

## **2022 LIHTC APPENDIX**

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**2022 TAX CREDIT AUTHORITY**

**BY CYCLE AND SET-ASIDE**

**Family Cycle**

**50% of total awards  
(minimum)**

Maximum annual allocation = \$1,750,000

Mixed Income Set-Aside (non-TUM) = 1 project  
Maximum annual allocation = \$1,750,000  
\$30,000 in credits per LIHTC unit

Preservation Set-Aside = 1 project  
Maximum annual allocation = \$1,250,000

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Mixed Income Reserve in Targeted Urban Municipalities (TUMs)

**Approx 40% of the  
Family Cycle**

\$30,000 in credits per LIHTC unit  
Maximum annual allocation = \$2,000,000

**Senior Cycle**

**20% of total awards  
(minimum)**

Maximum annual allocation = \$1,400,000

Preservation Set-Aside = 1 project  
Maximum annual allocation = \$1,000,000

**Supportive Housing Cycle**

**12.5% of total  
awards (minimum)**

Maximum annual allocation = \$1,400,000

## NOTES TO BREAKDOWN OF COSTS & BASIS

1. The Breakdown of Costs & Basis must be signed by the following:

- At Application and Determination: Sponsor/General Partner, First Mortgagee, Investor
- at Carryover and PIS: Sponsor/General Partner, First Mortgagee, Investor and Independent CPA

2. IRS Technical Advice Memoranda were issued in July, 2000. Although these “TAMS” are not binding, applicants should critically examine the basis eligibility of the following costs:

- a. Any costs that could be interpreted as land preparation costs
- b. Impact fees
- c. Developer fee listed in eligible basis may need to be reduced by the amount relating to:
  - Demolition
  - Off-site improvements
  - Any costs that could be interpreted as land preparation
  - Impact fees
  - Permanent financing fees
  - Other ineligible costs

3. Certain costs which NJHMFA will not allow in Eligible Basis:

- Demolition
- Post-construction interest
- Land
- Syndication expenses
- Escrows
- Bond Cost of Issuance
- Relocation
- Construction loan interest in excess of three percent per annum on unamortized, soft financing (for example, Balanced Housing, FHLB) or in excess of the Applicable Federal Rate as published by the U.S. Department of the Treasury for unamortized Federal loans
- Duplicative professional costs (e.g. for HOPE VI applications in which both the public housing authority and the developer retain their own construction managers, architects, engineers, etc.)
- Off-site improvements
- Permanent financing fees
- Organizational costs
- Marketing expenses
- Tax Credit Fees
- Negative Arbitrage

4. Interest Rates

- While NJHMFA shall not allow construction loan interest in excess of three percent per annum on unamortized, soft financing in eligible basis, it is recommended that the interest rate on “soft” loans should be 0% during construction and 1-3% for permanent loans
- The interest rate on federal loans no longer has to be the Applicable Federal Rate (AFR) in order to qualify for the 9% credit.

## 5. Contingency

- A minimum construction contingency of 5% of construction costs shall be required for new construction projects and 10% for rehabilitation projects. HMFA shall accept a prorated contingency for projects that include both rehab and new construction

## 6. Escrows

- The amount of working capital shall be sufficient to cover operating and debt service costs for the absorption period specified in the application's market study.
- An operating deficit escrow shall be established to cover at least 3 months of stabilized operations. The following information about the reserve shall be provided:
  - The rationale behind the sizing of the escrow;
  - The entity requiring the reserve and by whom shall it be held (lender, syndicator, etc.)
  - How long the reserve will be held and the terms under which it may be released

## 7. Tax Credit Percentage

- The tax credit percentage that applicants must utilize for application purposes shall be **9.00%** for the 70% present value credit and **4.00%** for the 30% present value credit

## 8. Acquisition Costs

- NJHMFA reserves the right to require an independent appraisal which conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) for those projects that have land acquisition costs totaling over \$7,500 per unit. HMFA further reserves the right to request a Capital Needs Assessment.

## 9. Equity Pricing

- **No equity range will be established for the 2022 9% round. Applicants should underwrite at pricing based upon a commitment from their equity investor. Applications without a firm commitment from an equity investor shall be underwritten at \$.90.**

# HOW TO CALCULATE ELIGIBLE BASIS for NC/Rehab Credit

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Total Development Cost

- Acquisition Costs
  - Non-Depreciable Costs
  - Non-Eligible Costs
- 

Eligible Basis

- usually subject to limits
- adjusted by 130% in DDAs & QCTs

## Non-Depreciable Costs

- Demolition
- Off-Site Improvements
- Relocation
- Negative arbitrage/ Cost of Issuance
- Attorney & Accounting Fees pertaining to organizational or tax issues
- Land/ title & recording costs
- Operating Costs
  - Post-PIS construction interest
  - Permanent Financing Fees
  - Marketing
  - Escrows

## Non-Eligible Costs

- Below Market Federal Loans
- Historic Tax Credits
- Commercial Space

# HOW TO CALCULATE LOW INCOME HOUSING TAX CREDITS

ELIGIBLE BASIS (usually subject to limits)  
 x QCT / DDA ADJUSTMENT  
 x APPLICABLE FRACTION

QUALIFIED BASIS  
 x TAX CREDIT PERCENTAGE

TAX CREDITS BASED ON QUALIFIED BASIS

which is then compared to

TAX CREDITS BASED ON NEED

EXAMPLE #1: Acquisition / Substantial Rehabilitation Project in Hudson County  
 100% Low Income -- Placed in Service in February 2018

	<u>Rehab Credits</u>	<u>Acquisition Credits</u>
Eligible Basis	\$1,068,376	\$151,976
x DDA Adjustment	130%	N/A
x Applicable Fraction	100%	100%
<hr/>		
Qualified Basis	\$1,388,889	\$151,976
x Tax Credit Percentage	9%	3.27%
<hr/>		
Tax Credits based on Qualified Basis	\$ 125,000	\$ 4,969

EXAMPLE #2: Tax-Exempt Bond Financed New Construction Project in Bergen County  
 80% Market and 20% Low Income -- Applying in February 2018

	<u>New Construction Credits</u>
Eligible Basis	\$1,671,733
x QCT/DDA Adjustment	N/A
x Applicable Fraction	20%
<hr/>	
Qualified Basis	\$ 334,347
x Tax Credit Percentage	3.27%
<hr/>	
Tax Credits based on Qualified Basis	\$ 10,900

# HOW TO CALCULATE EQUITY GENERATED BY LOW INCOME HOUSING TAX CREDITS

## TAX CREDITS BASED ON QUALIFIED BASIS

which is then compared to

## TAX CREDITS BASED ON NEED

	<h3 style="margin: 0;">TAKE THE LOWER VALUE</h3>
x	INVESTOR PERCENTAGE
x	TAX CREDIT PRICING
x	10 YEARS

## TAX CREDIT EQUITY

EXAMPLE #1: Acquisition / Substantial Rehabilitation Project in Hudson County  
100% Low Income -- Placed in Service in February 2018

Tax Credits Based on Qualified Basis	\$ 130,000
vs. Tax Credits Based on Need	\$ 127,000
Lower Value from Above	\$ 127,000
x Investor Percentage	99.99%
x Tax Credit Pricing	92 cents / Tax Credit \$
x 10 Years	10
Tax Credit Equity	\$ 1,168,283

EXAMPLE #2: Tax-Exempt Bond Financed New Construction Project in Bergen County  
80% Market and 20% Low Income -- Applying in February 2018

Tax Credits Based on Qualified Basis	\$ 11,000
vs. Tax Credits Based on Need	\$ 11,000
Lower Value from Above	\$ 11,000
x Investor Percentage	99.99%
x Tax Credit Pricing	92 cents / Tax Credit \$
x 10 Years	10
Tax Credit Equity	\$101,190

# HOW TO CALCULATE MAXIMUM RENTS

For the 20-50 test:                    **MAXIMUM Gross Rent =**                     $\frac{50\% \text{ County Income Limit Adjusted for Family Size} \times .3}{12}$

**MAXIMUM Net Rent =**                    MAXIMUM Gross Rent - Utility Allowance

For the 40-60 test:                    **MAXIMUM Gross Rent =**                     $\frac{60\% \text{ County Income Limit Adjusted for Family Size} \times .3}{12}$

**MAXIMUM Net Rent =**                    MAXIMUM Gross Rent - Utility Allowance

**EXAMPLE:**

Calculate the **MAXIMUM Net Rent** that can be charged for a 1 BR apartment in a high-rise building in Atlantic City under the 40-60 test, where the tenant is paying heating (natural gas), cooking (natural gas) and electric lighting bills.

- 1) Find appropriate county income limit based on family size using the "New Jersey Income Limits" chart supplied. Assume a 1.5 person income for each bedroom. (For example, a 1BR = 1.5 person income, 2BR = 3 person income, etc.)

In Atlantic County, the 60% County Income Limit for 1.5 Persons is:

**\$28,980**

- 3) Use the above formula to calculate the **MAXIMUM Gross Rent** under the 40-60 test:

$$\frac{60\% \text{ County Income Limit Adjusted for Family Size} \times .3}{12} = \frac{(28,980 \times .3)}{12}$$

**\$ 724.50 MAXIMUM Gross Rent**

- 4) Calculate Utility Allowance using "Allowances for Tenant-Furnished Utilities and Services" chart provided:

\$ 28.00 Allowance for Natural Gas Heating for 1 BR in a high-rise  
 \$ 15.00 Allowance for Natural Gas Cooking for 1 BR  
 \$ 28.00 Allowance for Electric Lighting, Refrigeration, etc. for 1 BR  
**\$ 71.00 Utility Allowance**

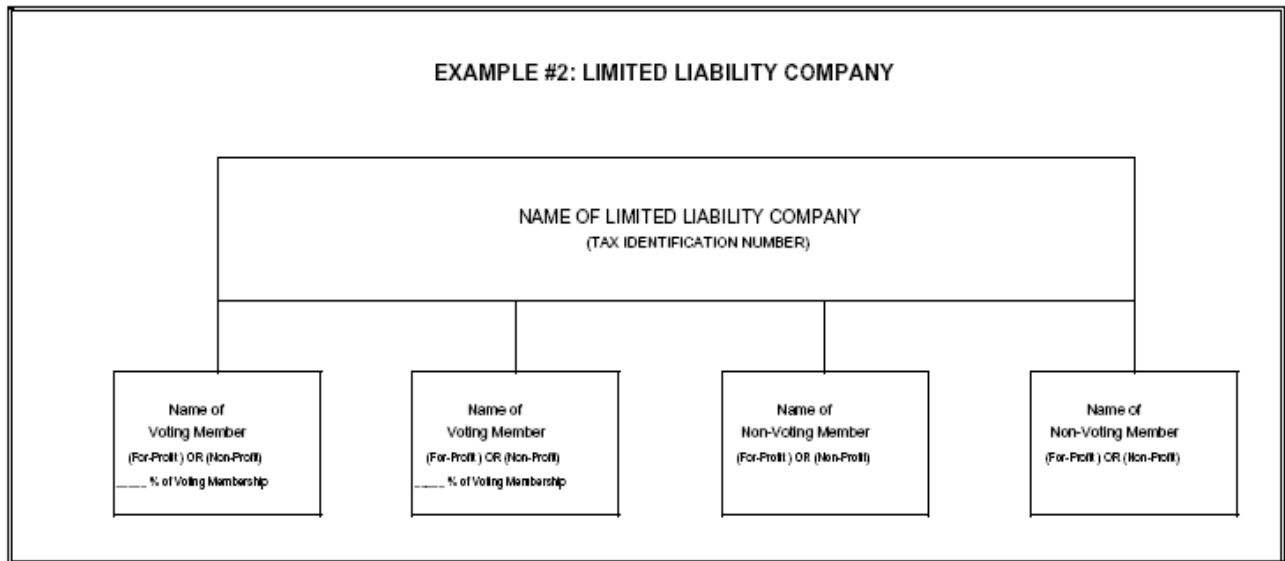
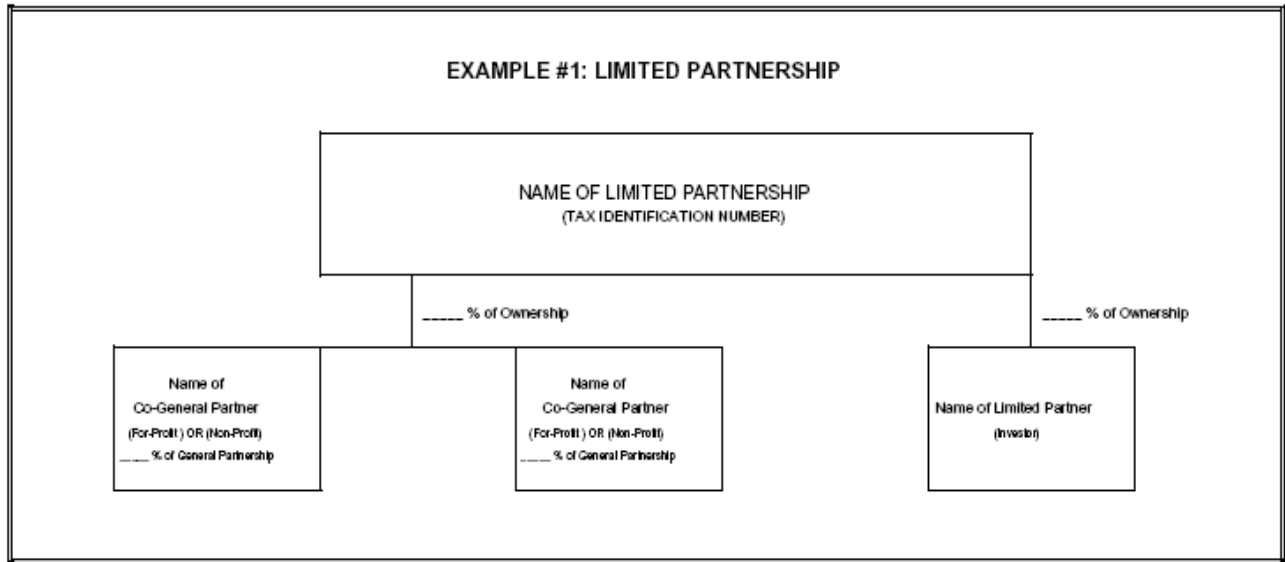
- 5) To obtain **MAXIMUM Net Rent**, subtract Utility Allowance from **MAXIMUM Gross Rent**:

**\$ 724.50 MAXIMUM Gross Rent**  
 LESS **\$ 71.00 Utility Allowance**  
**\$ 653.50 MAXIMUM Net Rent**



## SAMPLE STRUCTURES OF FINAL OWNERSHIP ENTITY

Indicate, in a diagram similar to below, the anticipated organizational structure of the project's final ownership entity.



## THE RE-APPLICATION PROCESS

### I. For Re-Applicants with No Prior Reservation:

- A. Applicants of projects that were admitted to a prior cycle during the current calendar year, but did not receive a reservation of credits, do not have to submit an entire new application but are responsible for updating NJHMFA with regard to any and all changes to the project plan. The following documentation must be included in this section:
1. Re-Application Fee
  2. Sponsor Certification for Re-Application
  3. Points Worksheet
  4. If the original market study was performed more than 6 months prior to the re-application date, an updated market analysis/appraisal.

### II. For Re-Applicants with An Existing Reservation or Allocation:

- A. Hardship Requests from the Reserve (under \$100,000):  
Projects that are seeking HARDSHIP requests for additional credits must update NJHMFA with regard to *any and all* changes to the original project plan and include the following documentation:
1. Re-Application Fee;
  2. Sponsor Certification for Re-Application;
  3. Rent qualification chart, income and expense statements, 15-year cash flow proforma all reflecting current projections and two forms of data supporting the operating expenses stated in the 15-year proforma (i.e. database information, audited financial statements for comparable projects, IREM statistics, etc.). The proforma shall be signed by the first mortgagee (or syndicator/investor if there is no hard debt) exclusively reflecting the following language verbatim: "We acknowledge that this proforma substantially matches the assumptions used in our underwriting of the mortgage (equity investment)."
  4. Explanation of the Hardship plus supporting documentation.
  5. Evidence that at least 50% of the developer fee is deferred, and that applicant has attempted to increase funding from every other source (except State Balanced Housing or Home Express from the Department of Community Affairs) before applying to the Reserve for additional credits;
  6. Letter from Investor addressing the pricing to be paid for the additional credits

NOTE: The deadline for application to the Reserve for hardship requests is May 15.

### B. For Requests for Additional Credits from a Competitive Cycle:

1. Submit a complete application (see definition of "complete application" in QAP); and
2. Submit the requirements described at Section II.A.4 through II.A.6 above

**SITE PLAN REVIEW LETTER**

(LETTERHEAD OF MUNICIPALITY)

Date (By Cycle Deadline)

Director of Tax Credit Services  
New Jersey Housing and Mortgage Finance Agency  
P.O. Box 18550  
637 South Clinton Avenue  
Trenton NJ 08650-2085

Re: Name of Rehabilitation Project  
Street Address  
Lot(s), Block(s)  
Name of Sponsor

Dear Director:

I am the official for the city of \_\_\_\_\_ authorized to attest for planning and/or zoning actions. I have reviewed the proposal for rehabilitation of the subject property as described in the sponsor's low income housing tax credit application to NJHMFA and have determined that the aforementioned sites that are part of the proposed rehabilitation do not require site plan approval because of the following reason(s):

(please check all that apply):

- The rehabilitation of the following lots will result in no new construction in excess of 1,000 square feet of floor area: (list all lot and block numbers that apply).
- The multifamily use is a pre-existing non-conforming use.
- No additional residential units will be created on the following lots: (list all lot and block numbers that apply).
- Other (please explain):

\_\_\_\_\_

\_\_\_\_\_.

My determination is based upon my thorough review of all the necessary documents normally required to be submitted by a sponsor in connection with this municipality's site plan review. If you have any questions with regard to this letter, I may be reached at ( ) - \_\_\_\_\_.

Sincerely,

Authorized Municipal Official  
(e.g. Zoning Officer)

# NEW JERSEY HOUSING & MORTGAGE FINANCE AGENCY

## AFFIRMATIVE FAIR HOUSING MARKETING PLAN

### I. APPLICANT AND PROJECT INFORMATION

1a. Applicant's Name, Address (including City, State and zip code) & phone number		1b. Project's Name, Location: (including City, State and zip code)	
1c. Project/Application Number	1d. Number of Units	1e. Price or Rental Range From \$ To \$	
1f. For Multifamily Housing Only <input type="checkbox"/> Elderly <input type="checkbox"/> Non-Elderly <input type="checkbox"/> Special Needs		1g. Approximate Starting Dates: Advertising: Occupancy:	
1h. County:		1i. Census Tract:	
1j. Managing/Sales Agent's Name & Address: (including city, State and zip code)			

### II. MARKETING

2a. Direction of Marketing Activity: (indicate which group(s) in the housing market area are least likely to apply for the housing because of its location and other factors without special outreach efforts)		
<input type="checkbox"/> White (non-Hispanic) <input type="checkbox"/> Black (non-Hispanic) <input type="checkbox"/> Hispanic <input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Asian or Pacific Islander <input type="checkbox"/> Persons with Disabilities <input type="checkbox"/> Other (specify specific special needs groups and number in deed restriction Specify _____)		
2b. Type of Affirmative Marketing Plan: (mark only one)		
<input type="checkbox"/> Project Plan <input type="checkbox"/> Minority Area <input type="checkbox"/> White (non-minority) Area <input type="checkbox"/> <b>Mixed</b> Area (with _____ % minority residents) <input type="checkbox"/> Annual Plan (for single-family scattered site units) Note: A separate Annual Plan must be developed for each type of census tract in which the housing is to be built.		
2c. Marketing Program: Commercial Media: (Check the type of media to be used to advertise the availability of this housing)		
<input type="checkbox"/> Newspapers/Publications <input type="checkbox"/> Radio <input type="checkbox"/> TV <input type="checkbox"/> Billboards <input type="checkbox"/> Other (specify)		
Name of Newspaper, Radio or TV Station	Racial/Ethnic Identification of Readers/Audience	Size/Duration of Advertising
Housing Resource Center (Not applicable to special need units)	All	Until fully rented
2d. Marketing Program: Brochures, Signs, and HUD's Fair Housing Poster:		
(1) Will brochures, letters, or handouts be used to advertise? <input type="checkbox"/> Yes <input type="checkbox"/> No		
(2) For project site sign, indicate sign size _____ x _____; Logotype size _____ x _____.		
(3) HUD's Fair Housing Poster must be conspicuously displayed wherever sales/rentals and showings take place. Fair Housing Posters will be displayed in the		
<input type="checkbox"/> Sales/Rental Office <input type="checkbox"/> Real Estate Office <input type="checkbox"/> Model Unit <input type="checkbox"/> Other (specify)		

**II. MARKETING (continued)**

2e. Future Marketing Activities (Rental Units Only) Mark the box(s) that best describe marketing activities to fill vacancies as they occur after the project has been initially occupied.

- Newspapers/Publications                       Radio                       TV                       Brochures/Leaflets/handouts                       Site Signs  
 Housing Resource Center Website                       Community Contacts                       Other (specify)

**III. COMMUNITY CONTACTS**

3. To further inform the group(s) least likely to apply about the availability of the housing, the applicant agrees to establish and maintain contact with the groups/organizations listed below that are located in the housing market area or SMSA. If more space is needed, attach an additional sheet. Notify HUD-FHEO of any changes in this list.

Name of Group/Organization:	Racial/Ethnic Identification:	Approximate Date:	Person Contacted or to be Contacted:
Address & Phone Number:	Method of contact:	Indicate the specific function the Group/Organization will undertake in implementing the marketing program:	

**IV. STAFF EXPERIENCE**

4. Staff has experience.     Yes                       No

Additional considerations: Attach additional sheets as needed:

**V. CERTIFICATIONS AND ENDORSEMENTS**

I hereby certify that the above information is true and correct to the best of my knowledge. I understand that knowingly falsifying the information contained herein may affect NJHMFA financial assistance for this project.

After consultation with NJHMFA, the applicant's signature affirms that changes necessary to ensure continued compliance with the affirmative fair housing marketing requirement will be made.

\_\_\_\_\_  
Name (Type or Print)

\_\_\_\_\_  
Name of Municipality or Housing Sponsor

\_\_\_\_\_  
Signature of Person Submitting Plan (Contact Person)

Date \_\_\_\_\_

\_\_\_\_\_  
Title

Approved by: \_\_\_\_\_

New Jersey Housing and Mortgage Finance Agency

Revised – 12-08-10 (rj)

**NONPROFIT CERTIFICATION**

State of \_\_\_\_\_ SS.  
County of \_\_\_\_\_

The undersigned, as the duly authorized representative of \_\_\_\_\_, the general partner of \_\_\_\_\_, is applying for Low Income Housing Tax Credits as a qualified nonprofit organization for the project known as \_\_\_\_\_.

The undersigned acknowledges that in order to qualify for the New Jersey Housing and Mortgage Finance Agency's nonprofit set-aside, the general partner must meet the definition of a qualified non-profit organization under Section 42(h)(5) of the Internal Revenue Code and the 2011 Qualified Allocation Plan. Furthermore, by checking all three boxes and signing below, the undersigned hereby acknowledges that said organization meets the following three-part definition:

- (i) Such organization is described in paragraph (3) or (4) of Section 501(c) and is exempt from tax under Section 501(a) (attach IRS letter or advance ruling).
- (ii) such organization is not affiliated with or controlled by a for-profit organization;

AND

- (iii) one of the exempt purposes of such organization includes the fostering of low-income housing (attach by-laws or articles of incorporation).

CERTIFICATION

I, \_\_\_\_\_, hereby represent and state that the foregoing information, and all information submitted for the purpose of applying for Low-Income Housing Tax Credits, is true and complete. I acknowledge that the New Jersey Housing and Mortgage Finance Agency is relying on said information and thereby acknowledge that the undersigned entity is under a continuing obligation, from the date of this Certification through the completion of the Project, to notify NJHMFA in writing of any changes to the information contained in this certification and in the application. Under penalty of perjury, I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I recognize that I am and/or the undersigned entity is subject to criminal prosecution under the law, possible loss of tax credit allocation, and disqualification from future participation in the Low Income Housing Tax Credit Program in New Jersey.

Sworn and subscribed to before the undersigned  
Notary Public on the date appearing below:

\_\_\_\_\_  
Witness/Attest (Secretary)

By: \_\_\_\_\_  
Authorized Representative/  
President of Corporation

\_\_\_\_\_  
Print Name and Title

ACKNOWLEDGMENT

CORPORATIONS

I CERTIFY that on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ personally came before me, and acknowledged under oath, to my satisfaction, that he/she is the Secretary of \_\_\_\_\_, the Corporation named in the within Instrument; that \_\_\_\_\_ is the President of said Corporation; that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said Corporation and said Instrument is signed and delivered by said President as and for the voluntary act and deed of said Corporation, in the presence of deponent, who thereupon subscribed his/her name thereto as attesting witness.

LIMITED PARTNERSHIPS

I CERTIFY that on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ personally came before me, and acknowledged under oath, to my satisfaction, that (a) he/she is the president of \_\_\_\_\_, the general partner of \_\_\_\_\_, the Limited Partnership named in this document; (b) he/she was authorized to execute this document on behalf of the partnership and; (c) this document was signed and delivered by him/her as the voluntary act of the general partner and the limited partnership.

LIMITED LIABILITY COMPANIES/PARTNERSHIPS

I CERTIFY that on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ personally came before me, and acknowledged under oath, to my satisfaction, that (a) he/she is the president of \_\_\_\_\_, the voting member of \_\_\_\_\_, the Limited Liability Company/Partnership ("LLC/LLP") named in this document; (b) he/she was authorized to execute this document on behalf of the LLC/LLP and; (c) this document was signed and delivered by him/her as the voluntary act of the voting member and the LLC/LLP.

SWORN TO AND SUBSCRIBED before me this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
A Notary Public of \_\_\_\_\_

My Commission Expires on: \_\_\_\_\_



**LETTER OF MUNICIPAL SUPPORT**

*[MUNICIPAL LETTERHEAD]*

*[DATE]*

DIRECTOR  
DIVISION OF TAX CREDIT SERVICES  
NEW JERSEY HOUSNG AND MORTGAGE FINANCE AGENCY  
P.O. BOX 18550  
TRENTON, NJ 08650-2085

Dear Director:

On behalf of the *Municipality* and *Sponsor* it gives me great pleasure to submit to you the enclosed application for funding under the Low Income Housing Tax Credit Program.

*{Include a brief description of project – see example below}*

*Name of Development* will be an important asset to our community. It will serve the citizens of both *Municipality* and *County* in its provision of safe, decent affordable housing for our *Population Served (i.e. senior population)* and will be an important part in the strengthening of our community's commercial district.

This letter shall serve to acknowledge that the requirements under Section 42(m)(1)(A)(ii) of the Internal Revenue Code, which provides the chief executive officer of the local jurisdiction within which the project is located a reasonable opportunity to comment on the project, have been satisfied.

Please feel free to contact *Municipal Contact* with any questions or comments and we look forward to your funding announcements.

Very truly yours,

*Original Signature*  
(Name of Mayor)  
Mayor, *Municipality*

## Utility Allowances and Income Limits

Please refer to our website for the latest Income Limits, Max Rents and Utility Allowances  
<http://www.state.nj.us/dca/hmfa/developers/credits/compliance/limits.shtml>

***At application, applications involving the **new construction** of residential units may submit an Energy Consumption Model to the Technical Services division for approval. Please note that applicants may not underwrite utilizing those utility allowances without prior approval.***

There are 4 methods of calculating utility allowance estimates:

1. DCA Utility Allowances  
Published annually by NJ Department of Community Affairs (DCA) and posted on our website.
2. Utility Company Estimates  
Under Treas. Reg. §1.42-10(b)(4)(ii)(B), any interested party (tenant, owner, or state agency) may request a written estimated cost of that utility for a unit of similar size and construction for the geographic area in which the building is located. This estimate becomes the appropriate utility allowance for all rent-restricted units of similar size and construction in the building. The local utility estimate is not available to buildings/tenants subject to Rural Housing Service or HUD jurisdiction.
3. HUD Utility Schedule Model  
Under Treas. Reg. §1.42-10(b)(4)(ii)(D),<sup>9</sup> a building owner may calculate a utility allowance using the “HUD Utility Schedule Model” that can be found on HUD’s Internet site, the Low-Income Housing Tax Credits page at [www.huduser.org/datasets/lihtc.html](http://www.huduser.org/datasets/lihtc.html) or successor URL. Utility rates used for the HUD Utility Schedule Model must be no older than the rates in place 60 days prior to the date the utility allowance will change.
4. Energy Consumption Model  
Under Treas. Reg. §1.42-10(b)(4)(ii)(E),<sup>10</sup> a building owner may calculate a utility allowance using an energy and water and sewage consumption analysis model (energy consumption model).

### *Factors to Consider*

The energy consumption model must, at a minimum, take into account specific factors including, but not limited to: (1) unit size, (2) building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location.

### *Estimates Provided by Licensed Engineer or Qualified Professional*

The utility allowance must be prepared by a properly licensed engineer or a qualified professional. A qualified professional must be (1) approved by the state/local housing credit agency having jurisdiction over the building, and (2) must not be related to the building owner within the meaning of IRC §§ 267(b) or 707(b).

**HOUSING FINANCE AGENCY LETTER**  
**SUCCESSFUL DEVELOPMENT EXPERIENCE**

(LETTERHEAD OF HFA)

Date (By Cycle Deadline)

Director of Tax Credit Services  
New Jersey Housing and Mortgage Finance Agency  
P.O. Box 18550  
637 South Clinton Avenue  
Trenton NJ 08650-2085

Re:                    {Name of Project}  
                          9% LIHTC Application

Dear Director:

Please accept this letter as evidence that {Name of Sponsor, GP, Developer or Voting Member} has at least a 50% general partner or managing member interest in the following Low Income Housing Tax Credit development(s) within the state of {state} and I certify that {Name of Sponsor, GP, Developer or Voting Member} currently has no outstanding issues of non-compliance.

Project Name	City	# of Units	Completion Date

Please feel free to contact me at {email or phone #}.

Sincerely,

{Name, Job Title of Authorized Signatory at HFA}

**LENDER OR SYNDICATOR LETTER**

**SUCCESSFUL DEVELOPMENT EXPERIENCE**

(LETTERHEAD OF LENDER OR SYNDICATOR)

Date (By Cycle Deadline)

Director of Tax Credit Services  
New Jersey Housing and Mortgage Finance Agency  
P.O. Box 18550  
637 South Clinton Avenue  
Trenton NJ 08650-2085

Re:            {Name of Project}  
                  9% LIHTC Application

Dear Director:

Please accept this letter as evidence that {Name of Sponsor, GP, Developer or Voting Member} has successfully completed the following Low Income Housing Tax Credit development(s) and I certify that the listed development(s) has/have achieved 93% occupancy and 1.15 debt service coverage for six consecutive months (if applicable).

Project Name	City, State	# of Units	Completion Date

Please feel free to contact me at {email or phone #}.

Sincerely,

{Name, Job Title of Authorized Signatory}