

Updated 7-19-13

Part 6: The LIHTC Supplemental Program Materials

Elections and Rental Assistance Information

Difficult to Develop Area's Basis Boost:

Difficult to Develop Areas (DDAs) are published by the United States Department of Housing and Urban Development (HUD). HUD DDAs are subject to change without prior notice. A revised list is typically published in the Federal Register in the middle of December each year, in preparation for the following year.

The eligible basis of a project located within a DDA may be increased up to 30 percent. Only the eligible basis attributable to new construction or rehabilitation qualifies for the basis boost. Acquisition expenses do not qualify for the HUD basis boost.

Projects receiving a forward reservation of Low Income Housing Tax Credits are always at risk of losing their HUD DDA status prior to receiving the allocation of tax credits. **A project receives the official allocation of tax credits through execution of the carryover agreement, not at the time of funding reservation.** Should the DDA status of a project change prior to carryover allocation, i.e., a project is no longer located in an area with DDA status due to HUD revision, see the HUD Rule on Effective Date in the LIHTC Program Description and Requirements Section of the application.

State's Basis Boost QAP Policy:

If a project is not in a HUD DDA/QCT, the new construction or rehabilitation eligible basis of a project may be eligible for the state's basis boost up to 30%. The acquisition basis of a project (the eligible basis portion associated with acquisition expenses) is not eligible for this basis boost.

Projects with the following characteristics may qualify for the state's basis boost:

- a. Preservation projects
- b. Projects serving permanent supportive housing goals
- c. Projects that address workforce housing needs.
- d. Projects that are located in Transit Oriented Districts (TODs) or Economic, Development Regions (EDRs) as designated by local governments, or projects in a designated state or federal empowerment/enterprise zone or Public Improvement District (PIDs), or other area or zone where a city or county has, through a local government initiative, encouraged or channeled growth, neighborhood preservation, redevelopment, or encouraged the development and use of public transportation.
- e. **The Project is located in a low-poverty area, which are Census Tracts where less than 10% of the population lives below the poverty level.**

If your project meets the requirements of the above policy, and needs the state's basis boost for financial feasibility, please complete the Request to Use 130% Basis Boost form located at the end of this section, and explain in detail the project's need for the State's basis boost. The answer needs to identify that the project meets the characteristics outlined in the QAP or the reasons why using the boost will make the project financially feasible.

Minimum Set-Aside Election

The sponsor elects one of the Minimum Set-Aside Requirements:

(X) Mark only one

_____ At least 20% of the rental residential units in this development are rent-restricted and are to be occupied by individuals whose income is 50% or less of family adjusted area median income.

_____ At least 40% of the rental residential units in this development are rent-restricted and are to be occupied by individuals whose income is 60% or less of family adjusted area median income.

Federal Preferences

This project will address one or more of the following federal tax credit preferences:

(X) Mark all that apply

- Serves very low-income tenants for more than 30 years
- Is located in a Qualified Census Tract or Difficult to Develop Area as published by HUD
- Serves tenants with special needs
- Selects tenants from Public Housing wait list
- Serves tenants with children
- Is intended for tenant ownership
- Includes energy efficiency features
- Rehabilitates and helps preserve a certified historic structure

Funding Set-Asides

Will the project be considered under the following? (Mark X, as applicable)

10% Federally mandated non-profit set aside,

Non-Profit Set Aside

If the applicant wishes to be considered under the 10% federally mandated nonprofit set aside, nonprofit participants will be subject to Material Participation requirements as defined by the Internal Revenue Service and any other LIHTC program requirements. Applicants may want to seek professional advice prior to making this election.

Compliance Period Election and Owner Agreements

1. Owner agrees to extend the low income commitment period to be _____ years beyond the required 30 year compliance period.
2. Choose one of the below: The earliest date upon which the Owner may request the Department to procure a qualified contract for acquisition of the Project:

Set to after year 29 but before the end of year 30 (or)
 Postpone from after year 29 to year _____

3. Maintain the applicable fraction for each building in the project as _____% (% of the units to be LIHTC units). Provide a building by building applicable fraction as follows:

Building Number	Floor Area Ratio (SF affordable/Total SF	Unit Ratio (Affordable units/Total units)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
Total		

The applicable fraction for the project will be the lesser of the Floor Area Ratio or the Unit Ratio Total.

If the project consists of more than one building or type of use, are they: Yes (X) No (X)

Common ownership for federal tax purposes?

Financed pursuant to a common plan of financing?

Managed pursuant to a common property management plan?

Name, title and address of the **Chief Executive Officer** (i.e.: Mayor, City Manager) of the project's locality:

Name: _____ Title: _____

Address: _____ City: _____ Zip: _____

Tax Credit Sale Information

Proceeds from sale of Low-Income Housing Tax Credits \$ _____
 Is the partnership agreement signed?* (yes/no) _____
 Proceeds from sale of Historic Rehabilitation Tax Credits \$ _____
 Proceeds from sale of other Tax Credits (type) _____ \$ _____
 Type of offering: (x) Public _____ Private _____
 Type of investors: (x) Individuals _____ Corporations _____ Local Employer _____
 Type of bonds: (x) Taxable _____ Tax-Exempt _____ Percentage Taxable _____

Describe the anticipated LIHTC equity pay-in schedule and amounts to be received:

Investment Fund Information

Fund: _____
 Syndicator: _____
 Address: _____
 City: _____ State: _____ Zip Code: _____
 Telephone: () _____ Facsimile: () _____

* Attach letter of intent or commitment indicating the project has been reviewed by an investor for financial feasibility, and has determined a market price, terms and conditions of equity pay-in. Please complete the Tax Credit Sale Information and Investment Fund Information as thoroughly as possible.

Rehabilitation of an Existing Building

Note: If the project involves the rehabilitation of an existing building, this form must be completed.

Acquisition of Existing Buildings

Building(s) acquired or to be acquired from: _____ Related party _____ Unrelated party

For a definition of the term "unrelated party," applicants may wish to consult IRC Sections 42(d)(2)(D)(iii) as well as the Housing and Economic Recovery Act of 2008 Section 3003. Generally, the relationship between the taxpayer claiming acquisition credits and the seller of the property is increased to 50 percent, conforming it to the related party rule used in other parts of the Internal Revenue Code.

For acquired building(s), how is the value of the land determined?

Is this property currently substantially assisted, financed, or operated under Section 8, 221(d)(3), 221(d)(4) or 236 of the National Housing Act; Section 515 of the Housing Act of 1949, or "any other housing program administered by the Department of Housing and Urban Development or by the Rural Housing Service? Alternatively, is the property substantially State assisted, financed, or operated under any state law similar in purpose to any of the federal laws listed above?	Yes (X)	No (X)
	<input type="checkbox"/>	<input type="checkbox"/>

If no, what was the precise date this property/bldg was last sold? (Prior to sponsor involvement) _____

(The Department may request additional information if the project, in whole or in part was previously placed in service within the last 10 years and is not or was not substantially assisted, financed or operated by HUD, RD or state programs as mentioned above.)

Clarification Instructions for Filling out IRS Form 8821, Tax Information Authorization

For complete instructions, please go to: <http://www.irs.gov/pub/irs-pdf/f8821.pdf>.

Complete one IRS Form 8821 for each Financial Beneficiary, including the Developer:

1. Taxpayer Information: Fill in Financial Beneficiary Name, address and other requested information
2. Appointee: If not already printed, fill in Oregon Housing and Community Services
725 Summer St NE Ste B
Salem, Oregon 97301-1266
Attn: LIHTC Program Manager
3. Tax Matters:
 - Type of Tax: Choose "Income"
 - Tax Form Number: Fill in the tax forms normally filed by the Financial Beneficiary; i.e.: Individual - Form 1040, Corporation - Form 1120, Small Corporation - Form 1120-S, Partnership - Form 1065, etc.
 - Year(s) or Period(s): Type in the years. (5 yrs. prior to application. See example on form 8821, Line 3, tax matters.)
4. Specific Use Not Recorded on Centralized Authorization File (CAF):
5. Disclosure of Tax Information:
6. Retention/Revocation of Tax Information Authorization: See instructions on form 8821, line 6.
7. Signature of Taxpayer(s): Financial Beneficiary must sign and date

} Completed by OHCS

INSERT THE ORIGINAL SIGNED IRS FORM 8821 FOR EACH FINANCIAL BENEFICIARY INCLUDING THE DEVELOPER, IN THE ORIGINAL COPY OF THE CONSOLIDATED FUNDING CYCLE APPLICATION

For the purposes of this form, a Financial Beneficiary is defined as any party with a financial benefit of 10% or more from the proposed project. This includes, but not be limited to, the General Partner and in certain cases where the financial benefit is 10% or more, the developer and/or contractor.

Low Income Housing Tax Credits 9% NOFANOFA Application

Request To Use 130% Basis Boost

Project Name: _____

Date of Application: _____

Projects requesting a boost to their eligible basis, which are not located in a HUD determined DDA/QCT will need to submit this completed form. Applicants should carefully read page 6, Section III D (3b) of the 2013 QAP Policy on the State's Use of the 130% Basis Boost, before completing the request.

The form must be included in the LIHTC Supplemental Forms section of the NOFA Application. It will be considered in the review process. Should the application receive a reservation of funds, the applicant will be notified at that time whether the request to use the 130% basis boost has been granted.

Please check all that apply (X):

- _____ The project meets the State's definition of a preservation project.
- _____ The project's target population serves permanent supportive housing goals.
- _____ The project addresses workforce housing needs as identified in the Needs Analysis for this funding cycle.
- _____ The project is located in a Transit Oriented District (TOD); or an Economic Development Region (EDR) as designated by the local jurisdiction; or the project is located in an empowerment/enterprise zone or Public Improvement District (PID). **Please provide documentation in support of the project's location in a TOD, EDR or PID.**
- _____ The Project is located in a low-poverty area, which are Census Tracts where less than 10% of the population lives below the poverty level.

If your project does not meet at least one of the categories outlined above, please provide specific information why the project should be considered for the State Basis Boost by answering the following question:

Explain why the use of the boost is needed for this project. Describe the financial assumptions you have made for the project and compare these with and without the boost. What will the boost help you accomplish from a financing perspective? Please note that a request for the state's basis boost will not automatically result in additional credits being awarded to your project.

For comparison purposes in evaluating the financial feasibility with the boost, please, attach Sources of Funds and Tax Credit Calculation Page which do not incorporate the boost assumptions.

OHCS Determination

(To be completed by OHCS)

Project Name:	
Request to Use the State's Basis Boost is:	Approved _____ Denied _____

Notes:

(to be signed by OHCS)

Signed by:	
Title:	
Date:	