

# NEBRASKA INVESTMENT FINANCE AUTHORITY LOW INCOME HOUSING TAX CREDIT PROGRAM COST CERTIFICATION PROCEDURES MANUAL

Nebraska Investment Finance Authority (“NIFA”) Low Income Housing Tax Credit (“LIHTC”) Cost Certification Procedures Manual (this “Manual”) sets forth criteria and documentation for requesting IRS Form 8609(s).

## **SECTION 1.1 QUALIFYING FOR FINAL ALLOCATION OF LIHTC—THE IRS FORM 8609**

- (a) A development owner in receipt of a Firm Commitment of LIHTC or an executed Carryover Allocation may be eligible to request the issuance of IRS Form 8609(s). Applicants must allow six weeks for processing such request. The conditions and requirements listed below and set forth in Section 1.2 of this Manual must be satisfied for an IRS Form 8609 request to be processed by NIFA:
- (1) All conditions and requirements in the Allocation Plan have been satisfactorily cleared with NIFA;
  - (2) The Commitment Fee specified in the Allocation Plan has been received by NIFA. (NOTE: developments that have received a carryover allocation may have already paid this fee);
  - (3) Benefits and burdens of property ownership have been transferred to the intended ownership entity;
  - (4) Ownership entity has been formed and received a Federal Tax ID Number;
  - (5) Architect’s Certificate, in the attached format;
  - (6) Development Source of Funds Statement signed by an independent, third-party certified public accountant;
  - (7) Contractor’s Certificate, in the attached format;
  - (8) Updated Annual Expense Information;
  - (9) Completed IRS Form 8821; and
  - (10) Certificate of Good Standing (within 30 days of placed in service date).

**SECTION 1.2            REQUIREMENTS FOR REQUESTING A FINAL ALLOCATION OF LIHTC/IRS FORM 8609**

- (a) Developments meeting the requirements set forth in Sections 1.1 and 1.2(b) of this Manual may submit a request to NIFA for IRS Form 8609(s). All development owners in receipt of a Firm Commitment or Carryover Allocation must submit to NIFA completed and fully executed Cost Certification documents requesting the issuance of IRS Form 8609(s) within 60 days of 100% completion of the LIHTC units in the development.
- (b) Upon receipt of the required documentation set forth below, NIFA will perform a review and provide notice of such review to the development owner. The development owner may be given a specific time frame in which to correct any discrepancies. Failure to comply with additional information requests within the specified time frame will cause delays in processing IRS Form 8609(s). **The original, fully executed and recorded Land Use Restriction Agreement (LURA) must be received by NIFA prior to the release of IRS Form 8609(s).**

All documentation must be submitted to NIFA in the following order:

- (1) Commitment Fee. (NOTE: Developments that have received a Carryover Allocation may have already paid this fee);
- (2) A Total Development Cost Certification Summary, Section 1.3 of this Manual, including the total development costs for all of the buildings in the development, prepared in substantially the same format as the Individual Building Cost Certification Form, with original signatures;
- (3) Individual Building Cost Certification Form, Section 1.3(a) of this Manual, completed for each building in the development that is being placed in service, with original signatures;
- (4) Placement in Service Acknowledgment Form, Section 1.4 of this Manual, completed for each building in the development that is being placed in service, with original signatures;
- (5) Audited Cost Certification from an independent, third-party certified public accountant, Section 1.5 of this Manual. For developments financed under the RHS Section 515 program, development owners may submit the RHS cost certification instead of the Audit Cost Certification;
- (6) Contractors Certification from the general contractor of the development, Section 1.6 of this Manual;
- (7) A copy of the fully executed and recorded Warranty Deed in the name of the development owner;
- (8) A copy of the development owner's closing statement for the transfer of the property;
- (9) Evidence of rehabilitation or new construction completion, including the following:
  - (a) certificate of occupancy from the local governmental authority for each building;
  - (b) final inspection report from RHS; or
  - (c) inspection report from either a qualified third-party building inspector or architect that cites the completion of rehabilitation and the absence of any local building

code violations. The report must also specify or confirm the level of rehabilitation performed on the development;

- (10) For rehabilitation developments, a final work write-up clearly stating the items included in the rehabilitation, the quantity of items rehabilitated or replaced and their associated cost;
  - (11) A copy of the recent abstract of title;
  - (12) Final Sources and Uses of Funds statement for the development, including loan amount, term, amortization period and interest rate;
  - (13) Evidence of any and all liens secured against the development;
  - (14) Final loan and syndication contracts and/or agreements;
  - (15) Certification, in the attached form, from the development's architect or a professional whose credentials are acceptable to NIFA, that on-site inspections were performed during construction and that the development has been constructed in compliance with the Fair Housing Act; and
  - (16) Certificate of Good Standing (within 30 days of placed in service date).
- (c) Upon the satisfactory completion of the conditions and requirements of this Manual, NIFA will issue to the development, a LURA. The LURA must be fully executed, recorded and the original returned to NIFA. NIFA will then generate IRS Form 8609(s) and forward a copy to the development owner. The original IRS Form 8609(s) will be submitted to the Internal Revenue Service by NIFA.

**SECTION 1.3 TOTAL DEVELOPMENT SUMMARY COST CERTIFICATION FORM**

NIFA LIHTC Number: \_\_\_\_\_ Total Number of Buildings: \_\_\_\_\_  
 Building Identification Number(s): \_\_\_\_\_

Development Owner Name: \_\_\_\_\_  
 Development Owner Mailing Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Telephone number: \_\_\_\_\_

Development Name: \_\_\_\_\_  
 Development Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Telephone number: \_\_\_\_\_

**(a) Building and Rental Description:**

For purposes of the following, establish the number and floor space of the LIHTC units by projecting the greatest number of rental residential units and the greatest amount of floor space to be occupied by low-income households.

**Low-income Residential Units:**

Type of Unit	Number of Units	Size of Unit in Sq. Ft.	Total Square Ft.	Gross Tenant Paid Rent	Utility Allowance	Net Tenant Paid Rent
Efficiency						
1-Bedroom						
2-Bedroom						
3-Bedroom						
4-Bedroom						

**Market Rate Residential Units:**

Type of Unit	Number of Units	Size of Unit in Sq. Ft.	Total Square Ft.	Gross Tenant Paid Rent	Utility Allowance	Net Tenant Paid Rent
Efficiency						
1-Bedroom						
2-Bedroom						
3-Bedroom						
4-Bedroom						

(b) **Actual Development Cost Schedule for the Total Development:**

	<b>1</b> <b>**Actual</b> <b>Development</b> <b>Costs</b>	<b>2</b> <b>Acquisition</b> <b>Eligible</b> <b>Basis</b>	<b>3</b> <b>Rehab/New Const.</b> <b>Eligible</b> <b>Basis</b>
(1) <i>To purchase land and buildings</i>			
Land	\$ _____	XXXXXXXX	XXXXXXXX
Existing structures	\$ _____	\$ _____	XXXXXXXX
Demolition (New)	\$ _____	XXXXXXXX	XXXXXXXX
Site grading, clearing, etc.	\$ _____	XXXXXXXX	\$ _____
Off-site improvements	\$ _____	XXXXXXXX	\$ _____
New building hard costs	\$ _____	XXXXXXXX	\$ _____
Rehabilitation hard costs	\$ _____	XXXXXXXX	\$ _____
Accessory building	\$ _____	XXXXXXXX	\$ _____
General requirements	\$ _____	XXXXXXXX	\$ _____
Construction contingency	\$ _____	XXXXXXXX	\$ _____
Architect design	\$ _____	XXXXXXXX	\$ _____
Architect supervision	\$ _____	XXXXXXXX	\$ _____
Survey/engineer fees	\$ _____	XXXXXXXX	\$ _____
Construction insurance	\$ _____	XXXXXXXX	\$ _____
Construction loan interest	\$ _____	XXXXXXXX	\$ _____
Origination fee	\$ _____	XXXXXXXX	\$ _____
Credit enhancement fee	\$ _____	XXXXXXXX	\$ _____
Construction period taxes	\$ _____	XXXXXXXX	\$ _____
#Bridge loan expense	\$ _____	XXXXXXXX	\$ _____
#(Eligible basis for construction period only)			
+Property appraisal	\$ _____	XXXXXXXX	\$ _____
+(Appraisal - To evaluate feasibility, cost can be included in basis. If appraisal for lender requirement only, do not include in basis).			
LIHTC fees	\$ _____	XXXXXXXX	\$ _____
Environmental Study	\$ _____	XXXXXXXX	\$ _____
Market study	\$ _____	XXXXXXXX	\$ _____
RE Attorney	\$ _____	XXXXXXXX	\$ _____
Tax credit consultant fee	\$ _____	XXXXXXXX	\$ _____ *
RE Consultant	\$ _____	XXXXXXXX	\$ _____ *
Contractor overhead	\$ _____	XXXXXXXX	\$ _____ *
Contractor profit	\$ _____	XXXXXXXX	\$ _____ *
Developer overhead	\$ _____	XXXXXXXX	\$ _____ *
Developer fee	\$ _____	\$ _____ **	\$ _____ *
Title and recording	\$ _____	XXXXXXXX	\$ _____
Bond premium	\$ _____	XXXXXXXX	XXXXXXXX
Credit report	\$ _____	XXXXXXXX	XXXXXXXX
Perm. loan orig. fee	\$ _____	XXXXXXXX	XXXXXXXX
Perm. loan enhancement	\$ _____	XXXXXXXX	XXXXXXXX
Cost of underwriter	\$ _____	XXXXXXXX	XXXXXXXX
Counsel fee	\$ _____	XXXXXXXX	XXXXXXXX
Organizational	\$ _____	XXXXXXXX	XXXXXXXX
Tax opinion	\$ _____	XXXXXXXX	XXXXXXXX
Rent-up reserves	\$ _____	XXXXXXXX	XXXXXXXX
Operating reserves	\$ _____	XXXXXXXX	XXXXXXXX
Other _____	\$ _____	XXXXXXXX	XXXXXXXX
Other _____	\$ _____	XXXXXXXX	\$ _____
Other _____	\$ _____	XXXXXXXX	\$ _____
<b>Total residential costs</b>	<b>\$ _____</b>	<b>XXXXXXXX</b>	<b>\$ _____</b>
Total commercial costs	\$ _____	XXXXXXXX	XXXXXXXX

	<b>1</b> <b>**Actual</b> <b>Development</b> <b>Costs</b>	<b>2</b> <b>Acquisition</b> <b>Eligible</b> <b>Basis</b>	<b>3</b> <b>Rehab/New Const.</b> <b>Eligible</b> <b>Basis</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total residential costs</b> (From preceding page)	\$ <u>                    </u>	\$ <u>                    </u>	\$ <u>                    </u>
<b><u>DEDUCT FROM BASIS:</u></b>			
All grant proceeds		-\$ <u>                    </u>	-\$ <u>                    </u>
Below market rate federal loans		-\$ <u>                    </u>	-\$ <u>                    </u>
Nonqualified nonrecourse financing		-\$ <u>                    </u>	-\$ <u>                    </u>
Nonqualified portion of higher quality units ( <i>§42(d)(3) of the Code</i> )		-\$ <u>                    </u>	-\$ <u>                    </u>
Historic credits ( <i>on residential portion only</i> )		-\$ <u>                    </u>	-\$ <u>                    </u>
<b>TOTAL ELIGIBLE BASIS</b>		-\$ <u>                    </u>	-\$ <u>                    </u>
High cost area adjustment ( <i>no adjustment is allowed for acquisition costs</i> )		XXXXXXXX	Multiply by 130%
<b>TOTAL ADJUSTED ELIGIBLE BASIS</b>		\$ <u>                    </u>	\$ <u>                    </u>
Multiplied by the applicable fraction		<u>                    </u> %	<u>                    </u> %
<b>TOTAL QUALIFIED BASIS</b>		\$ <u>                    </u>	\$ <u>                    </u>
***Multiplied by the applicable percentage		<u>                    </u> %	<u>                    </u> %
<b>◆◆TOTAL LIHTC REQUESTED FOR THIS DEVELOPMENT</b>		\$ <u>                    </u>	\$ <u>                    </u>

\*\*\* The applicable percentage used should be the percentage for the month in which the building is placed in service or the elected percentage rate found in the Carryover Allocation Form or the Agreement and Election Statement.

\*\* Column 1 should reflect all actual costs expended for each category. These costs may not necessarily be reflected in Columns 2 and 3.

◆◆ The amounts should agree with the aggregated totals of columns 2 and 3 from each Individual Building Cost Certification Form.

The actual amount of LIHTC for a development will be determined by NIFA. **NOTE: NIFA will determine the amount of LIHTC to be awarded to any development based upon the eligible basis and equity funding gap method.**

\* Developer and contractor overhead and profit fees, and consultant fees, will be allowed on new construction and rehabilitation developments. For purposes of determining the amount of LIHTC awarded to a development, NIFA may limit the amount of these fees included in eligible basis to an amount not greater than 20% of eligible basis costs, excluding such fees:

Example: Total Eligible Basis

- Builder/Contractor Overhead
- Builder/Contractor Profit
- Developer Overhead
- Developer Fee
- Tax Credit Consultant Fee
- Real Estate Consultant Fee
- = Adjusted Eligible Basis
- x 20%
- = Maximum allowable for developer/contractor Developer/Contractor overhead and profit fees and consultant fees

If the developer, contractor and consultant fees exceed the maximum percentage of 20%, the applicant must provide written documentation outlining the reason for the overage. Acceptance of such documentation is at NIFA's sole discretion. When an identity of interest exists between the developer and the builder/contractor, NIFA may reduce the eligible basis related to these total amount of such fees whereif it deems such fees excessive. Also, applicants should be aware that NIFA may reduce the LIHTC allocation to achieve the range of 20% for these fees.

\*\*Developments receiving acquisition LIHTC will be allowed a developer fee on the acquisition cost of an existing building that is to be rehabilitated. The developer fee will be limited to 5% of the building acquisition costs excluding the cost of land and fees associated with the purchase of the land. Acquisition cost of the existing building(s) must be supported by an appraisal from an unrelated third party and a settlement statement.

**(c) Threshold Test for Rehabilitation Cost**

To perform this test, development the number of units and square footage to be occupied by low-income households by the end of the first taxable year in which the LIHTC is to be claimed.

1. Total number of LIHTC units in the development \_\_\_\_\_
2. Total square footage of LIHTC units \_\_\_\_\_
3. Unit fraction: Line 1 ÷ total number of units in the development \_\_\_\_\_
4. Square footage fraction: Line 2 ÷ total net rentable square footage in the development \_\_\_\_\_
5. Applicable fraction (lesser of Line 3 or 4) \_\_\_\_\_
6. Eligible basis for rehab LIHTC × Line 5 \_\_\_\_\_

7. Threshold test for rehab LIHTC: Line 6 ÷ Line 1  
*(This amount must equal or exceed \$5,000.)*

\_\_\_\_\_



Under the penalty of perjury, no information contained within Section 1.3 of this Cost Certification Procedures Manual for the development is in any way false or incorrect, and the information contained within those pages is truly descriptive of the development or property for which the LIHTC are being applied. I further realize that I may be asked to provide further information, detailed accounting records, documents and receipts at the request of NIFA to facilitate the issuance of IRS Form 8609(s).

\_\_\_\_\_  
Signature of Development Owner Date \_\_\_\_\_

\_\_\_\_\_  
Development's Federal Tax I.D. Number

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that \_\_\_\_\_, whose name is signed to the foregoing conveyance, acknowledged before me on this date, being informed of such document, he/she as officer and with full authority, executed said conveyance voluntarily on the day the same bears date. Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public Commission expires \_\_\_\_\_

**SECTION 1.3(a) INDIVIDUAL BUILDING COST CERTIFICATION FORM**

NIFA LIHTC Number: \_\_\_\_\_ Building \_\_\_\_\_ of \_\_\_\_\_ total buildings  
 Building Identification Number: \_\_\_\_\_

Development Owner Name: \_\_\_\_\_  
 Development Owner Mailing Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Telephone number: \_\_\_\_\_

Development Name: \_\_\_\_\_  
 Development Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Telephone number: \_\_\_\_\_

**(a) Building and Rental Description:**

For purposes of the following, establish the number and floor space of the LIHTC units for this building by projecting the greatest number of rental residential units and the greatest amount of floor space to be occupied by low-income households.

**LIHTC Units:**

Type of Unit	Number of Units	Size of Unit in Sq. Ft.	Total Square Ft.	Gross Tenant Paid Rent	Utility Allowance	Net Tenant Paid Rent
Efficiency						
1 - Bedroom						
2 - Bedroom						
3 - Bedroom						
4 - Bedroom						

**Market Rate Residential Units:**

Type of Unit	Number of Units	Size of Unit in Sq. Ft.	Total Square Ft.	Gross Tenant Paid Rent	Utility Allowance	Net Tenant Paid Rent
Efficiency						
1 - Bedroom						
2 - Bedroom						
3 - Bedroom						
4 - Bedroom						

(b) **Actual Development Cost Schedule for this building:**

	<b>1</b>	<b>2</b>	<b>3</b>
	<b>**Actual</b>	<b>Acquisition</b>	<b>Rehab/New Const.</b>
	<b>Development</b>	<b>Eligible</b>	<b>Eligible</b>
	<b>Costs</b>	<b>Basis</b>	<b>Basis</b>
(1) <u>To purchase land and buildings</u>			
Land	\$ _____	XXXXXXXX	XXXXXXXX
Existing structures	\$ _____	\$ _____	XXXXXXXX
Demolition (New)	\$ _____	XXXXXXXX	XXXXXXXX
Site grading, clearing, etc.	\$ _____	XXXXXXXX	\$ _____
Off-site improvements	\$ _____	XXXXXXXX	\$ _____
New building hard costs	\$ _____	XXXXXXXX	\$ _____
Rehabilitation hard costs	\$ _____	XXXXXXXX	\$ _____
Accessory building	\$ _____	XXXXXXXX	\$ _____
General requirements	\$ _____	XXXXXXXX	\$ _____
Construction contingency	\$ _____	XXXXXXXX	\$ _____
Architect design	\$ _____	XXXXXXXX	\$ _____
Architect supervision	\$ _____	XXXXXXXX	\$ _____
Survey/engineer fees	\$ _____	XXXXXXXX	\$ _____
Construction insurance	\$ _____	XXXXXXXX	\$ _____
Construction loan interest	\$ _____	XXXXXXXX	\$ _____
Origination fee	\$ _____	XXXXXXXX	\$ _____
Credit enhancement fee	\$ _____	XXXXXXXX	\$ _____
Construction period taxes	\$ _____	XXXXXXXX	\$ _____
#Bridge loan expense	\$ _____	XXXXXXXX	\$ _____
#(Eligible basis for construction period only)			
+Property appraisal	\$ _____	XXXXXXXX	\$ _____
+ (Appraisal - To evaluate feasibility, cost can be included in basis. If appraisal for lender requirement only, do not include in basis)			
LIHTC fees	\$ _____	XXXXXXXX	\$ _____
Environmental study	\$ _____	XXXXXXXX	\$ _____
Market study	\$ _____	XXXXXXXX	\$ _____
RE Attorney	\$ _____	XXXXXXXX	\$ _____
Tax credit consultant fee	\$ _____	XXXXXXXX	*\$ _____
RE Consultant	\$ _____	XXXXXXXX	*\$ _____
Contractor overhead	\$ _____	XXXXXXXX	*\$ _____
Contractor profit	\$ _____	XXXXXXXX	*\$ _____
Developer overhead	\$ _____	XXXXXXXX	*\$ _____
Developer fee	\$ _____	**\$ _____	*\$ _____
Title and recording	\$ _____	XXXXXXXX	\$ _____
Bond premium	\$ _____	XXXXXXXX	XXXXXXXX
Credit report	\$ _____	XXXXXXXX	XXXXXXXX
Perm. loan orig. fee	\$ _____	XXXXXXXX	XXXXXXXX
Perm. loan enhancement	\$ _____	XXXXXXXX	XXXXXXXX
Cost of underwriter	\$ _____	XXXXXXXX	XXXXXXXX
Counsel fee	\$ _____	XXXXXXXX	XXXXXXXX
Organizational	\$ _____	XXXXXXXX	XXXXXXXX
Tax opinion	\$ _____	XXXXXXXX	XXXXXXXX
Rent-up reserves	\$ _____	XXXXXXXX	XXXXXXXX
Operating reserves	\$ _____	XXXXXXXX	XXXXXXXX
Other _____	\$ _____	XXXXXXXX	XXXXXXXX
Other _____	\$ _____	XXXXXXXX	\$ _____
Other _____	\$ _____	XXXXXXXX	\$ _____
<b>Total residential costs</b>	<b>\$ _____</b>	<b>XXXXXXXX</b>	<b>\$ _____</b>
Total commercial costs	\$ _____	XXXXXXXX	XXXXXXXX

	<b>1</b> <b>**Actual</b> <b>Development</b> <b>Costs</b>	<b>2</b> <b>Acquisition</b> <b>Eligible</b> <b>Basis</b>	<b>3</b> <b>Rehab/New Const.</b> <b>Eligible</b> <b>Basis</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total residential costs</b> (From preceding page)	\$ <u>                    </u>	\$ <u>                    </u>	\$ <u>                    </u>
<b><u>DEDUCT FROM BASIS:</u></b>			
All grant proceeds		-\$ <u>                    </u>	-\$ <u>                    </u>
Below market rate federal loans		-\$ <u>                    </u>	-\$ <u>                    </u>
Nonqualified nonrecourse financing		-\$ <u>                    </u>	-\$ <u>                    </u>
Nonqualified portion of higher quality units ( <i>§42(d)(3) of the Code</i> )		-\$ <u>                    </u>	-\$ <u>                    </u>
Historic credits ( <i>on residential portion only</i> )		-\$ <u>                    </u>	-\$ <u>                    </u>
<b>TOTAL ELIGIBLE BASIS</b>		-\$ <u>                    </u>	-\$ <u>                    </u>
High cost area adjustment ( <i>no adjustment is allowed for acquisition costs</i> )		XXXXXXXXXX	multiply by 130%
<b>TOTAL ADJUSTED ELIGIBLE BASIS</b>		\$ <u>                    </u>	\$ <u>                    </u>
Multiplied by the applicable fraction		<u>                    </u> %	<u>                    </u> %
<b>TOTAL QUALIFIED BASIS</b>		\$ <u>                    </u>	\$ <u>                    </u>
***Multiplied by the applicable percentage		<u>                    </u> %	<u>                    </u> %
<b>◆◆ TOTAL LIHTC REQUESTED FOR <u>THIS</u> BUILDING</b>		\$ <u>                    </u>	\$ <u>                    </u>

\*\*\* The applicable percentage used should be the percentage for the month in which the building is placed in service or the elected percentage rate found in the Carryover Allocation Form or the Agreement and Election Statement.

\*\* Column 1 should reflect all actual costs expended for each category. These costs may not necessarily be reflected in Columns 2 and 3.

◆◆ The actual amount of LIHTC for a development will be determined by NIFA. **NOTE: NIFA will determine the amount of LIHTC to be awarded to any development based upon the eligible basis and equity funding gap method.**

\* Developer and contractor overhead and profit fees, and consultant fees, will be allowed on both new construction and rehabilitation developments. For purposes of determining the amount of LIHTC awarded to a development, NIFA may limit the amount of these fees included in eligible basis to an amount not greater than 20% of eligible basis costs, excluding such fees:

Example: Total Eligible Basis

- Contractor Overhead	
- Contractor Profit	
- Developer Overhead	
- Developer Fee	
- Tax Credit Consultant Fee	
<u>- Real Estate Consultant Fee</u>	
= Adjusted Eligible Basis	
_____	x 20%
= <u>Maximum allowable for developer, contractor overhead and profit fees and consultant fees</u>	

If the developer, contractor and consultant fees exceed the maximum percentage of 20%, the applicant must provide written documentation outlining the reason for the increase. Acceptance of such documentation is at NIFA's discretion. NIFA may reduce the eligible basis related to these fees where it deems such fees excessive. Acquisition costs of existing structure(s) must be supported by an Appraisal from an unrelated third party and settlement statement.

\*\*A developer fee will be allowed on the acquisition cost of an existing building that is to be rehabilitated. The developer fee will be limited to 5% of the building acquisition cost, excluding the cost of the land and fees associated with the purchase of the land. Acquisition cost of the existing building(s) must be supported by an appraisal from an unrelated third party and a settlement statement.

**(c) Threshold Test for Rehabilitation Cost**

In order to perform this test, project the number of units and square footage to be occupied by low-income individuals by the end of the first taxable year in which the credit is claimed.

1. Total number of LIHTC units in the development \_\_\_\_\_
2. Total square footage of LIHTC units \_\_\_\_\_
3. Unit fraction: Line 1 ÷ total number of units in the development \_\_\_\_\_
4. Square footage fraction: Line 2 ÷ total net rentable square footage in the development \_\_\_\_\_
5. Applicable fraction (lesser of Line 3 or 4) \_\_\_\_\_
6. Eligible basis for rehab LIHTC × Line 5 \_\_\_\_\_
7. Threshold test for rehab LIHTC: Line 6 ÷ Line 1  
(This amount must equal or exceed \$5,000.) \_\_\_\_\_

Under the penalty of perjury, no information contained within Section 1.3(a) of this Cost Certification Procedures Manual for each building is in any way false or incorrect, and the information contained within those pages are truly descriptive of the development or property for which the Low Income Housing Tax Credits are being applied. I further realize that I may be asked to provide further information, detailed accounting records, documents, and receipts at the request of NIFA to facilitate the issuance of IRS Form 8609(s).

\_\_\_\_\_  
Signature of Development Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Development's Federal Tax I.D. Number

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that \_\_\_\_\_, whose name is signed to the foregoing conveyance, acknowledged before me on this date, being informed of such document, he/she as officer and with full authority, executed said conveyance voluntarily on the day the same bears date. Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Commission expires

**SECTION 1.4 PLACED-IN-SERVICE ACKNOWLEDGMENT**

NIFA LIHTC Number: \_\_\_\_\_ Building \_\_\_\_\_ of \_\_\_\_\_ total buildings

Development Name: \_\_\_\_\_

Development Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Telephone No: \_\_\_\_\_

I (we) \_\_\_\_\_, hereinafter known as the “Development Owner,” hereby certify that all units in the above-referenced building are completed, ready and suitable for occupancy. I (we) hereby certify that I (we) have read and understand Sections 42(e)(3) and 42(e)(4) of the Internal Revenue Code and that the costs claimed for LIHTC attributable to this building are true and accurate.

I (we) understand that NIFA may request additional documentation to complete final processing of the above-referenced development. I (we) hereby certify that I (we) have read, understand and agree to abide by the Internal Revenue Code, the rules of NIFA, the Cost Certification Procedures Manual and the compliance and monitoring requirements set forth in the Compliance Reference Guide.

**I (we) certify that the date, which this building is to be considered, placed in service is:**

_____	_____
Signature of Development Owner	Date
Development Owner Mailing Address: _____	
City: _____ State: _____ Zip: _____	
Telephone number: _____	

Management Agent Name/Contact Person Name
Management Agent Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone Number: _____

**SECTION 1.5 INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

**A. General Instructions**

All requested information must be prepared in the format provided below. Submission of this report in any other format or without all requested items will not be reviewed by NIFA. If any question is not applicable, mark "N/A," and, if necessary, provide an explanation. The letter should be on the auditor's letterhead with an original signature.

**B. Required Format**

To: Nebraska Investment Finance Authority ("NIFA")  
Suite 200  
1230 O Street  
Lincoln, NE 68508-1402  
Attn: Low Income Housing Tax Credit Division

RE: Low Income Housing Tax Credit Allocation Request  
Name of Development \_\_\_\_\_  
NIFA LIHTC # \_\_\_\_\_  
Development Owner Name \_\_\_\_\_

To Whom It May Concern:

We have audited the costs included in the accompanying NIFA Final Cost Certification (the "Final Cost Certification") of XXXX (the "Owner") for XXXX (the "Development") as of XXXX XX, 20\_\_\_. The Final Cost Certification is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion on the Final Cost Certification based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Final Cost Certification is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Final Cost Certification. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Final Cost Certification presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Final Cost Certification was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service, under the accrual method of accounting, and in conformity with the format and qualified allocation plan rules set by NIFA, which is a comprehensive basis of accounting other than generally accepted accounting principles. Also, we have reviewed technical advice memorandum 200043015, 200043016, 200043017, 200044004 and 200044005 recently released by the Internal Revenue Service, which addressed the inclusion ineligible basis of certain costs.

In our opinion the Final Cost Certification presents fairly, in all material respects, the actual costs of \$XXXX and eligible basis of \$XXXX of the Owner for the Development as of XXXX XX, 20\_\_\_ on the basis of accounting described above.



This report is intended solely for the information and use of the Owner and the Owner's management and for filing with NIFA and should not be used for any other purpose.

We have no financial interest in the Development other than in the practice of our profession.

City, State  
XXXX XX, 20\_\_

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Signature of Principal of Firm

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Title

**SECTION 1.6 CONTRACTOR'S CERTIFICATE**

**CONTRACTOR'S CERTIFICATE**

The undersigned has served as the general contractor of the real property constructed at [Address] (the "Premises") for [DEVELOPMENT NAME] ("Development Owner") for which the undersigned acknowledges is to receive low-income housing tax credits under Section 42 of the Internal Revenue Code. Accordingly, the undersigned hereby certifies to Development Owner and the Nebraska Investment Finance Authority that the Premises was constructed in conformity with the Plans and Specifications dated , 200\_\_\_. **[NOTE, THAT THIS DATE MUST MATCH THE PLANS AND SPECIFICATIONS DATE IN ARCHITECT'S CERTIFICATE].**

Dated \_\_\_\_\_, 200\_\_.

[CONTRACTOR NAME]

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

## ARCHITECT'S CERTIFICATE

The undersigned, being a duly licensed architect registered in the State of Nebraska, has prepared for \_\_\_\_\_  
\_\_\_\_\_ (the "Development Owner") final plans, working drawings and detailed specifications (and addenda) dated [DATE] (collectively, the "Plans and Specifications") in connection with certain real property located in [CITY] Nebraska (the "Premises") for which the undersigned acknowledges will receive low-income housing tax credits under Section 42 of the Internal Revenue Code.

Accordingly, the undersigned hereby certifies to the Development Owner and Nebraska Investment Finance Authority that the Plans and Specifications comply with and conform in all respects to the requirements of existing law, have been duly filed with and have been approved by all appropriate governmental and municipal authorities having jurisdiction thereover and that the Premises 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 and the requirements of the appropriate board of fire underwriters or other similar body acting in and for the locality in which the Premises is located. All conditions to the issuance of building permits have been satisfied.

In the opinion of the undersigned, the Premises 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 Premises. In the further opinion of the undersigned, all of the preconditions have been met justifying the issuance of (i) the permanent certificate or certificates of occupancy for the Premises (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 thereover pertaining to the construction of the Premises.

The Premises 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, as it relates to the following:

- ***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.

- ***Accessible and Usable Public and Common Use Areas:***

Public and common use areas must be readily accessible to and usable by people with disabilities.

- **Usable Doors:**

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

- **Accessible Route Into and Through the Covered Dwelling Units:**

There must be an accessible route into and through the dwelling units, providing access for people with disabilities throughout the unit.

- **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.

- **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.

- **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.

The above can be found in the Fair Housing Act Design Manual.

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

The Plans and Specifications do not require the installation or use of any asbestos-containing materials in connection with the construction or use of the Premises.

Dated: [DATE]

ARCHITECT SIGNATURE: \_\_\_\_\_

NAME OF COMPANY: \_\_\_\_\_

**Annual Development Expense Information**

**General and/or Administrative Expenses:**

Advertising		\$ _____
Legal		\$ _____
Accounting/Auditing		\$ _____
Security		\$ _____
NIFA Annual Compliance Fees		\$ _____
Management Fee		\$ _____
Internet Connect Fees		\$ _____
Other _____		\$ _____
Total General and/or Administrative Expenses		\$ _____

**Operating:**

Fuel	\$ _____	Management Salaries	\$ _____
Electricity	\$ _____	Office/Accounting	\$ _____
Water/Sewer	\$ _____	Other Salaries	\$ _____
Gas	\$ _____	Trash Removal	\$ _____
Snow Removal	\$ _____	Elevator	\$ _____
Total Operating			\$ _____

**Maintenance:**

Painting and Repairs		\$ _____
Exterminating		\$ _____
Grounds		\$ _____
Other _____		\$ _____
Total Maintenance		\$ _____
Total Insurance		\$ _____
Total Real Estate Taxes		\$ _____
Other _____		\$ _____
Total Annual Residential Expenses		\$ _____
Total Annual Commercial Space Expenses	+	\$ _____ (if applicable)
Total Annual Development Expenses	=	\$ _____
Total Annual Replacement Reserves		\$ _____

Estimated annual increase in expenses \_\_\_\_\_%

How were expenses and reserves determined? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

For -

**Permanent Financing**

(List permanent financing for the Development at Closing)

Name and Address of Lender	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period	Term of Loan
Contact Person/Phone Number					
1					
2					
3					
4					
5. Proceeds From Low-income Tax Credits					
6. Proceeds From Historic Tax Credits					
7. Developer Equity					
Total Source of Funds					Total Annual Debt Service Cost

<b>Provide a detailed use of all federal, state or local government funds used in the development.</b>		
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<b>USE OF FUNDS</b>		<b>SOURCE OF FUNDS</b>
<b>LAND</b>		
<b>BUILDING CONST.</b>		
<b>RENOVATION</b>		
<b>A and E</b>		
<b>FURNITURE &amp; FIXTURES</b>		
<b>LEASEHOLD IMPROVEMENT</b>		
<b>CONTINGENCIES</b>		
<b>WORKING CAPITAL</b>		

**Accountant's Signature** \_\_\_\_\_

**Firm:** \_\_\_\_\_

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Moved cell	
Split/Merged cell	
Padding cell	

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