Health Institution
___ Correctional Facility
___ Substance Abuse Facility
___ Other: _____

Signature: _____ Date: _____
(Signature of Facility Staff)

Title: _____ Phone: _____

Exhibit 6H DISABILITY CERTIFICATION

Dear Physician/Qualified Health Personnel:

Applicant name: _____ has claimed eligibility for a federally funded housing program due to a disability. The claim must be certified by a licensed physician or health professional. For the purpose of this program a disabled person is one who has a physical, mental, or emotional impairment. Please provide the information requested below.

To be completed and signed by a medical doctor, licensed social worker, or psychiatrist/psychologist:

Is the disability expected to be of long continued and indefinite duration?

Yes _____ No _____

Is the disability of such a nature that such ability could be improved by more suitable housing conditions?

Yes _____ No _____

In my professional opinion, as a qualified health professional licensed by the state of Utah, trained to diagnose and treat such conditions, the above mentioned applicant:

_____ DOES have a disability as defined above.

_____ DOES NOT have a disability as defined above.

Physician Signature: _____ Date:_____

Print Name: _____

Title: _____ License No. _____

Telephone: _____

Exhibit 6I HUD HOMELESS CERTIFICATION

Head of Household Name: _____ Number of Persons in Household:_____

☐ Household without dependent children (complete one form for each adult in the household)
☐ Household with dependent children (complete one form for household)

This is to certify that the above named individual or household is currently homeless based on the check mark, other indicated information, and signature indicating their current living situation. Check only one box and complete only that section

---

Living Situation: place not meant for human habitation (e.g., cars, parks, abandoned buildings, streets/sidewalks)
☐ The person(s) named above is/are currently living in (or, if currently in hospital or other institution, was living in immediately prior to hospital/institution admission) a public or private place not designed for, or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus station, airport, or camp ground.

Description of current living situation: _____
_____

Homeless Street Outreach Program

Name:_____
This certifying agency must be recognized by the local Continuum of Care (CoC) as an agency that has a program designed to serve persons living on the street or other places not meant for human habitation. Examples may be street outreach workers, day shelters, soup kitchens, Health Care for the Homeless sites, etc.

Authorized Agency Representative Signature: _____ Date: _____

Living Situation: Emergency Shelter

☐ The person(s) named above is/are currently living in (or, if currently in hospital or other institution no more than 90 days, was living in immediately prior to hospital/institution admission) a supervised publicly or privately operated shelter as follows:

Emergency Shelter Program Name: _____
This emergency shelter must appear on the CoC's Housing Inventory Chart submitted as part of the most recent CoC Homeless Assistance application to HUD or otherwise be recognized by the CoC as part of the CoC inventory (e.g. newly established Emergency Shelter).

Authorized Agency Representative Signature: _____ Date: _____

Living Situation: Transitional Housing

☐ The person(s) named above is/are currently living in a transitional housing program for persons who are homeless. The person(s) named above is/are graduating from or timing out of the transitional housing program.
Transitional Housing Program Name: _____
This transitional housing program must appear on the CoC's Housing Inventory Chart submitted as part of the most recent CoC Homeless Assistance application to HUD or otherwise be recognized by the CoC as part of the CoC inventory (e.g. newly established Transitional housing program).

Immediately prior to entering transitional housing program the person(s) named above was/were residing in
☐ Emergency shelter or ☐ a place unfit for human habitation

Authorized Agency Representative Signature: _____ Date: _____

Name: _____

Exhibit 7A PROJECT DEVELOPMENT SCHEDULE

Bond Project - New

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.	**Pre-Closing Review (No more than 45 days prior to closing)**				
F.	**Building Permit**				
G.	**Groundbreaking**				
H.	**Construction Begins**				
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 an updated sources and uses as well as any 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 7B PROJECT DEVELOPMENT SCHEDULE *Bond Project - Rehab*

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.	**Pre-Closing Review (No more than 45 days prior to closing).**				
F.	**Building Permit**				
G.	**Construction Begins**				
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 an updated sources and uses as well as any 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 7C SUMMARY OF CRITICAL DATES FOR BOND PROJECTS

Event or Action	Timing or Due Date
Application …….....	Visit Private Activity Bond Review Board Website at https://jobs.utah.gov/housing/community/pab/index.html
Application Fee…….	Due with Application
Reservations Notification……..	Approx. 2 Months from Application Cycle
Reservation Letter…….……	Approx. 1 to 2 days from Reservations Notification
Reservation Fee……..	10 days from receipt of Reservation 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 7D 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 Title 63H, Chapter 8, Part 301, 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.

☐ The undersigned has uploaded the On-line Application, and completed copies of the following to Tab 36:

- List of Interested Parties (Exhibit 7E)
- Comprehensive Reimbursement Resolution Certification for each person or entity on the List of Interested Parties (Exhibit 7F)
- 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 7G) 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 7E 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 Housing 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 7F 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 7G 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 8A AREAS OF OPPORTUNITY

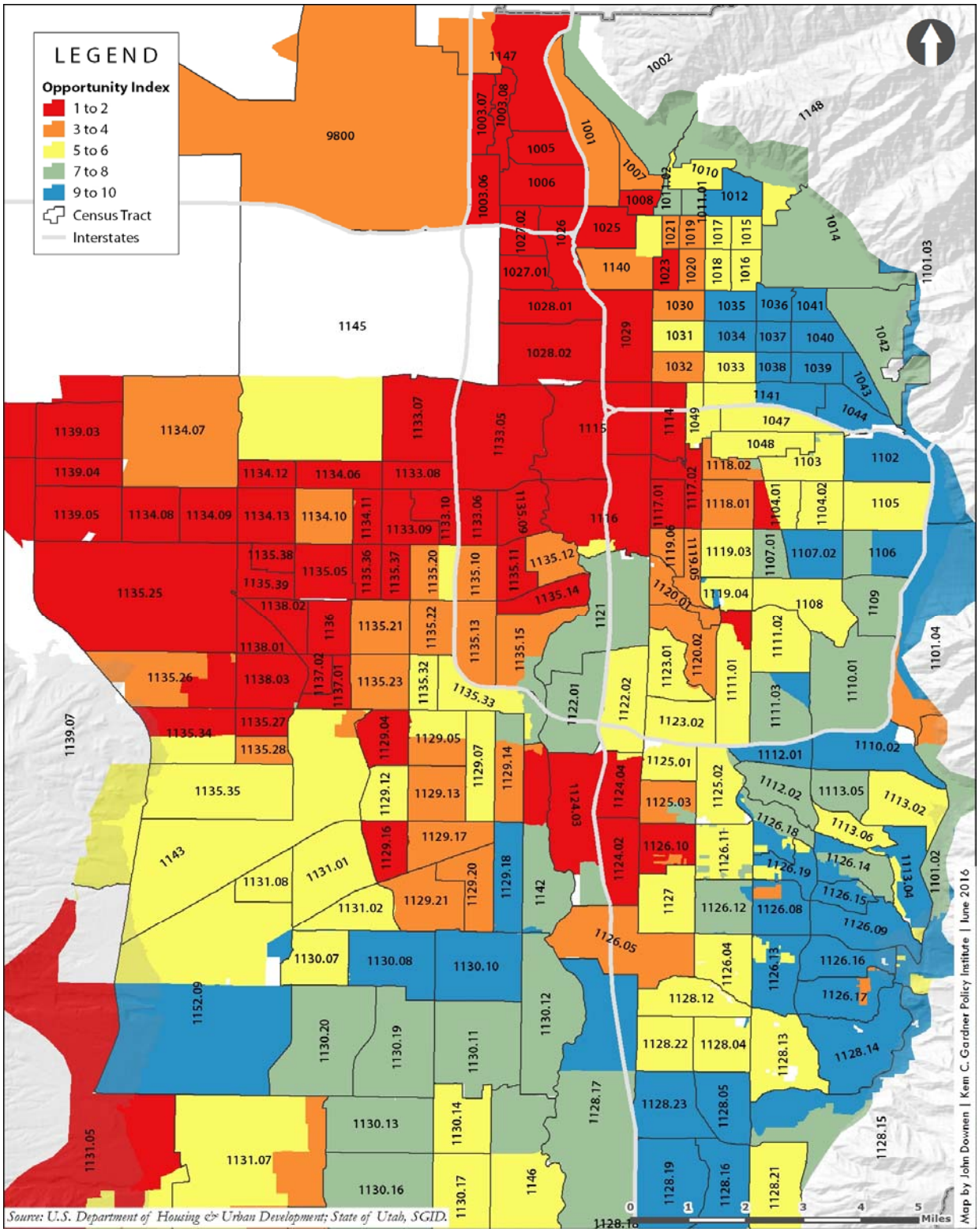
In an effort to incentivize affordable housing development in high opportunity areas, points will be awarded to projects located in census tracts with strong social Equity indicators. Salt Lake County, Utah County, Davis County, and Weber County have mapped all census tracts by an Opportunity Index* (see attached maps). Projects located in one of these counties will receive points as follows:

Opportunity Index Score	Number of Points
1-2	0 points
3-4	1 point
5-6	2 points
7-8	3 points
9-10	4 points

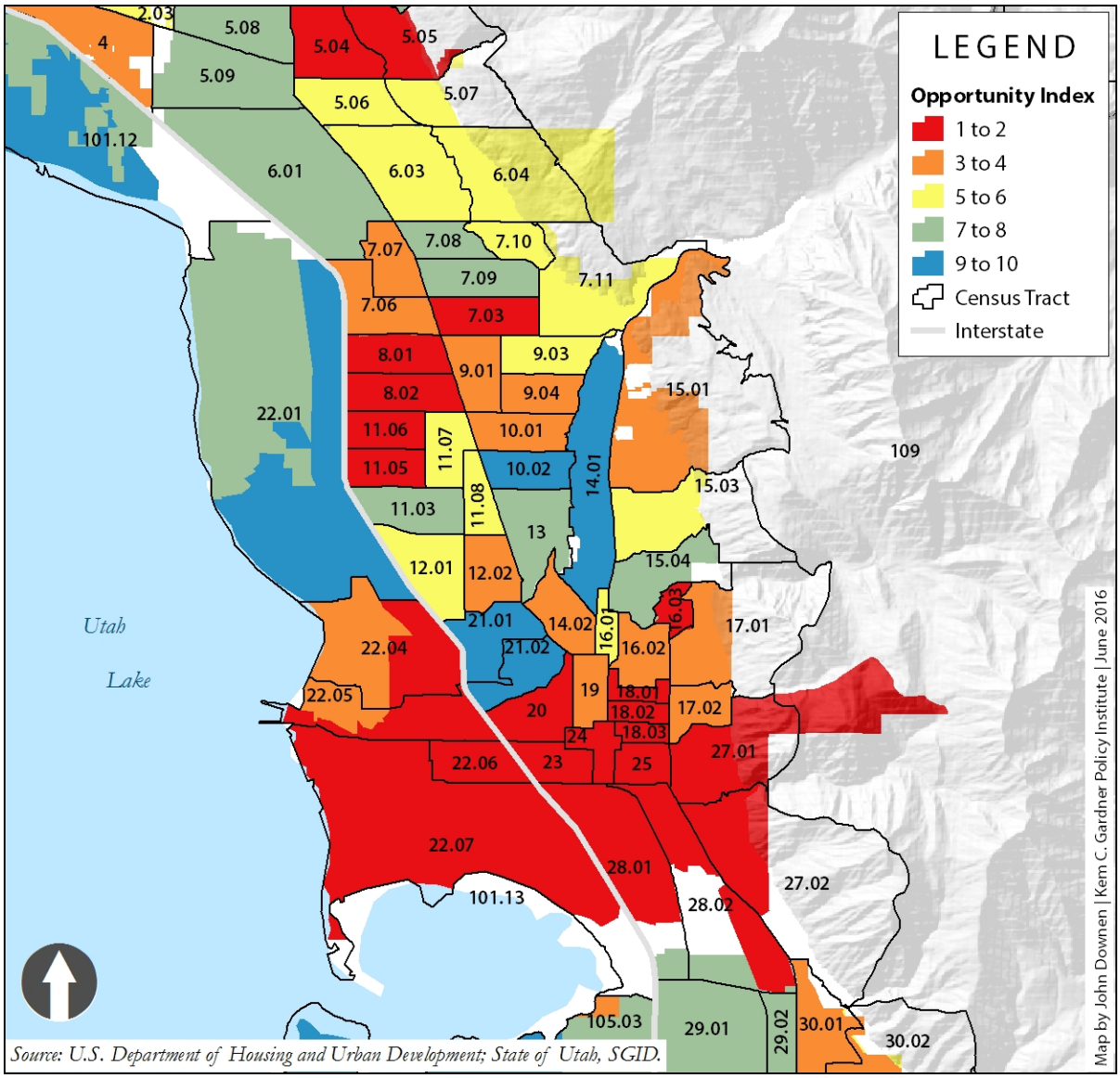
Projects located outside of Salt Lake County, Utah County, Davis County, and Weber County will receive 4 points if the census tract poverty rate is below 10.0%. This will be measured using the 2016 data found here: https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx. If the percent below poverty line is 10.0% or more, no points will be awarded to the project Application.

*The Opportunity Index was developed by James Wood of the Kem C. Gardner Policy Institute, and compiles rankings based on five factors: school proficiency, job access, labor market engagement, poverty, and housing stability.

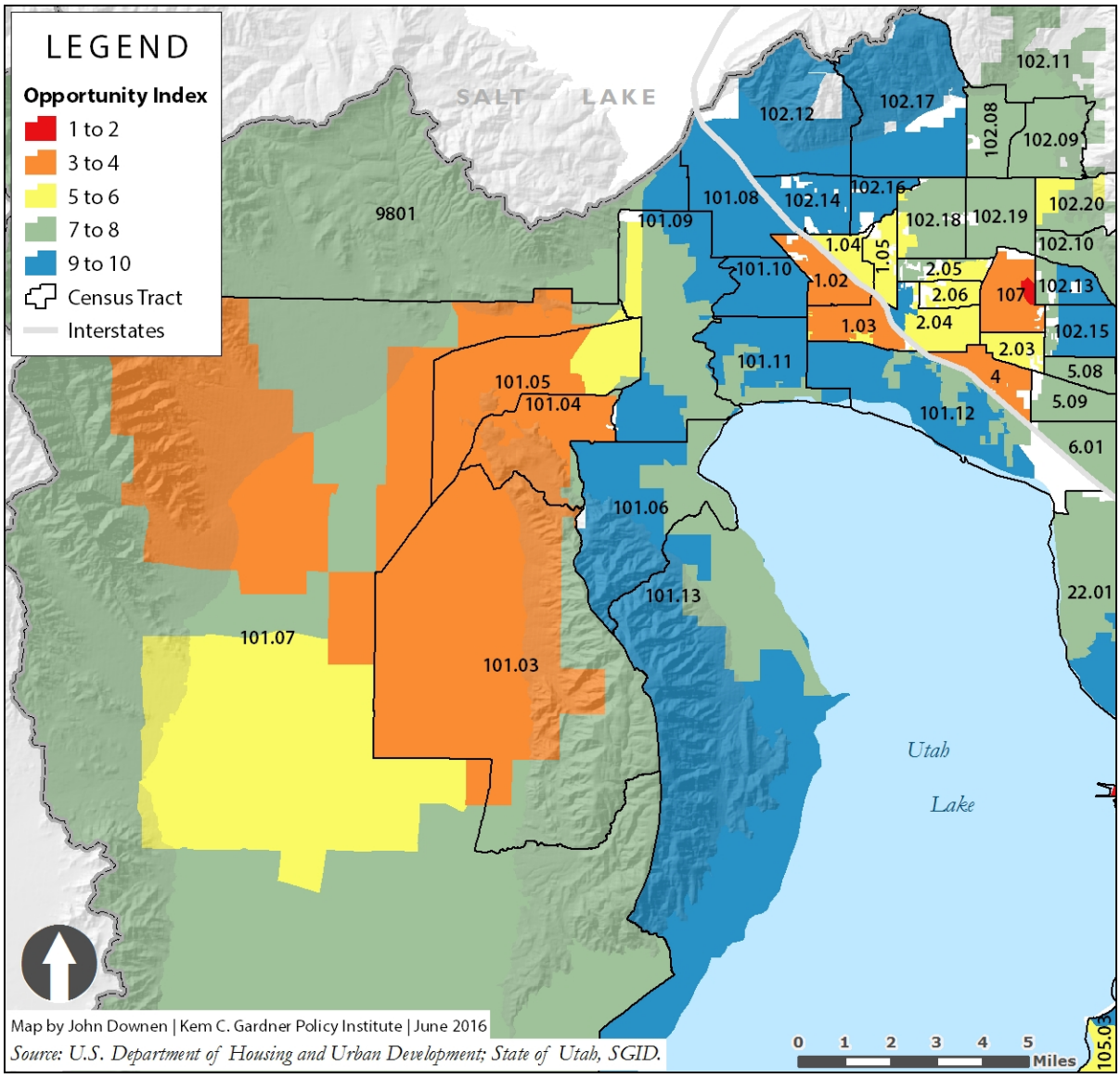
Salt Lake County Opportunity Index Tracts



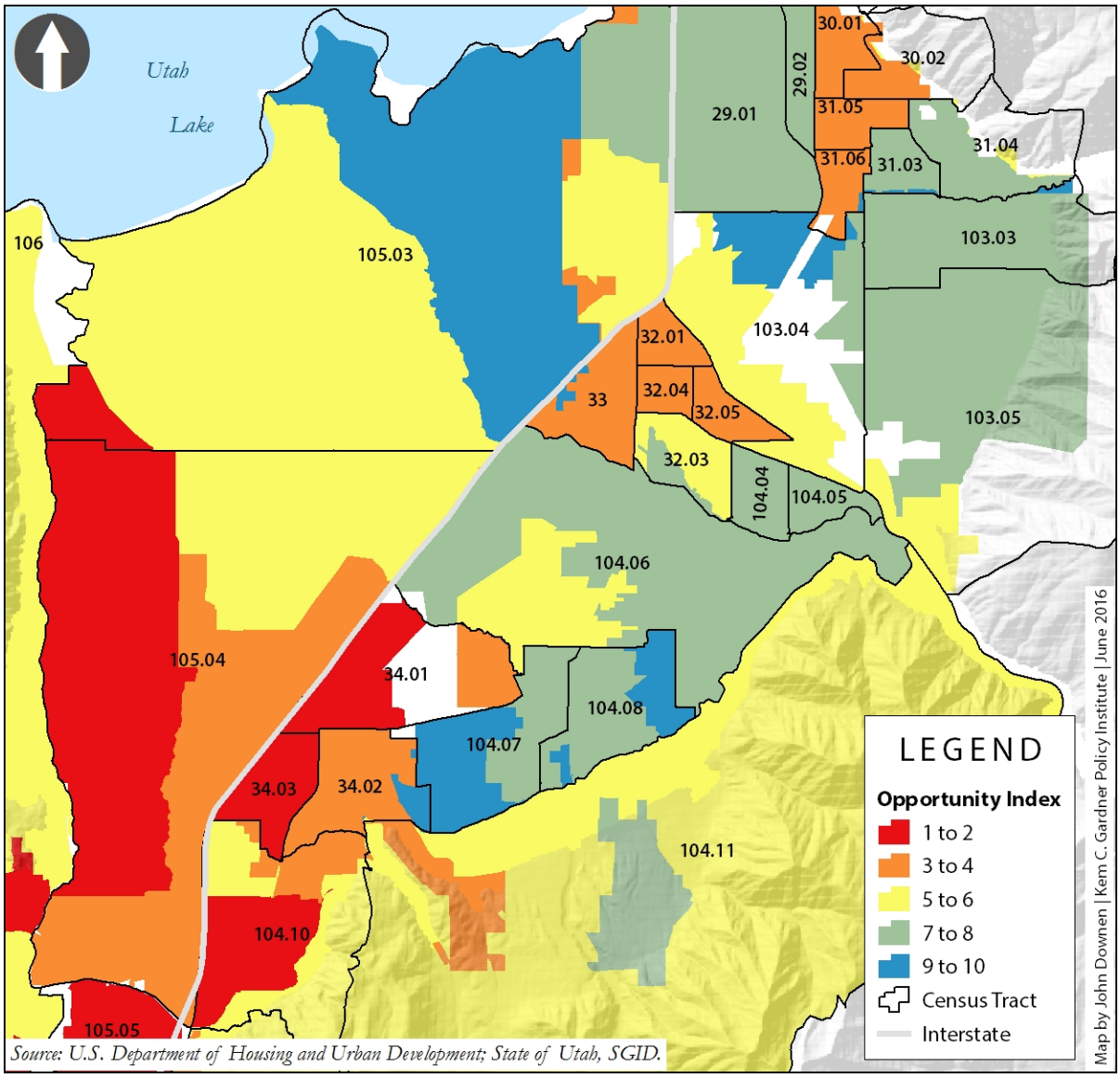
Utah County Northeast Opportunity Index Tracts



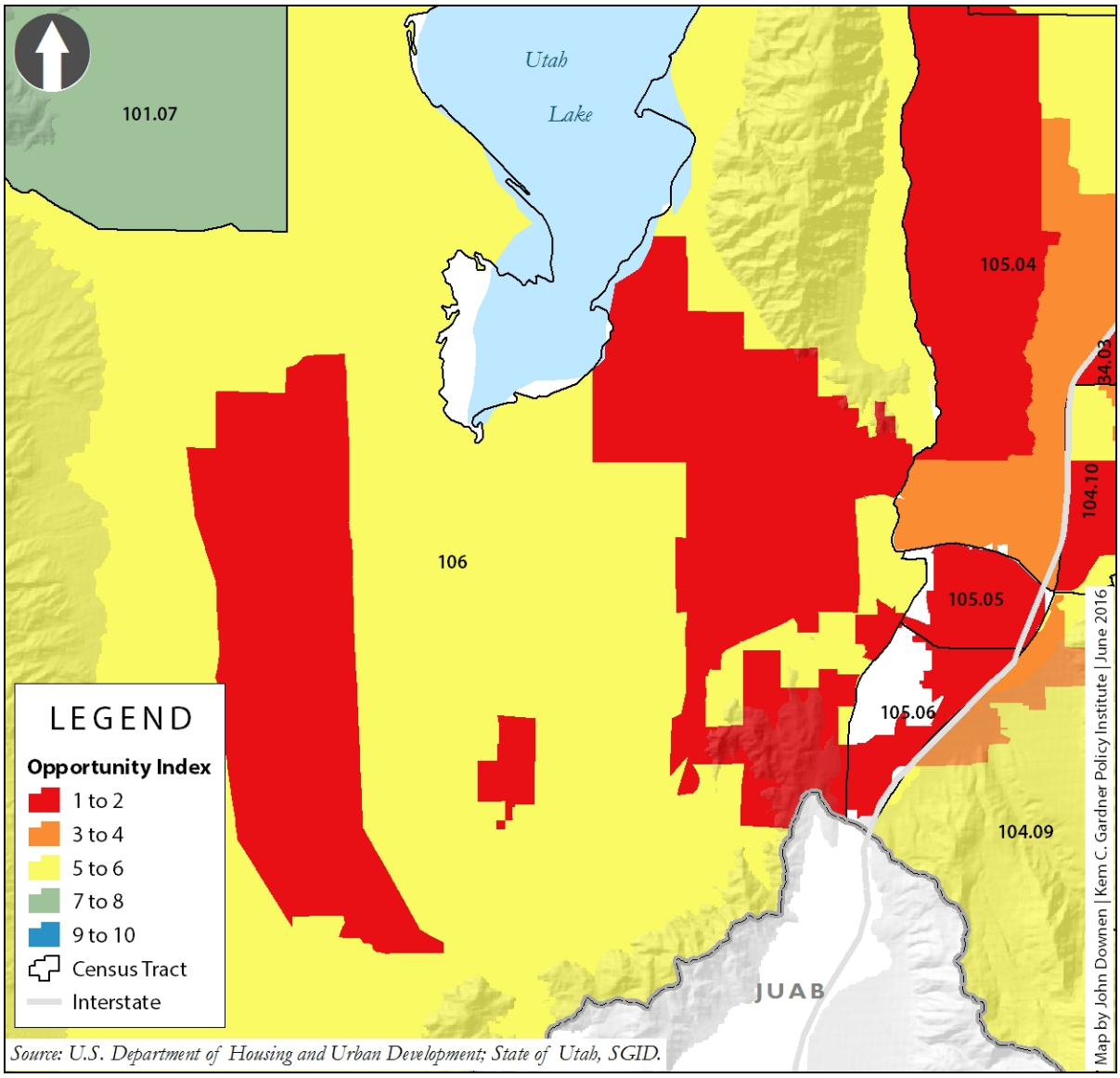
Utah County Northwest Opportunity Index Tracts



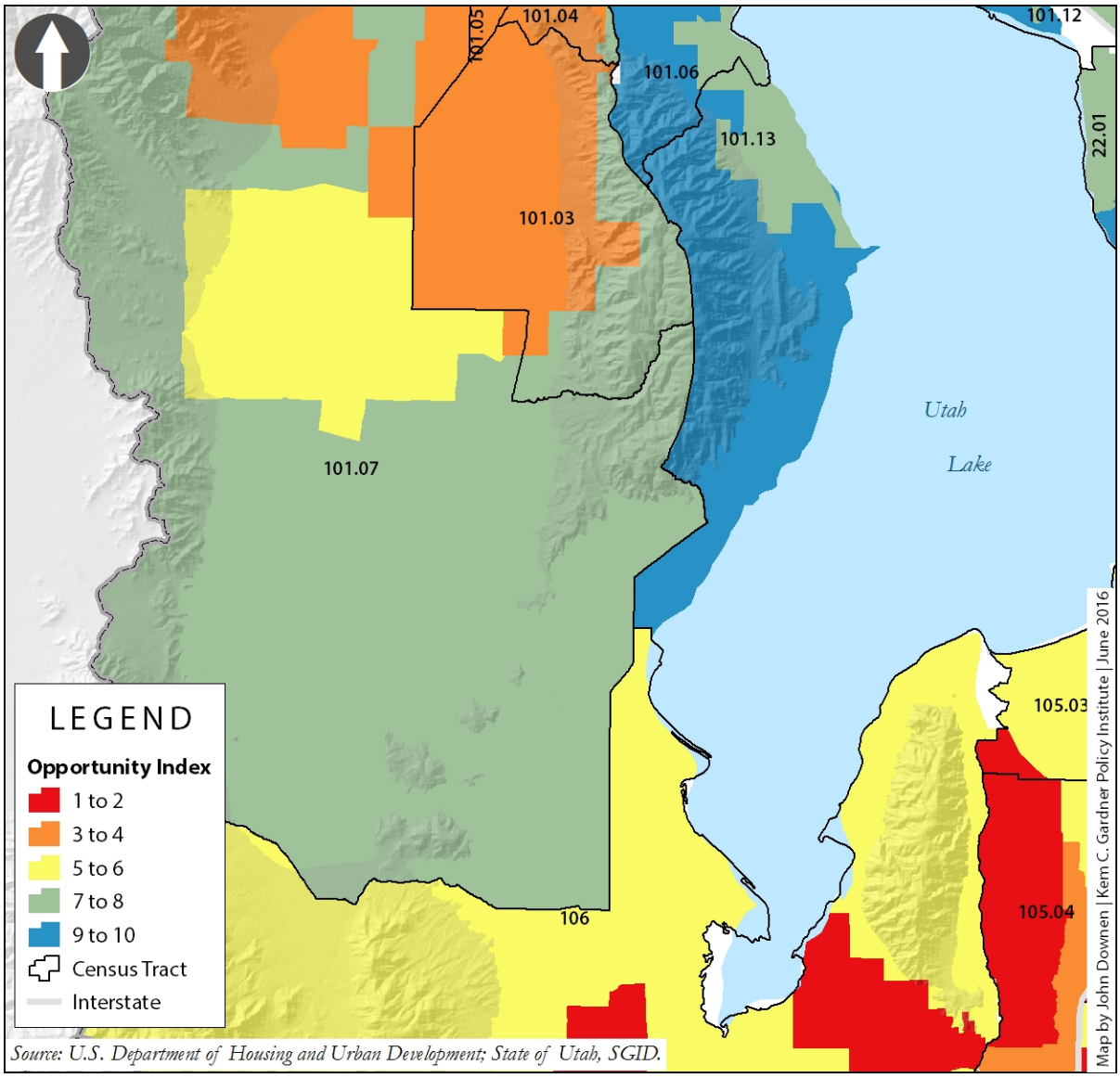
Utah County Southeast Opportunity Index Tracts



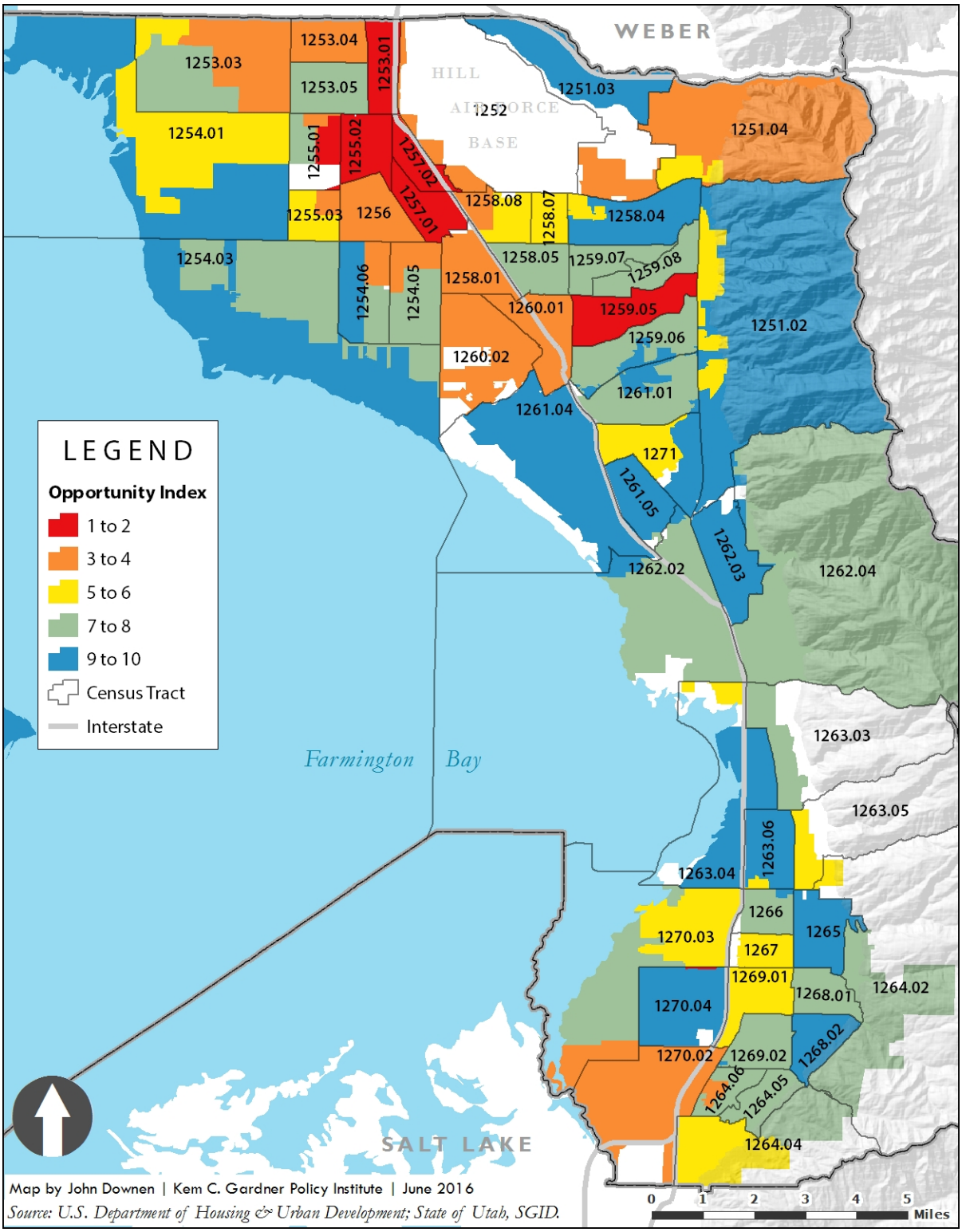
Utah County South Opportunity Index Tracts



Utah County Southwest Opportunity Index Tracts



Davis County Opportunity Index Tracts



Weber County Opportunity Index Tracts

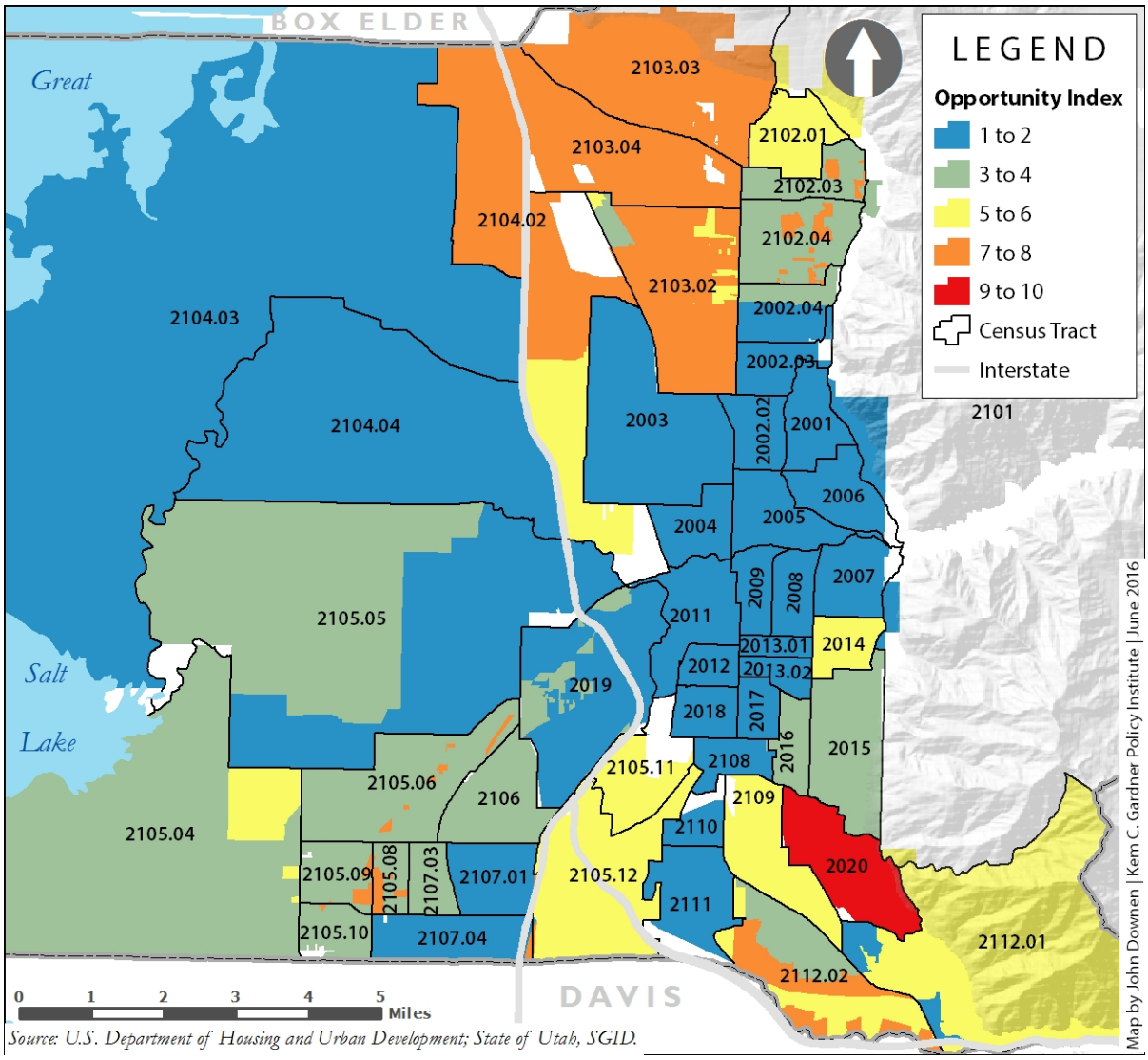


Exhibit 8B NON-PARTICIPATING AREAS

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

Exhibit 8C QUALIFYING BUS STOPS

Points for proximity to bus stops will only be awarded in counties of the second and third class that are also not classified as rural (see Exhibit 3A).

Counties are classified by the Utah Code Title 17, Chapter 50, Part 5, below.

17-50-501. Classification of counties.
(1) Each county shall be classified according to its population.
(2)(a) A county with a population of 700,000 or more is a county of the first class.
(b) A county with a population of 125,000 or more but less than 700,000 is a county of the second class.
(c) A county with a population of 31,000 or more but less than 125,000 is a county of the third class.
(d) A county with a population of 11,000 or more but less than 31,000 is a county of the fourth class.
(e) A county with a population of 4,000 or more but less than 11,000 is a county of the fifth class.
(f) A county with a population less than 4,000 is a county of the sixth class.

In order to qualify for points under this scoring category, the project must be within 1/3 of a mile walking distance along public access (sidewalks, crosswalks) to a bus stop along a core route. Distance will be verified using Google Maps.

Core bus routes must meet the following criteria:

County	Frequency During Peak Hours	Hours/day
Any County with UTA service	15 Minutes	16
Summit	20 Minutes	16
Cache	30 Minutes	11
Washington	40 Minutes	14

Exhibit 8D 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 8E 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

2018 Adjusted Averages

Hard Cost/Unit	$128,619.00
Hard Cost/SqFt	$178.71
TDC/Unit	$181,232.20
TDC/SqFt	$253.99
Housing Credit/LIHTC Bedroom	$10,529.34

2019 Inflation Factor

9.34%

2019 Adjusted Averages

Hard Cost/Unit	$140,632.03
Hard Cost/SqFt	$195.39
TDC/Unit	$198,151.21
TDC/SqFt	$277.70
Housing Credit/LIHTC Bedroom	$11,512.32

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.

12. 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 an owner to a specific amount of Housing Credits.
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. The Applicant is the Owner entity, which is not required to be formed at the time of Application submission.
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%, 40%/60%, or Income Averaging, whichever is applicable. See Minimum Set-Aside Election.

Assisted Living	Assisted Living facilities are licensed by the State of Utah and provide services in conjunction with housing for Seniors who cannot live independently.
BIN	Building Identification Number assigned by UHC. Each structural building containing at least one Housing Credit unit will be assigned a BIN by UHC. Individual units will not be assigned individual BINs.
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.
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 is a plan from a local jurisdiction which is 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 the jurisdiction's governing body with binding legal authority, by ordinance, resolution, or other legal action, and targets funds or tax incentives to a defined geographic area for either of the following: 1. economic development, including economic related initiatives; or 2. commercial/retail development, including infrastructure and community facility improvement. For the purposes of claiming points under the QAP the CCRP must commit specific financial resources to the project, and commit specific additional investments in neighborhood assets such as schools, infrastructure, transportation, jobs, and crime reduction. Scattered site developments must have all sites included in a CCRP (or multiple CCRPs) in order to claim points under the scoring related to CCRPs. The jurisdiction's 5 Year Consolidated Plan or Long Term Land Use Plan is insufficient to meet the requirements under this section.
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.
Developer	The party responsible for preparing the project for residential use as a Low Income Housing Tax Credit project and who is responsible for ensuring that a material portion of all phases of the development process are accomplished.
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 8A.

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.
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.

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.
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.

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.
Income Averaging	The Minimum Set-Aside Election in which at least 40% of the units must be both rent-restricted and occupied by individuals whose incomes do not exceed the imputed income limitation designated by the taxpayer; the average of the imputed income limitations designated cannot exceed 60% of AMI; and, the designated imputed income limiations must be in 10 percent increments, i.e., 20 percent, 30 percent, 40 percent, 50 percent, 60 percent, 70 percent, or 80 percent.
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.
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, or 3. At least 40% of the units must be both rent-restricted and occupied by individuals whose incomes do not exceed the imputed income limitation designated by the taxpayer; the average of the imputed income limitations designated cannot exceed 60% of AMI; and, the designated imputed income limiations must be in 10 percent increments, i.e., 20 percent, 30 percent, 40 percent, 50 percent, 60 percent, 70 percent, or 80 percent. (Income Averaging) 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.
PHA	Public Housing Authority.

Permanent Supportive Housing (PSH)	Permanent Supportive Housing, or PSH, is a model that combines low-barrier access to affordable housing and dedicated supportive services in an effort to help individuals and families lead more stable lives. PSH targets people, particularly the homeless or chronically homeless, with psychiatric Disabilities, chronic health challenges, or other barriers to accessing or retaining stable housing. PSH provides robust supportive services to reduce instability in housing. PSH projects will deliver supportive services through a combination of on-site services and linkages to available community services. PSH projects will have tenant selection policies that prioritize people who have been homeless the longest or have the highest service needs as evidenced by vulnerability assessments. PSH projects are 100% PSH units and must be rent restricted at or below 35% AMI and are required to have a minimum 15-year commitment of project based rent subsidy.
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.
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 8A.
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.
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

Related Party (Cont.)	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; 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.

Reservation Cycle	The Reservation Cycle is the period of time under a governing QAP. The 2019 Reservation Cycle will begin upon final approval of the 2019 QAP, and will last until the subsequent QAP is approved.
Restricted Rent	The rent limitation for a dwelling unit for purposes of qualifying for Housing Credits.
SMSA	Standard Metropolitan Statistical Areas are 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) are 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.
Scoring Criteria	Criteria set forth in Section 8, The Scoring Process 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.
Senior	Intended and operated for occupancy by persons 55 years of age or older. In order to qualify for the "55 or older" housing exemption, a project must satisfy each of the following requirements: • At least 80 percent of the units must have at least one occupant who is 55 years of age or older; and • The project must publish and adhere to policies and procedures that demonstrate the intent to operate as "55 or older" housing; and • The project must comply with HUD's regulatory requirements for age verification of residents.
Set-Aside Pools	Pools of Applicants or project types that are given specified percentages of the Credit Ceiling amount.

Site Control	Site Control must encompass the entire parcel or parcels of land, or existing building or buildings and land, that is (are) the subject of the Application. Control of the site must be possessed by the Owner, and no other entity whether an affiliate, a subsidiary, parent entity nor any individuals who are affiliated with the Owner. Each and every document evidencing Site Control must be binding until or beyond December 31 of the year in which an Application is submitted to UHC and have no expiration dates that have occurred without extension to or beyond December 31 of the year in which an Application is submitted to UHC. No document evidencing Site Control may have an option to extend to or beyond December 31 that has not been exercised at the time the Application is submitted to UHC.
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.
Service Provider	A Service Provider can be any social service organization with experience assisting persons of a Special Needs population in finding housing and providing other supportive services to promote self-sufficiency.
Special Needs	Units within a project that are designated as "Special Needs" units may only serve tenant populations as follows: • Chronically Homeless • Developmentally Disabled • Domestic Violence • Homeless • Long Term Mobility Impaired • Maturing Foster Children • Mentally Ill • Persons with HIV/AIDS • Refugees • Veterans • Other Special Needs units with written pre-approval by UHC Certain definitions, descriptions and requirements are more fully depicted under PROJECT AND POPULATION TARGETING.
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 4A).

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.
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.
Unrestricted Units	Units in a Housing Credit project that have none of the Housing Credit Program affordability or other rent or income restrictions. They are also called market rate units.