
Sample Legal Opinion

THIS EXHIBIT IS TO BE PRESENTED ON PROFESSIONAL LETTERHEAD

Date:

Rental Programs Administrator
Arizona Department of Housing
1110 W. Washington, Suite 310
Phoenix, Arizona 85007

Dear Administrator:

This opinion letter is required on behalf of [Project Name] in connection with the application of [Applicant] (the "Applicant") for an allocation of low-income housing credits pursuant to Section 42 of the Internal Revenue Code of 1986 as amended (the "Code"), by the Arizona Department of Housing (the "ADOH").

We have reviewed the following:

- 1) Organizational documents (as applicable, the articles of incorporation, bylaws, operating agreement or partnership agreement), and certificate of existence or good standing of the Applicant;
- 2) Proposed or actual organizational documents (as applicable, the articles of incorporation, bylaws, operating agreement or partnership agreement) if available, of the proposed owner and operator (the "Owner") of the project located at [Site Address] (the "Project");
- 3) The ADOH's 2012 Qualified Allocation Plan (the "QAP") and the required form of the Declaration of Affirmative Land Use and Restrictive Covenants Agreement (the "LURA") which is an extended low-income housing commitment agreement with the ADOH, which, when recorded, will contain certain restrictive covenants running with the Project as specified in Section 42 (h)(6) of the Code; and
- 4) Such other documents as necessary to render the opinions set forth below.

As to questions of fact material to our opinion, we have relied upon and assumed due and continuing compliance with the provisions of the documents, and have relied on certifications, covenants, and presentations by the Applicant or Owner furnished to us without undertaking to verify these items by independent investigation. We are not aware of any facts that are inconsistent with these assumptions.

At the time of allocation for low-income housing credits, the Owner is required to enter into the LURA. For the purpose of this opinion, we have assumed the execution, delivery, and the recording of the LURA and continuing compliance with the terms of the LURA.

Based upon the foregoing, we are of the opinion, as of this date, that:

- 1) The Applicant and Owner, if currently organized, are duly organized and validly existing under the laws of the State of _____, and are in good standing under the laws of the State of Arizona. Additionally, the Applicant and the Owner have the power and authority under its respective organizational documents to construct, rehabilitate or otherwise acquire and operate the Project, to submit an application to the ADOH for tax credits, to comply with the terms of the LURA, and to perform such other actions as are necessary to comply with the QAP and Section 42 of the Code.
- 2) Type of Project:
 - a. New Construction Project: The Project will be constructed by the Applicant and will constitute new buildings whose original use will commence with the Applicant; or
 - b. Acquisition/Rehabilitation Project:
 - i) Based on representations of the Applicant, the Project to be purchased by the Applicant or Owner will be constructed by the Applicant or Owner and contains existing buildings that the Applicant has or will substantially rehabilitate (as that term is defined in the Code) and, as required by Section 42 (d)(2)(b);
 - ii) The Building was not previously placed in service by the Applicant or the Owner or any person who was a related person, with respect to the Applicant or Owner at the time it was previously placed in service; and
 - iii) Except as provided in Section 42(f)(5) of the Code, a credit is allowable under Section 42(a) of the Code by reason of Section 42(e) of the Code with respect to the building.
- 3) _____percent (____) or more of the residential units in the project will be rent restricted within the meaning of Section 42(g)(2) of the Code and will be occupied by individuals whose income is _____ (____%) or less of the area median gross income.
- 4) All residential units of the Project will be suitable for occupancy and will be used on a non-transient basis as that term is defined in Section 42(i)(3) of the Code.
- 5) The gross rent (as defined in Section 42(g)(2)(B) of the Code) paid by individuals in residential units included in the calculation for qualification as a low-income housing project does not exceed thirty percent (30%) of the income limitations as set forth in the Code.
- 6) Except as provided in the Code, no other person related to the Applicant or Owner as a partner (as defined in Section 42(d)(2)(D)(iii) of the Code) will occupy a residential unit.
- 7) Any buildings in the Project will meet the above criteria within twelve (12) months after such building is placed in service and all buildings in the project previously placed in service will meet these criteria at the time any later building in the Project is placed in service.
- 8) The Applicant or the Owner will comply with these representations for at least fifteen (15) years to include an extended use period as specified in Section 42(h)(6) of the Code.
- 9) The Project is eligible for an allocation of low-income housing tax credits under Section 42 of the Code.

Sincerely,

Signature

Type or Print Name