

2010 APPLICATION INSTRUCTIONS



Alabama Housing Finance Authority

Alabama Housing Finance Authority (AHFA) thanks you for your interest in providing low-income housing for the citizens of Alabama.

The application package is designed to be “universal” in nature, encompassing all of the multifamily funding programs that AHFA administers. We have provided checklists and index

pages of all of the information necessary to submit a complete application. The 2010 Application Instructions detail the application's requirements.

The applicant must submit a complete and legible paper application with all supporting documentation and a check (no cash accepted) in the amount of \$3,000 for the application fee. AHFA *will not* accept applications in pencil and the application and other required forms/documents will not be accepted via facsimile transmission. **ALL AHFA PROVIDED FORMS MUST CONTAIN ORIGINAL SIGNATURES. PLEASE USE BLUE INK SO THERE IS NO QUESTION AS TO WHETHER THE SIGNATURE IS AN ORIGINAL. ALL OTHER REQUIRED FORMS AND/OR SIGNATURES MUST BE SUBMITTED ON THE APPROPRIATE LETTERHEAD AND SIGNED BY THE AUTHORIZED OFFICIAL. All Forms and Documents must be at least 6 months current unless otherwise specified. All Original Index Pages must be on Blue paper and the Copy Index Pages must be printed on Yellow paper.** Do not submit your application in a binder or spiral binding. Do not use staples, paper clips, etc. Do not provide paper larger than 8 1/2 x 11 unless otherwise required by AHFA. (Example: survey should be 24x36)

Please refer to the 2010 Allocation Plan(s) and the 2010 Application Instructions for the definition of a complete application. Allocation Plan(s) that enumerate(s) each program and its respective requirements as well as how AHFA allocates the funds are available at www.AHFA.com.

The application cycle this year includes an **online portion** that is **MANDATORY**. All applicants must submit their 2010 funding applications to AHFA in electronic form at www.rentals.ahfa.com. This must be done **before** the complete application with exhibits is delivered to AHFA's offices. See the Multifamily Funding Application Checklist for a listing of required documents. AHFA will **open the online portion of the 2010** application cycle beginning at **8 AM on Wednesday, February 10**. *THIS IS TO ALLOW* applicants to submit their online applications with enough time remaining to print, copy and ship their complete applications to arrive at AHFA on the first day of the application cycle, as described below. Once an application is submitted through the online system, the application will be locked and no further changes or corrections of any kind will be allowed. You will be reminded of this online when you click to submit the application.

In addition to the online portion, **all applicants must also deliver a COMPLETE application in hard copy to AHFA's offices**. This delivery must include a printed copy of the EXACT application already submitted online, together with all required documents, exhibits and other information. The complete applications must be delivered to AHFA's offices between **9 AM CST on Monday, March 8 and 5 PM CST on Thursday, March 11**.

In order to be considered for funding, each applicant must BOTH (1) submit an online application, AND (2) deliver a COMPLETE hard copy of their application to AHFA, together with all required documents, exhibits and other information.

Please note that the physical delivery of the COMPLETE application package at AHFA's offices is the official time and date that will be used for tie-breaking purposes under the allocation plan.

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This year's two-step application process is a necessary step toward developing a paperless application process, and we appreciate everyone's patience and cooperation as we work to improve our processes. Please continue to monitor your email and our website at www.AHFA.com for additional news and updates.

AHFA will notify each applicant in writing of its approval/denial status in June. However, this date is subject to change based on the number of applications received and time required to thoroughly review all applications.

Again, thank you for your interest in providing affordable housing for the State of Alabama and its citizens.

1. Online Application (Tabs 1-27)

Most of the items on the application are self-explanatory. However, AHFA will highlight key points in the application as follows:

To Access the Online Application

- <https://rentals.ahfa.com>, which is a secure site, or access the link via AHFA's website www.ahfa.com.
- Sign in as a *New User*.
- Select a user name and password
- Remember or keep your user name in a safe location, as AHFA will not be able to provide it if you fail to remember it.
- Should you forget your password, after registering, the system can retrieve it for you.
- Prior to input, review the information listed under *Help*.
- After choosing a Project Name and clicking the "Next" button, the User Profile screen appears. The User Profile screen is where you chose to have the user information on each application submitted. An election must be made as to whom correspondence will be mailed to.
- Begin by creating a *New Application*.

Please review your spelling as the online portion of the application does not have spell check capabilities. The application information input will be lost if each tab is not *checked in and saved*. Prior to *logout* review the tab index at the left of the screen to verify that all tabs have been *checked in and saved*. A red check mark will indicate tabs that are checked out.

Agents

Tab 1: Applicant Owner

Ownership Entity:

If the Applicant/Owner is not an individual, indicate the type of entity that will be the Owner of the project.

Applicant/Owner:

Name of the Applicant entity (This could be a to-be-formed ownership entity). The address should be of the owner/general partners of the ownership entity. Include the title of the applicant/owner.

Tab 2: Contact

Contact:

Provide requested information on the contact person to whom AHFA may contact during the application and development stage, if different from the Applicant/Owner submitted on the User Profile Screen. Include the relationship of this person to the Applicant/Owner. The person identified here should be able to answer all questions about the proposal and *make decisions regarding the proposal*. The individual listed in the User Information section when creating the application will be initially listed as the contact person, but this may be changed using the Contact tab by checking out the document and editing the form.

Tab 3: Profit Status (non-profit/for-profit)

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Indicate whether the Applicant/Owner is applying for non-profit set-aside/and or CHDO set-aside.

Tab 4: Staff & Development Team

Required Agents are: Owner, Developer, Contractor, Architect, Accountant, Environmentalist, Market Analyst, Management Company, Attorney, and Surveyor. Multiple parties or additional staff members can be added by clicking on the, "[Click to add another staff member](#)" tab.

Tab 5: Chief Executive Officer/Local Historical Society

Provide information requested.

Tab 6: Seller

Provide information on the seller(s) of the proposed project/site.

Project Information

Tab 7: Activity Type

Please elect New Construction, Rehabilitation, or Acquisition and Rehabilitation. HOME funds must be used for New Construction only.

This form will be locked when 'Checked In and Save' has been selected and confirmed. Please be sure your data is accurate.

Tab 8: Occupancy Type (Family or Elderly)

If the project selects elderly housing, the following are the two types of "housing for older persons":

1. Housing intended for, and solely occupied by, persons 62 years of age or older; and
2. Housing intended and operated for occupancy by at least one person 55 years of age or older per unit; at least 100% of the units are occupied by at least one person 55 years of age or older; that the housing facility or community publishes and adheres to the policies and procedures that demonstrate the intent necessary to satisfy the definitions of "housing for older persons"; and that the housing provider complies with HUD's regulations governing the 55 or older exemption.

Tab 9: Low- Income/ Market Rate

Select total number of low-income and market rate units; if applicable.

Tab 10: Location

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List the items regarding the proposed apartment complex, as indicated. Select a name for the project that is not listed on Attachment A. Name the local political jurisdiction in which this project will be located. See Attachment B for a listing of congressional districts.

If the proposed project is located in a Qualified Census Tract, the owner must provide a letter from the local municipality stating the census tract number. See Attachment C for a listing of the Qualified Census Tracts and Difficult Development Areas.

Tab 11: Site Information

Provide exact area of site and cost or value.

Tab 12: Residential Unit Mix

Provide the number and type of units by building. For multiple buildings select the “[Click to add another building.](#)”

Tab 13: Building Characteristics

Fill out the total number of residential buildings. Mark the correct boxes for the additional non-residential buildings. Verify the total number of buildings is correct, based on your elections.

Tab 14: Utilities

Indicate whether utilities are gas or electric and whether the owner or tenant is responsible for payment. Document whether the utility is “currently” available to the site.

Sources of Funds

Tab 15: Funds Requested

Select the source of funds for which you are applying.

Tab 16: Grants and Other Monies

Enter the type of financing and amounts of funds to be provided for the development.

Rental information

Tab 17: Minimum Set-aside Requirement

Select the minimum set-aside requirement applicable to the type of funding source. The set-aside requirement selected is **irrevocable**.

Tab 18: Rental Assistance

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Please select all that apply. Indicate the number of units receiving assistance and the number of years remaining in the contract. Please note the distinction between tenant-based and project-based rental assistance.

Tab 19: Gross Rent Floor Election

In accordance with Revenue Procedure 94-57, the Internal Revenue Service will treat the gross rent floor in Section 42(g)(2)(A) as taking effect on the date AHFA initially allocates housing credits to the building(s). However, the IRS will treat the gross rent floor as taking effect on the building's placed-in-service date *if* the owner designates that date instead and *so informs AHFA prior to the placed-in-service date of the building.*

THIS IS A ONE -TIME-ONLY, IRREVOCABLE ELECTION.

The Applicant/Owner is not required to file anything with the IRS to make this election. The election is made here in the application.

NOTE: If the proposed project is tax-exempt bond financed (as defined by the IRS), the IRS will treat the gross rent floor as taking effect on the date AHFA initially issues a determination letter unless the owner designates that the placed-in-service date should be used.

Tab 20: Net Collectable Rents

Select room and income type from the drop down boxes. Enter the rental and utility information requested. To add another room select, "[Click to add another room.](#)"

Tab 21: Gross Rental Income

The Net Collectable Rents page should be completed before starting the Gross Rental Income Page. Select the number of units for the bedroom types. Complete the staff unit information, if applicable.

Pro Forma Operating Statement

Tab 22: Effective Gross Income

All income should be included in the pro forma (commercial, residential, laundry, forfeited deposits, late fees, etc.). Any additional equity contributions to the operating budget (staged housing credit equity payments, funds to cover anticipated initial operating deficit) should be included in income.

Tab 23: Operating Expenses

Expenses during the first full year of operation should not exceed **TBD** per unit. AHFA will determine the allowable operating expense based on historic and current housing credit and HOME properties' financial statements. Management fees should generally range from 7% to 9% of the effective gross income. For Housing Credit and HOME applicants, the replacement reserve account should be calculated at \$250 per unit (for ten years) for all new construction properties targeting the elderly and \$300 per unit (for ten years) for all new construction targeting families and all rehabilitation properties. The project reserves are included in expense per unit of

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TBD. Expenses should also include all amortizing debt service and partnership distributions to arrive at the net cash flow returning to the property. AHFA will require a minimum debt coverage ratio of 1.15 (1.05 in USDA RD and HOPE VI properties).

Tab 24: Net Operating Income

The Net Operating Income should equal the Effective Gross Income less Operating Expenses.

Compliance

Tab 25: Years Low Income Use

List number of years you are willing to commit to Low-Income use beyond the required compliance period.

If an applicant is combining HOME and Housing Credits, the extended use election under the housing credit election must be 5 years or longer.

Square Footage and Architect's Certification

Tab 26: Square Footage and Architect's Certification

The project's architect, who is registered and licensed in the state of Alabama, must complete the applicable form. The square footage numbers on this form will be used in determining whether AHFA's square footage requirements are met.

The minimum apartment unit "Net" area requirements are measured from the **interior finished face** of the exterior wall to the **centerline** of interior common wall or party wall. The minimum bedroom "Net" area is measured from the interior faces of all walls surrounding each bedroom, excluding closets, mechanical rooms, and storage rooms. Additionally, project building standards included on the certification will be used in determining whether or not the project receives additional points under the point scoring system (see Allocation Plan(s)).

Estimated Cost Certification

Tab 27: Estimated Cost Certification Packet

The selection of form packet depends upon the type of project proposed. If the project is new construction, Form Packet NC must be completed and included in the application. If the Applicant/Owner is requesting funding for the rehabilitation, Form Packet REHAB must be completed and included in the application. Form Packet ACQ/REHAB is the packet to be completed and included if the Applicant/Owner is acquiring a project and is requesting funding for the acquisition and the rehabilitation of this project.

Most of the line items are self-explanatory. However, AHFA has included all of the items that fit into standard construction divisions. For those line items that require calculations, AHFA has included calculations that are typical to the finance industry and as required by federal regulations.

Please round all numbers to the nearest \$100.

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Line 2 - Sitework: Subsurface investigations; demolition; site preparation; underpinning; earthwork; drainage; site improvements; landscaping; paving and surfacing; ponds and reservoirs; piped utility materials and methods; piped utilities; power and communication utilities.

Line 3 - Concrete: Concreting procedures; concrete formwork; forms; form ties and accessories; concrete reinforcements; concrete accessories; cast-in-place concrete; special concrete finishes; specially placed concrete; concrete curing; precast concrete; cementitious decks; grout; and concrete restoration and cleaning.

Line 4 - Masonry: Masonry procedures; mortar; masonry accessories; unit masonry; stone; masonry restoration and cleaning; corrosion resistant masonry.

Line 5 - Metals: Metal materials and methods; metal fastening; structural metal framing; metal joists; metal decking; cold-formed metal framing; metal fabrications; ornamental metal; expansion control; metal finishes.

Line 6 - Carpentry: Fasteners and supports; rough carpentry; heavy timber construction; wood-metal systems; prefabricated structural wood; finish carpentry; wood treatment; architectural woodwork; prefabricated structural plastics; plastic fabrications.

Line 7 - Moisture Protection: Waterproofing, dampproofing; insulation; fireproofing; shingles and roofing tiles; preformed roofing and siding; membrane roofing; traffic topping; flashing and sheet metal; roof accessories; joint sealants.

Line 8 - Doors/Windows/Glass: Metal doors and frames; wood and plastic doors; door opening assemblies; special doors; entrances and storefronts; metal windows; wood and plastic windows; special windows; hardware; glazing; glazed curtain walls.

Line 9 - Finishes: Metal support systems; lath and plaster; aggregate coatings; gypsum wallboard; tile; acoustical treatment; resilient flooring; carpeting; special flooring; floor treatment; special coatings; painting; wall covering.

Line 10 - Specialties: louver and vents; grilles and screens; service wall systems; wall and corner guards; access flooring; specialty modules; pest control; fireplaces and stoves; prefabricated steeples; spires; and cupolas; flagpoles; identifying devices; pedestrian control devices; fire extinguishers; cabinets and accessories; protective covers; postal specialties; storage shelving; telephone enclosures; toilet and bath accessories; wardrobe specialties.

Line 11 - Equipment: Maintenance equipment; security equipment; commercial laundry and dry cleaning equipment; vending equipment; parking equipment; waste handling equipment; detention equipment; water supply and treatment equipment; fluid waste disposal and treatment equipment; food service equipment; residential equipment; unit kitchens; recreational equipment; telecommunication equipment.

Line 12 - Furnishings: manufactured cabinets and casework; window treatment; furniture and accessories.

Line 13 - Special Construction: integrated ceilings; pre-engineered structures; special purpose rooms and buildings; pools; restoration of underground pipelines; site constructed incinerators;

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utility control systems; industrial and process control systems; building automation systems; fire suppression.

Line 14 - Conveying Systems: elevators; hoists and cranes; lifts; material handling systems; turntables; powered scaffolding; transportation systems.

Line 15 - Mechanical: Basic materials and methods; insulation; plumbing systems; plumbing fixtures and trim; fire protection; power or heat generation; refrigeration; air distribution; controls and instrumentation.

Line 16 - Electrical: Basic materials and methods; power generation; power transmission; service and distribution; lighting; special systems; communications; heating and cooling; controls and instrumentation.

Line 18 - General Requirements: Summary of work; allowances; special project procedures; coordination; field engineering; regulatory requirements; abbreviations and symbols; identification systems; alternates/alternatives; measurement and payment; project meeting; submittals; quality control; construction facilities and temporary controls; material and equipment; starting of systems; testing, adjusting and balancing of systems; contract closeout.
In no event can Line 18, General Requirements, exceed 6% of line 17.

Line 20 - Land: Not to exceed the lesser of the appraised value or the purchase price.

Line 21 – Existing Buildings: Not to exceed the lesser of the appraised value or the purchase price. (For Acq/rehab only)

Line 35 - Construction Interest: The standard financial institution calculation of construction interest is as follows:

$$\text{Construction Interest} = \text{Construction Loan Amount} \times 60\% \times \text{Construction Loan Interest Rate} \times \text{Number of Months to Complete Construction}/12 \text{ Months.}$$

Lines 47 and 49 - Property Appraisal and Environmental Study: *For HOME applicants only,* AHFA furnishes the property appraisal and an additional environmental study. The cost of the environmental study submitted with the application can be included in this line.

Lines 53 and 54 - Moving Expenses and Transfer of Services: (For rehab and acq/rehab only). These categories are the moving expenses and transfer of services (transfer fees for transfer of utilities, cable TV, telephone, etc.) per tenant times the number of tenants to be displaced either temporarily or permanently.

Line 55 - Increase in Monthly Rent and Utilities During Displacement: (For rehab and acq/rehab only). This line is the increase in monthly rent and utilities that the tenant will experience by having to move to a different location. This increase needs to be multiplied by the number of months the tenant is displaced temporarily. Add up the totals for each of the tenants displaced.

Line 56 - Increase in Monthly Rent and Utilities (Relocation): (For rehab and acq/rehab only). This line is the increase in monthly rent and utilities that the tenant will experience by having to permanently move to a different location. This increase needs to be multiplied by forty-two (42)

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months under URA and sixty (60) months under the Barney Frank Amendment (one-to-one replacement). Add up the totals for each of the tenants permanently displaced.

Line 71 – Lease-up/Operating Deficit Reserve: Six months of projected first year operation expenses and three months of debt service.

Line 75 - Housing Credit Reservation Fees: 12% of the first year's housing credit allocation. (14% for non-contiguous sites)

Test Online Application Submission

Select *Test Application Submission* to perform a cursory examination of missing or incomplete documentation. This test allows the applicant the opportunity to correct errors prior to submission of the application.

Submit the Online Application to AHFA

Select *Submit Application* after completing *all required* (*) application fields.

Print and Sign the Online Application

Select *Print Application*. Print a copy of the online application and sign for AHFA. Keep a copy for your records. The printed version will be automatically date and time stamped to match the time of electronic submission.

For tie breaker purposes, AHFA will use the date and time issued by AHFA when the complete paper version of the 2010 Multifamily Funding Application Package (online application and forms) is submitted to AHFA.

PROCEED FORWARD WITH COMPLETING THE REQUIRED APPLICATION FORMS (numbers 2-51) TO BE SUBMITTED WITH THE PRINTED ONLINE APPLICATION.

2. PRO FORMA OPERATING STATEMENTS

Please provide a 15-year projection of cash flow (*20 years if applying for HOME funds*) using the following assumptions:

- | | |
|--|----|
| 1. Projected annual increase in income | 2% |
| 2. Projected annual increase in expenses | 3% |
| 3. Projected vacancy/collection loss | 7% |

Pro Forma Operating Statement:

Provide the financial information for the proposed project, based on assumptions consistent with the information you found in the market study (*use a minimum 7% vacancy allowance*). Certify this statement at the bottom of the page. For Housing Credit and HOME applicants, the replacement reserve account should be calculated at \$250 per unit (for ten years) for all new

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construction properties targeting the elderly and \$300 per unit (for ten years) for all new construction targeting families and all rehabilitation properties.

3a. Sources of Funds:

Provide construction financing, permanent financing sources, and owner equity information.

Distribution of Cash Flow:

List the proposed distribution of cash flow after expenses.

Syndication Information:

Please provide the *net* syndication proceeds and *net* cent on the dollar. AHFA has the final approval of all syndication agreements.

During the application process, all projects will be underwritten using the assumption that the Applicant/Owner will receive at least **TBD** on the dollar. *The minimum credit value the Applicant/Owner should receive will be TBD.*

b. Detailed Expense Assumption:

Provide in as much detail as possible your expense assumptions on the pro forma. Again, this information should be consistent with the information you found in the market study.

All residential rental units, attached or detached, may be underwritten using the same operating expense caps.

4. APPLICATION FEE

a. Check

In order to file an application for multifamily funding with AHFA, the applicant must provide a **check (no cash accepted) for \$ 3,000 payable to “Alabama Housing Finance Authority”** with the completed application package. *This application fee is non-refundable even if the application for funds is denied.*

b. Two Copies of the Check

5. MARKET STUDY

a. Certification of Market Study Requirements and Attachments

The Certification of Market Study Requirements must be completed by the Market Analyst and provided with the market study. Submit as a separate document; do not bind into the Market Study.

b. Market Study

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The market study must be less than six months old and be performed by *an independent third party market analyst*.

If the market study does not contain the minimum requirements, the application may be deemed incomplete and will not be considered further for funding.

c. CD Copy of Market Study

6. OWNERSHIP ENTITY (FORMS LP, CORP, LLC, GP AND LLP)

For the Applicant/Owner who is a corporation, limited liability company, limited partnership, limited liability partnership or general partnership, please include Forms LP, CORP, LLC, GP or LLP, as applicable. *If the general partner of the ownership entity is a corporation, limited liability company, limited partnership or limited liability partnership, the applicable ownership entity form must also be completed. Continue completing forms until the individual shareholder or partner of named ownership entity is identified.*
Any newly formed entities should document that they are “Newly Formed.”

Previous Participation, Relevant Experience, Financial Statements, and Resumes are required for all individual stockholders, members or partners listed. **Newly Formed Ownership Entities are only required to submit the Ownership Entity Form(s)**

7. NON-PROFIT STATUS IRS LETTER

If the ownership entity is non-profit, the Applicant/Owner must provide a copy of the 501(c)(3), 501(c)(4) or 501(A) tax exemption status from the IRS, which indicates that one of the exempt purposes is the providing of low-income housing. To qualify for the non-profit set-aside, the Applicant/Owner must materially participate and have an ownership interest in the development and operation of the project throughout the compliance period. As required by IRC 469(h), “a [non-profit] shall be treated as materially participating in an activity only if the [non-profit] is involved in the operation of the activity on a basis which is regular, continuous and substantial.”

8. NON-PROFIT LEGAL OPINION LETTER

In order to be eligible for housing credits from the non-profit set-aside, a counsel’s opinion that the non-profit is a qualified non-profit organization must be submitted with the application. Attachment D is a sample letter for this requirement.

9. AHFA’S 2010 CHDO CERTIFICATION LETTER

Provide a copy of the letter issued by AHFA for the current application cycle.

10. PREVIOUS PARTICIPATION FORM AND RELEVANT EXPERIENCE FORM

These forms must be completed for each member of the development team listed on the top of the forms. The certification from the lender must specifically list each project and the number of units. It may not reference an attached list. If the member is a company, provide Previous Participation and Relevant Experience for that company and the Individuals that have an ownership interest in the company.

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The General Contractor must be Licensed in the State of Alabama.

11. DEVELOPMENT TEAM RESUME FORMS

This form must be completed for each member of the development team listed on the form.

12. IDENTITY OF INTEREST

If there is an identity of interest between any development team member listed in the application, this should be disclosed.

An “Identity of Interest” shall be construed to exist:

1. Individual persons are considered related to each other (a.) if they have any of the following direct relationships: parent, child, spouse, son-in-law, daughter-in-law, father-in-law, and mother-in-law, including any such direct relationship created by marriage, remarriage, adoption, or any other legally recognized status, or (b.) if one individual is an employer, by common law or otherwise, of the other.
2. Entities are considered related to each other (a.) if any director, shareholder, partner, member or any other type of owner of any entity would be considered a related individual (under item a. above) to any director, shareholder, partner, member or any other type of owner of another entity, (b.) if the entity has the ability to control another entity, or (c.) if the entity owns a material interest in another entity. An entity will be presumed to control another entity if it has a percentage of ownership in the other entity or the ability to appoint a percentage of the members of the other entity’s governing body (i.e., board of directors, board of trustees, partners, managers, etc...) that would permit it to control the other entity either by operation of law or by agreement. A material interest means any ownership interest in excess of 20% of the stock, partnership interests, membership interests or other forms of ownership of any entity; provided, however, that ownership interests held by housing credit investors, housing credit syndicators or special administrative partners or members shall be disregarded for purposes of 20% test.
3. Without limiting the above, a trust will be considered related to any individual or entity if any trustee, trustor, grantor, settlor, beneficiary, permissible distributee, any person or entity serving a role similar to the foregoing, or any person holding power of appointment (general or limited) over trust property would be considered related to the individual or entity under items a. or b. above.
4. Any other relationship which, while not specifically listed above, is determined to constitute an identity of interest because it is a relationship at least as close as an identity of interest described above or because it would permit an allocation that violates the intent of the of the ceiling.

Parties that have an identity of interest are presumed to be sufficiently related for them to be treated as single applicant for purposes of the ceilings. As described in the paragraph below, AHFA may in its discretion identify other parties whose relationship is sufficiently close to cause them to be treated as a single applicant for purposes of the ceilings. A significant factor in AHFA’s evaluation will be whether, based on the facts and circumstances, a primary purpose of a party’s involvement in a project appears to be avoidance of the ceilings.

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13. FINANCIAL STATEMENTS

For the Applicant/Owner who is an individual and for *each* individual listed on Forms LP, CORP, LLC, GP and LLP, Form Personal Financial Statement is required. This form is also required for the ownership entity if an independent accountant has not prepared one.

If any of the individuals for whom a financial statement is required has a personal and *current* (year-end statement less than twelve months old) financial statement prepared by an independent accountant, he/she must attach that statement to Form Personal FS, mark Form Personal FS with “See Attached” and sign Form Personal FS as indicated on the second page of the form.

Organizational financial statements are also required of the Owner, the Developer (if different from the Owner), the General Contractor and the Management Company. If any entity has a *current* (year-end statement less than twelve months old) financial statement prepared by an independent accountant, it must attach that statement to Form Organizational Financial Statement, mark Form Organizational Financial Statement with “See Attached” and sign Form Organization FS as indicated on the second page of the form.

Year-end statement is defined as the end of the accounting period. This may be on a calendar year or fiscal year.

IN ALL INSTANCES, ONLY A CURRENT, INDEPENDENT ACCOUNTANT PREPARED FINANCIAL STATEMENT MAY BE USED IN LIEU OF FORM PERSONAL/ORGANIZATIONAL FS. THE ACCOUNTANT PREPARED STATEMENT MUST CONTAIN A BALANCE SHEET AND A STATEMENT OF INCOME.

ALL APPLICABLE SECTIONS OF THE FINANCIAL STATEMENT MUST BE COMPLETED OR A POINT WILL BE DEDUCTED FOR INCOMPLETE DOCUMENTATION.

14. OTHER STATE ACTIVITIES FORM (Exclude Alabama Properties)

A form must be completed on the ownership entity and general contractor. Only complete the form on individual shareholders or partners, if applicable.

15. OWNER/DEVELOPER RESPONSIBILITIES FORM

- a. If the Owner and the Developer are two different entities, this form must be completed and signed by both parties.
- b. A written agreement outlining each parties responsibilities must be provided. Applicants may joint venture as a co-developer on a project with no ownership interest in the project and the allocation will not count toward the housing credit cap.

16. MANAGEMENT INFORMATION

a. PREVIOUS PARTICIPATION FORM

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This form must be completed for the management company that will be managing the proposed property.

b. RELEVANT EXPERIENCE FORM

This form must be completed for the management company that will be managing the proposed property.

c. STATE COMPLIANCE FORM

This form must be completed for the management company that will be managing the proposed property. List all projects for which an 8823 has been filed in the past five years by a state agency/authority. Also, include any 8823's filed on a project by AHFA.

d. FINANCIAL STATEMENTS

Organizational financial statements are required for the management company. If the management company has a *current* (year-end statement less than twelve months old) financial statement prepared by an independent accountant, it must attach that statement to Form Organizational FS, mark Form Organizational FS with "See Attached" and sign Form Organizational FS as indicated on the second page of the form.

Year-end statement is defined as the end of the accounting period. This may be on a calendar year or fiscal year.

In all instances, only a current, independent accountant prepared financial statement may be used in lieu of Form Organizational FS.

e. RESUME

This form must be completed by the management company.

17. EVIDENCE OF SITE CONTROL

A Sales Contract, Warranty Deed, Option to purchase, or Long-term leasehold must evidence site control. For Acquisition/Rehabilitation projects, a copy of the Warranty Deed must be supplied to AHFA at the time of application or as soon as acquisition of the property occurs. If the property has not been purchased, evidence of a binding contract must be submitted.

For those Applicant/Owners applying for HOME funds, a Notice of Real Property Acquisition must also be submitted.

If there is more than one parcel of land, any additional cost to AHFA will be passed on to the applicant.

18. SITE/PROJECT INFORMATION

a. Site/Project Information Form

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Follow the directions given on the page.

The Applicant/Owner must clearly mark all boundaries of the physical property with a sign, stakes or other markings particular to the site so it can be identified by third parties looking specifically for that site.

The applicant package must contain a map with the location of the property and location of all services clearly marked. This map must include major thoroughfares upon which a staff member of AHFA or its designee must travel in order to find the subject property. It must further contain the following:

1. Written directions on how to locate the property and a description of the marking used to identify the site (please do not indicate financed by AHFA or a future AHFA development on your marking) and;
2. A photograph of the subject property containing marking described above.

b. Neighborhood Services

Follow the directions given on the page.

Sam's Club and Cosco will not count as a grocery store due to membership fees. Dollar Tree, Freds, and Dollar General or other similar type stores will count as a convenience store, but not a grocery store.

The Doctor must be a "Primary Care" physician. A doctor trained in general, internal, pediatric, or geriatric medicine. Applicant should ensure that the service is suitable for the target population.

The Applicant/Owner must provide detailed turn-by-turn directions on how to locate all applicable services from the property. If AHFA cannot locate a service due to incorrect directions, the applicant will not receive credit for the services. AHFA will not award points for services not listed on the form.

c. Negative Neighborhood Services

Follow the directions given on the page.

AHFA will deduct points for negative neighborhood services found during site visits even if it is not listed on the applicant's application.

d. Location map with site and services

e. Color photos of site (including any structures)

f. Color photos of services (positive and negative)

Aerial photos are not acceptable for this purpose.

19. SCHEMATIC SITE PLAN

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The Schematic Site Plan is a scaled drawing indicating the geographical boundaries of the property with the outlines of the (proposed) buildings, parking areas, driveways, walks, etc. clearly marked on the drawing. The plan should include a description of anything to the north, south, east and west of the site. **The Schematic Site plan should NOT be submitted on anything larger than an 8 1/2" x 14" sheet of paper. For Tax Credit sites only, the Schematic Site Plan must indicate any flood plain area(s). Tax Credit sites may not contain wetland area(s). HOME sites may not contain wetland area(s) or be located in a flood plain.**

20. LEGAL DESCRIPTION

Provide the exact legal description of the property. *If the project does not encompass the entire land, only provide the legal description on the portion of land that will be developed.* **If there are any more than 1 parcel of land, any additional cost to AHFA will be passed on to the applicant.**

21. TOPOGRAPHY MAP

Provide topography map of the proposed site with the site clearly marked on the map. The map must be a 7.5 Topographic Quadrangle map with name of Quad sheet. **The topography map should NOT be submitted on anything larger than an 8 1/2" x 14" sheet of paper.**

22. ZONING LETTER

Provide letter from the appropriate government authority stating the property is properly zoned for the proposed project.

23. FLOOD CERTIFICATION

- a. Provide a completed FEMA Standard Flood Hazard Determination Form (FEMA Form 81-93, Dec 08) from a nationally recognized flood data service or from a licensed surveyor that no portion of the property is located within the 100-year flood plain.
- b. Housing Credit only applications that contain any portion of the proposed property located within a 100-year flood plain must submit a schematic site plan and survey indicating flood areas. No buildings or improvements are allowed in the flood plain.

24. TITLE INSURANCE COMMITMENT

The Applicant/Owner must submit a copy of a title insurance commitment indicating that a title search has been made within six months of the application submission. The title insurance commitment need only be an **owner's policy in the amount of the purchase price or value** (whichever is higher) of the property. A letter from an attorney stating clear title will not be accepted as a title insurance commitment.

25. NOTICE OF REAL PROPERTY ACQUISITION (FOR HOME APPLICATIONS ONLY)

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In order to comply with certain regulations stated in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), all applicants for HOME funds must have the proposed seller and purchaser sign this form.

26. SURVEY REQUIREMENT

a. Certified Survey

Provide a certified boundary survey with the application. The survey must include the certification contained in Attachment E. The survey must indicate any flood plain area(s).

b. Surveyor's Certificate

Must be completed by the surveyor for all applications.

27. PHASE I ENVIRONMENTAL SITE ASSESSMENT

a. A Phase I Environmental site assessment is required on all applications; must include an environmental lien search and color photos of the site. The Phase I must be addressed to the Alabama Housing Finance Authority and conform to the American Society for Testing and Materials Practice Standards E-1527-05.

b. CD Copy of Phase I

28. CENSUS TRACT VERIFICATION LETTER

A letter from applicable governing authority verifying the census tract. This information will be used to determine if the site is located in the Qualified Census Tract. A letter is not required for Difficult to Development Areas. (DDA's)

29. PAVING RECOMMENDATION LETTER

A letter from a geotechnical engineer must be submitted with the application specifying the asphalt or concrete paving recommendations. (Select one) Attachment F is a form letter for this requirement. (Rehabilitation of existing properties are not required to provide a paving recommendation letter unless applicant plans to repave surface.)

30. UTILITY ALLOWANCE DOCUMENTATION

The applicant may provide utility documentation from the utility provider or the local Public Housing Authority.

If the utility company estimates are used, these estimates must be calculated *using a monthly rate by bedroom size*, be on the utility company's letterhead and signed by an authorized representative of the utility company.

If the local Public Housing Authority utility allowance is used, the applicant must obtain the most recent utility allowance documentation. If the most recent utility data is over one year old, the applicant must provide evidence from the Public Housing Authority that the utility allowance has not been updated and the one provided is in effect.

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USDA Rural Development Properties must provide a utility allowance from Rural Development.

31. CERTIFICATION OF CONSISTENCY WITH CONSOLIDATED PLAN (FOR HOME APPLICATIONS ONLY)

If the proposed project is in an area that is covered by a local Consolidated Plan, the applicant must have the certification of consistency (see application form letter) completed by an authorized official of the participating jurisdiction. If not, the project will be under the State of Alabama's Consolidated Plan and a letter will not be required. Attachment G contains a list of the consolidated plan coordinators.

32. SUPPORTIVE LETTERS (OPTIONAL)

33. CAPITAL NEEDS ASSESSMENT CERTIFICATION (FOR REHABILITATION AND ACQUISITION /REHABILITATION)

Both pages must be prepared by an Alabama Licensed Architect. The form must be signed by the project architect, who is ultimately responsible.

34. RELOCATION PLAN

If tenants are to be relocated, the Applicant/Owner must submit a *detailed* written plan of relocation/displacement for them on the AHFA provided form. This plan should include the name of the person who will coordinate the relocation activities.

35. NOTICE TO EXISTING TENANTS CONCERNING RELOCATION/ DISPLACEMENT (FOR HOME APPLICANTS ONLY)

The regulations of the URA require that notices be given to existing tenants regarding their rights when their existing place of residence may be acquired, rehabilitated, converted, and/or demolished, whether or not the tenant may be relocated or displaced. Attachment H is a form letter that the Applicant/Owner may use as a guideline for this purpose.

NOTICE TO PROSPECTIVE TENANTS CONCERNING RELOCATION/ DISPLACEMENT (FOR HOME APPLICANTS ONLY)

The regulations of the URA require that notices be given to prospective tenants regarding their rights when their prospective place of residence may be acquired, rehabilitated, converted, and/or demolished, whether or not the tenant may be relocated or displaced. Attachment I is a form letter that the Applicant/Owner may use as a guideline for this purpose.

36. TENANT ROLL (FOR REHABILITATION AND ACQUISITION/ REHABILITATION)

Follow the directions given on this form.

37. TESTING OF LEAD-BASED PAINT (LBP) AND ASBESTOS CONTAINING MATERIALS (ACM) REPORTS

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If the proposed project involves rehabilitation, removal, or demolition of a building built prior to 1978, the applicant must provide a LBP report and ACM report. AHFA requires all (LBP) to be completely abated. All (ACM) friable and non-friable in deteriorated condition must be abated. A list of licensed LBP contractors can be obtained from Alabama Department of Public Health (334) 206-5373, or www.adph.org. An asbestos contractor's listing may be obtained from Alabama Department of Environmental Management (ADEM) (334) 271-7700 or www.adem.state.al.us.

Non-friable ACM's may be managed in place if in an intact condition. A site specific Operations & Maintenance Plan for asbestos must be implemented if ACM's are to be left in place.

38. COMMITMENT LETTERS FOR ADDITIONAL SUBSIDIES

Projects which have a commitment for additional subsidies from the Federal Home Loan Bank for Affordable Housing Program (AHP) funds (AHP funds must be in the form of a grant from Federal Home Loan Bank), HOPE VI funds, HOME funds (AHFA's HOME funds do not qualify), USDA Rural Development 515 funds, CDBG, Neighborhood Stabilization Program funds, Capital Fund Program Grant, Replacement Housing Factor Fund Grant, and Weatherization Program funds. The commitment must be a fully executed firm commitment from the applicable entity that will be granting the funds to project.

The amount of the subsidy must be at least \$250,000 per unit or more to receive points. The term of the funds for HOME/housing credit applicants can not exceed 20 years.

AHP funds may be granted or loaned to the project from the entity that received the AHP funds from the Federal Home Loan Bank.

39. OWNER-PROVIDED TENANT SERVICE FORM(S)

Follow the directions given on the page.

This form must be fully completed and signed by the service provider and the Applicant/Owner in order to receive points on the point scoring system. *The tenant services provided to the project are considered to be a cost to the owner/developer and not the project's operating expenses.*

Computer training must be an organized, structured training with an instructor.

40. PUBLIC HOUSING AUTHORITY CERTIFICATION

The Applicant/Owner receives additional points on the point scoring system used in the project selection criteria by targeting households listed on the local Public Housing Authority's waiting list (see Allocation Plan(s)). In order to receive these points, please provide this Certification signed by the owner.

If there is any agreement between the local Public Housing Authority and the Applicant/Owner, a copy must be included in the application package.

41. AHFA 2010 APPLICATION TRAINING SEMINAR CERTIFICATE

Provide a copy of the certificate issued by AHFA at the training seminar.

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42. CONSTRUCTION AND PERMANENT COMMITMENT LETTERS

For purposes of extra points, the construction/permanent commitments must be *firm* commitments as stated in the 2010 HOME and Housing Credit Allocation Plans.

43. ASSUMPTION AGREEMENT

44. 10-YEAR RULE LEGAL OPINION LETTER (FOR ACQUISITION/REHABILITATION APPLICATIONS FOR HOUSING CREDITS)

If the Applicant/Owner seeks acquisition housing credits, provide an independent tax counsel opinion on the proposed acquisition meeting the requirements of Section 42 and qualifying for the housing credits. Projects eligible for acquisition housing credits must meet the requirements of the “10-Year Rule.” For the acquisition of an existing building to qualify for housing credits, there must be a period of at least 10 years between the date the building is being purchased and the later of the date the building was last placed in service or the date of the most recent non-qualified substantial improvements. There are certain exceptions to the 10-year requirements (See Section 42(d)(6)). Attachment J is a sample letter for this requirement.

45. EXECUTED ORGANIZATIONAL DOCUMENTS

46. ALL UTILITY LETTERS (ELECTRICITY, GAS, WATER, SEWAGE, AND PHONE)

All utility letters must be submitted on the appropriate letterhead and signed by the authorized official.

47. PROPERTY LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES

Provide evidence in the form of a letter from National Register of Historic Places or verification from their website www.nr.nps.gov that the existing building(s) are listed on the National Register of Historic Places.

48. MINORITY- OR WOMEN-OWNED BUSINESS CERTIFICATION

The Applicant/Owner receives additional points on the point scoring system used in the project selection criteria by using minority- or women-owned businesses (see Allocation Plans). In order to receive these points, please provide all the information requested on this form.

Note: The developer fee of the minority- or women-owned business will not count toward the 10% of the total building cost of the project awarded to minority- or women-owned businesses.

49. COMMUNITY REVITALIZATION PLAN PAGES

A copy of the written Revitalization Plan’s applicable pages only must be submitted with the application package. Do not include the complete plan if it is over 10 pages. Indicate the areas related to the proposed site.

50. HOMEOWNERSHIP

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The project must consist of single-family homes, duplexes, or townhomes to be eligible for points. Projects consisting of townhomes only must contain 12 units to be eligible for points.

a. Homeownership Conversion Proposal

b. Plot Plan

c. Counseling Agreement

51. STATEMENT OF APPLICATION AND CERTIFICATION:

Complete the certifications and have them notarized.

Carefully read and acknowledge by signing the page *that the Applicant/Owner, by submitting an application, will accept all terms, conditions and requirements of the Low-Income Housing Tax Credit allocation plan and/or the HOME Action plan, the Design Quality Standards and application instructions. The Applicant/Owner is certifying that all information stated in the application will become a part of the HOME Commitment and/or Housing Credit Reservation in the event the project is awarded program funds.*

The Applicant/Owner also understands that the application and other materials submitted become the property of AHFA and will not be returned.

52. ONE COMPLETE COPY OF THE APPLICATION PACKAGE

A copy of the full application (except the market study and Phase I) must be submitted with the original application. Please make a copy of your application for your own records before submission to AHFA.

Include forms, attachments, **Yellow** index pages, and color photos.

THESE INSTRUCTIONS AND THE LIST OF APPLICATION REQUIREMENTS MAY NOT BE ALL-INCLUSIVE. ADDITIONAL DOCUMENTATION MAY BE REQUIRED BY HOME PROGRAM REGULATIONS, LOW-INCOME HOUSING CREDIT PROGRAM REGULATIONS, BOND PROGRAM REGULATIONS, AHFA, AHFA'S LEGAL COUNSEL, OR BECAUSE OF THE SPECIFIC NATURE OF THE PROPOSED TRANSACTION.

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