



2003

AFFORDABLE HOUSING TAX CREDIT PROGRAM

WISCONSIN HOUSING AND ECONOMIC
DEVELOPMENT AUTHORITY

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Direct Questions regarding
this Application to
Multifamily Development Team

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APPLICATION INSTRUCTIONS

SECTION

I. APPLICATION TYPE

Check only one box per application. Applications for Credit from the State's annual Credit Authority must be submitted for three separate reviews. Applications for Credit outside the State's annual Credit Authority utilizing tax-exempt bond financing under the volume cap limitation on private activity bonds must be submitted for two separate reviews.

II. TYPE(S) OF LOW-INCOME HOUSING TAX CREDIT REQUESTED

Determine the applicable Credit percentage, 4% or 9%, depending on whether the development is new or existing, qualifies for acquisition Credit, and utilizes federal financing. For federally assisted developments at risk, if a federal waiver of the ten-year requirement has been obtained, it must be submitted with the initial application.

III. MINIMUM SETASIDE ELECTION

Owners can elect to set aside a greater portion of the units for low-income occupancy than the minimum required and receive Credit for those units as well. Credit is subject to recapture penalties if the percentage of rent-restricted units of a development does not meet or falls below the minimum threshold level elected. (See Appendix C – Income and Rent Limits).

IV. DEVELOPMENT NAME AND ADDRESS

Use correct congressional, state senate, and state assembly districts for the proposed development. For your correct district number, you may call the Legislative Hotline at 1-800-362-9472. For TDD call 1-800-228-2115.

For the correct census tract number, you may contact the local department of planning and community development. If your development is located within a federally designated qualified census tract and you are requesting increased Credit; you must provide the correct census tract. For scattered site developments, you must provide **every applicable** census tract.

V. APPLICANT/DEVELOPER

If the Developer is a different entity from the Applicant, provide Developer information immediately below Applicant information. Please specify the type of developer: for-profit or nonprofit.

VI. ALLOCATION SET-ASIDE CHOICE

You must choose only one allocation set-aside from which you are requesting Credit. Nonprofits are eligible to request Credit from the Nonprofit Set-Aside, the General Set-Aside, or the Preservation Set-Aside, provided the development meets the preservation definition as noted below.

If Credit is requested from the Nonprofit Set-Aside, you must complete Section VIII, "Nonprofit Determination." Should the demand for Credit from the Nonprofit Set-Aside exceed availability of the set-aside amount, those developments ranking below the cutoff of Credit availability will automatically be moved to the General Set-Aside.

If Credit is requested from the Preservation Set-Aside you must submit evidence that the development either preserves low-income units or qualifies under the Preservation of Neighborhoods section. To qualify as a development that preserves low-income units, the developments must be utilizing one of the following programs: Low-income housing units subsidized under the following programs: Section 236, Section 221(d)(3) Below Market Rate (BMIR), Section 221(d)(3) Market Rate with Section 8 rental assistance, Section 8 project-based new construction, Section 221(d)(4), and Section 515-Rural Development, Preservation of Neighborhood developments must submit evidence they are in one of the qualifying census tracts. List census tracts and other data.

Rental developments which utilize tax-exempt financing under the volume cap limitation on private activity bonds are eligible for a 4% Credit without a charge against the state's Credit allocation provided they meet the following criteria:

- A. 50 percent or more of the aggregate basis of building(s) and land on which the building(s) is located is being financed with tax-exempt bonds; and
- B. Development meets Wisconsin's Qualified Allocation Plan (QAP) for the year in which Credit is requested.

If you check the tax-exempt box, do not check a set-aside box.

VII. OWNERSHIP ENTITY INFORMATION

Check one box. Provide type of ownership entity, if different from one of those listed. Corporations can be "C", Subchapter "S", or Limited Liability. Please specify. You must provide a valid mailing address as all binding correspondence is mailed to the ownership entity.

If a change in ownership occurs, you must notify WHEDA and request an assignment of Credit to the new ownership entity. IRS Form 8609 will not be issued to any entity other than the one to whom the Carryover Agreement is issued unless an assignment has been executed. A fee will be charged for any assignment requested.

VIII. NONPROFIT DETERMINATION

If this section is applicable, Articles of Incorporation and either an application to IRS for tax-exempt status or IRS documentation of tax-exempt status must be submitted.

IX. DEVELOPMENT TEAM INFORMATION

If identities of interest exist among any of the entities, disclosure is required, and fees and other funds accruing to those entities must be listed on the application in the Development Cost Section.

X. DEVELOPMENT ESTIMATED SCHEDULE

Please estimate dates for all line items that apply to your development. Enter NA for items that do not apply.

XI. SITE INFORMATION

See the Application checklist for a list of site-related documents and their required submission times.

XII. DEVELOPMENT INFORMATION

Following are several points of clarification for completion of this section:

Percent of low-income floor area should be calculated using total net rentable square footage of both low-income and market-rate units as the denominator and net rentable square footage of low-income units as the numerator. **A manager's unit is considered common space and should not be used in the numerator or denominator when calculating either the percent of low-income units or the percent of low-income rentable floor area.**

Eligible types of Units include:

Transitional housing for the homeless as defined in section 42 of the Code.

Single Room Occupancy (SRO) as defined by local building code or zoning ordinance requirements. In the absence of applicable local code or ordinance, it will be defined by HUD in 24 CFR Ch. VII Sec. 882.102, revised April 1, 1989. Efficiency units or 0-bedroom units do not necessarily fit this definition. SRO-defined units may contain either a bathroom or a kitchen, but may not contain both. Unit design must comply with appropriate local, state, or federal requirements or building code.

Targeting of Units:

"Family" is defined as consisting of one or more persons.

Units targeted for occupancy by physically disabled persons must be designed to meet accessibility standards defined in ANSI A117.1, 1986 or later edition, and marketed as such. See Appendix H for a general design guide.

"Elderly" housing is defined as a development intended for and solely occupied by persons age 62 and over or where at least one person in 80% of the units is at least 55 years old, and significant facilities and services are offered according to Federal and State Fair Housing Law. A support service plan is required under the 2003 Qualified Allocation Plan. See Appendix I for service provisions in senior housing. Types of properties that are not eligible for the Credit include nursing homes, CBRFs, life care facilities and retirement homes.

Homeless individuals and homeless families are target populations in housing that is defined under the McKinney Homeless Act and in which a government entity or qualified nonprofit provides temporary housing and supportive services.

Do not double count units. Only one type of population may be targeted per unit.

(All other items in Section XII are self-explanatory).

XIII. ACQUISITION OF EXISTING BUILDING(S)

Eligibility for acquisition Credit is contingent upon meeting the minimum rehabilitation requirement: \$3,000 per low-income unit or 10% of adjusted building basis, whichever is greater.

XIV. 10-YEAR HOLDING PERIOD REQUIREMENT (ACQUISITIONS)

If the development was previously placed-in-service by a current owner, you must provide the specific date on which it was placed-in-service in order to meet this requirement -- month, day and year. You must also submit evidence, such as a copy of seller's warranty deed or copy of title insurance or title abstract, which supports compliance with this 10-year holding period requirement.

XV. RELOCATION INFORMATION

Relocation costs may not qualify for eligible basis. If you need more space to describe, please attach to application on a separate sheet.

XVI. EXISTING SUBSIDIES WITH ACQUISITION DEVELOPMENTS

New construction or qualifying rehabilitation is federally subsidized if there is outstanding either tax-exempt bond financing or a "below market federal loan," the proceeds of which are used to finance any portion of the building or its operation. Special rules are applicable to "below market federal loans" where the owner elects to reduce basis in the building; however, loans from Community Development Block Grant ("CDBG") monies are not considered federal subsidies.

Federal grants are excluded from basis in determining the amount of Credit, but do not otherwise affect the availability or amount of the Credit.

Developments with federal loan guarantees, such as FHA insurance, as well as some other federal subsidies, may be required to undergo a subsidy layering review. Administrative Guidelines concerning subsidy-layering review were published in the Federal Register on December 15, 1994. Credit is not available for buildings that receive Section 8 Moderate Rehabilitation assistance, except those under the McKinney Homeless Act (see Section 42 of the Code).
<http://www.nara.gov/fedreg/index.html#top> (Search under McKinney Act)

If applicable, a copy of the request for approval of transfer of physical assets must be submitted.

XVII. DEVELOPMENT COSTS (WE RECOMMEND THAT APPLICANTS SEEK COMPETENT TAX COUNSEL FOR THIS CATEGORY)

Development costs will be reviewed based on comparability and reasonableness. Per-unit development costs will be reviewed in accordance with maximum limits under HUD's 221(d)(4) Mortgage Insurance program (see Appendix G for 221(d)(4) guidelines). *Eligible basis will be adjusted for unreasonable costs beyond these guidelines.* Column 1 must be fully completed and all estimated development costs provided. If identities of interest exist among any of the entities, fees and other funds accruing to those entities must be listed on the application in the Development Cost Section. If an amount other than zero is entered in a Column 1 item, the portion eligible for Credit gets entered in either Column 2 or 3 based on the Credit type that applies to that cost element:

Acquisition Credit (4%) requires minimum rehabilitation expenditures of at least \$3,000 per low-income unit or 10% of adjusted building basis, whichever is greater.

Rehabilitation Credit (9%) requires minimum rehabilitation expenditures of at least \$3,000 of qualified basis per low-income unit or 10% of adjusted building basis at the beginning of the 24-month expense aggregation period, whichever is greater.

Developments with federally subsidized financing are eligible only for the 4% Credit in all cost categories unless applicant elects to reduce eligible basis by the amount of the financing, in which case the 9% Credit may be used.

Developments using HOME funds are subject to special regulations concerning set-aside, Credit percentages, and qualified census tracts. (See Appendix D for the use of HOME funds with tax credits).

"Eligible basis" is the sum of eligible costs that are subject to depreciation for the residential portion of a development only. Note that the following costs are some of the costs not subject to depreciation and thus are not included in eligible basis: land, permanent loan origination fees, credit enhancement fee, rent-up costs, syndication costs, and reserves. If the construction lender and permanent lender is the same entity, the construction loan origination fee is **not** applicable to eligible basis (enter NA in columns 2 & 3). Off-site improvements may or may not qualify for eligible basis.

Additionally, the following costs may not qualify for eligible basis unless they meet the exceptions stated:

- Demolition costs, unless a building will remain as part of a development and is being gutted for substantial rehabilitation. In this case only, demolition costs qualify.
- Garages (covered parking), unless they are included in the rent and total rent does not exceed the maximum applicable restricted rent.
- Commercial space and/or buildings.
- Market-rate units of a quality standard substantially greater than that of low-income units. If a quality standard differential is less than 15 percent, only the costs representing the differential are excluded.

If the development is eligible for Historic Tax Credit, a complete breakdown of the determination of eligible basis for the Historic Tax Credit must be submitted with this application. State Historic Tax Credit does qualify for eligible basis, although Federal Historic Tax Credit does not.

New construction costs and qualified rehabilitation costs for buildings located in certain "qualified census tracts" designated by HUD are eligible for up to 130% of the Credit normally allowable. You may make up to a 30% adjustment on the appropriately labeled line, "Adjustment for QCT", but WHEDA makes the final determination of appropriate percentage. Acquisition costs do not qualify for the adjustment. See Appendix F for a list of federally designated qualified census tracts.

The applicable fraction is the lesser of: Percent of low-income units to total units **or** percent of low-income unit floor area to total residential unit floor area. **Non-revenue units, such as manager's or custodial units, are considered common space** (see IRS Ruling 92-61) and should be excluded from the computation of either percentage.

The maximum Credit percentage rate is determined monthly by the IRS. The applicable rate for a development can be fixed as of the month a development is placed in service, or at the election of the owner, as of the month the owner accepts the Credit reservation. For purposes of the initial application, the applicant should use not more than 4% or 9% for the appropriate category. The applicant may use percentage figures less than the 4% or 9% rates if the development does not need the maximum Credit amount for financial feasibility and long term viability.

Any Credit allocated to the development in prior years must be subtracted to arrive at the total amount of Credit requested.

The actual amount of Credit to be reserved or allocated for the development is determined by WHEDA. (Refer to Section 42 of the Code for further information).

Evaluation of the appropriate Credit amount will include a Credit calculation using an equity gap model. That model calculates a development's Credit need based on total development cost, noncredit development financing sources, and a minimum equity contribution per Credit dollar.

Credit amounts calculated using the equity gap model and the development's qualified basis will be compared; Credit reserved to the development will be limited to the lower of the two amounts. Developments for which the lower calculation results from the equity gap model and which have elected to receive points in Scoring Category 4 and Scoring Category 6 will be evaluated for additional Credit. In no event would the Credit awarded be greater than that which results from the qualified basis calculation and no more than is necessary to make the development financially feasible.

XVIII. REHABILITATION EXPENDITURES

Self-explanatory.

XIX. SYNDICATION OR EQUITY INFORMATION

Provide all syndication expenses and fees related to the real estate equity offering, including sales commissions, organizational, offering and acquisition expenses, related developer's costs, and any other compensation paid as part of the equity offering. If the development does not involve a real estate syndication sale of Credit, enter the amount of equity to be placed in the development. The formula for calculating the expected value per Credit dollar is as follows:

- A. Gross equity proceeds
- B. Less Historic Rehabilitation Tax Credit Proceeds--if any (Section XIX of application)
- C. Less Expenses
- D. Total net proceeds
- E. Total amount of tax Credit requested (Section XVII of application)
- F. Multiplied by 10
- G. Total amount of tax Credit requested over 10-year period: $(D)/(G) = \text{Expected value per Credit dollar}$.

XX. DEVELOPMENT SUBSIDY INFORMATION

Self-explanatory.

XXI. DEVELOPMENT RENTS

Indicate both the proposed rents less allowance for tenant-paid utilities and the published rent limits from the current 60 percent, 50 percent, 40 percent or 30 percent tables for the development's county (Appendix C).

XXII. ENERGY AND AMENITIES INFORMATION

Self-explanatory.

XXIII. MONTHLY UTILITY ALLOWANCE CALCULATIONS

Submit documentation supporting your utility calculations. Project-based Section 8 buildings must use HUD-approved utility calculations and Rural Development developments must use Rural Development utility allowances. (See Federal Register, Vol. 59, No. 42, March 3, 1994, Section 1.42-10). <http://www.nara.gov/fedreg/index.html#top>

XXIV. ANNUAL DEVELOPMENT EXPENSE INFORMATION

Development expenses are expected to be reasonable and appropriate for the type of development. Submit documentation to support any unusual expense.

XXV. SOURCES OF CONSTRUCTION AND PERMANENT FINANCING FUNDS

See the Application Checklist for a list of financing-related documents and their required submission times.

- Commitment for construction financing.
- Commitment for permanent financing.
- Assumption of an existing mortgage.

XXVI. ANNUAL DEVELOPMENT CASH FLOW ANALYSIS SUMMARY

- Include amount of debt service for first mortgage and all subordinate loans. If there is a servicing fee outside the debt service payment calculation, show amount.
- Identify and calculate all ancillary income estimated to be included in the net non-rental income to the development.

XXVII. CERTIFICATION AND SIGNATURES

The first application must be signed by the **Applicant**. All known principals must sign the certification or your application will be considered incomplete. Provide typed names and titles of all signatories.

Subsequent applications must be signed by the **Owner**. The legal name of Owner should be the same as that indicated in Section VII, page 4 of the Application. The Ownership entity must be formed and have a tax identification number prior to issuance of the Carryover Allocation Agreement.

For subsequent use in updating applications required at Reviews 2 and 3, applicants should photocopy the blank form. All information must be updated for subsequent applications.

XXVIII. PROGRAM FEES

DEVELOPMENTS ALLOCATED FROM SET-ASIDES:

Application Fee	\$800 for developments of 24 units or fewer \$1,500 for developments of 25 units or more
Reservation Fee	5% of Annual Credit Amount
Allocation Fee	5% of Annual Credit Amount

DEVELOPMENTS FINANCED WITH TAX-EXEMPT BONDS:

Application Fee	\$800 for developments of 24 units or fewer \$1,200 for developments of 25 units or more
1st & 2nd (two-tier) review	2.5% per review of Annual Credit Amount

Credit will not be reserved, allocated, or allowed without payment of these respective fees.

2003 Application Submission Checklist

(Review One)

Tax-exempt bond financed non-competitive credit developments must submit asterisked (***) items. In addition, applicable scoring category items should be checked.

Items that must be submitted for Initial Application Review:

Application

N/A Attached

- Application for Affordable Housing Tax Credits (dated and signed)

Application Fees

N/A Attached

- Application Fees** ***

N/A Attached

- Affordable Housing Tax Credit Application

24 units or fewer = \$800

Over 24 units = \$1500

- Tax-exempt Affordable Housing Tax Credit Application

24 units or fewer = \$800

Over 24 units = \$1200

- WHEDA Multifamily Loan Application Addendum (dated and signed)

24 units or fewer = \$250

Over 24 units = \$500

- Home Funds Application with AHTC Application = \$150

- Fee Remittance Form ***

Self-Scoring

N/A Attached

- Self-Scoring Exhibit***

Threshold Documentation

N/A Attached

- Local Official Notification Form Letter from appropriate local governing body supporting the development, documenting, if necessary, developer initiation of conditional use permit or zoning change process. ***

- Nonprofit Set-Aside Projects Articles of Incorporation & an application to the IRS for tax-exempt status OR IRS for tax-exempt status. (This is also a possible scoring item).

- Support Service Plan for elderly projects (This is also a possible scoring item).

Zoning

At minimum, documentation of current zoning which allows the intended use OR a copy of any application(s) for necessary zoning change. If possible, a letter from the appropriate local governing body stating the development meets local zoning requirements for the number & type of units, and whether a conditional use permit is required. (Alternative: A description of the current zoning & steps necessary to obtain all zoning & other land use approvals that allow the intended use. (This is also a possible scoring item).

- Offer to purchase/Deed ***

A signed & accepted copy of an unexpired contract between applicant & seller for purchase of the property, or a copy of the deed if title has been transferred. (Legal description of the property & terms of sale – price, seller financing, etc. – to be specified). Options to purchase must extend a minimum of 90 days beyond the application submission date. (This is also a possible scoring item).

- Energy Efficiency Certification

- Market Analysis/Market Study ***

- Developments of 24 or fewer units** - A completed Market Analysis Summary (see Table of Contents).

- Developments with 25 units or more** - Page 51 of the Market Analysis Summary form, plus a 3rd-party market study and any required special needs support documentation. (For developments serving special needs or lowest-income tenants the Market Analysis Summary or third-party market study must specifically address and support a sufficient market for these populations). See WHEDA's list of approved market study providers (www.wheda.com or phone 608-267-1092). The Market Analysis Study must adhere to market study standards as published on www.wheda.com.

Scoring Documentation

N/A	Attached	
<input type="checkbox"/>	<input type="checkbox"/>	<p><u>Development Location (Scoring Category 1)</u> Qualified Census Tract – map showing location of the development within QCT. Concerted Community Revitalization Plan.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p><u>Infill Development (Scoring Category 2)</u> Attach site map, land use plan, dated plat map, letter from city or aerial photo(s).</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p><u>Local Support (Scoring Category 3)</u> Local Notification form signed by the highest elected local official or city manager. <i>This must be amended and resubmitted if there are any material changes made to the project.</i> Letters or documentation demonstrating strong community support through other officials, community leaders or neighborhood groups. Indirect financial support – evidence of government funded off-site improvements (attach documentation).</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p><u>Lowest-Income Tenants (Scoring Category 6)</u> (See Market Study information below)</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p><u>Special Needs (Scoring Category 7)</u> (See Market Study requirements below)</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>A copy of the service and marketing plan(s). A description of the special needs architectural features. A narrative summary & corroboration from local service or advocacy group documenting developer/applicant's previous experience in special needs housing or the service proposed.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p><u>Accessible Design (Scoring Category 12)</u> Attach Certification by architect.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p><u>Financial Participation (Scoring Category 14)</u> An Inducement Resolution from the proposed bond issuer for local issuer tax-exempt bond financed developments. Financial participation from one or more of the following sources: Federal, state, county or city government(s); public housing authority(ies); WI Dept. of Admin. Div. of Housing & Intergovernmental Relations; tax-exempt bonding authorities; historic tax credits and/or public or private foundations. (Attach copy of application sent to financing entity).</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p><u>Ownership Characteristics (Scoring Category 15)</u> Articles of incorporation & an application to the IRS for tax-exempt status OR IRS documentation of tax-exempt status. Documentation of at least 51% ownership/control by a minority group or tribal government. Documentation of local tax-exempt organization's previous participation in the development/operation of housing similar to the development. Eventual tenant ownership documentation if applicable.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p><u>Development Team (Scoring Category 16)</u> Summary of developer's relevant experience, experience certification, and release form to call for information. Summary of contractor's relevant experience, experience certification, and release form to call for information. Summary of management agent's relevant experience, experience certification, and release form to call for information. Eventual tenant ownership documentation if applicable.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p><u>Readiness to Proceed (Scoring Category 18)</u> Documentation of current zoning which allows the intended use, evidenced by a letter from the appropriate local governing body stating the development meets local zoning requirements for the number & type of units, and if a conditional use permit is required, that it has been received. Firm commitment(s) for subordinate financing necessary to make project feasible.</p>

Additional documentation required after threshold review & initial scoring review prior to reservation of credit:

Self-Scoring

N/A Attached

- Waiting List Letter** Copy of letter to local/county housing authority requesting referrals of tenants on their waiting list for over six months.
- Flood Plain** Letter (dated no more than 2 years prior to application date) from appropriate local governing body indicating the development is not in a 100-year flood plain OR a copy of a FEMA map that clearly indicates the location of the development.
- Historic Credit** Complete breakdown of historic tax credit eligible basis determination
- Utility information:**
- Availability** A letter from the appropriate local utility companies indicating availability of utilities to the site(s) (water, sewer, electric, gas, as applicable), which is dated no more than 2 years prior to the application date.
- Utility Calculations** Supporting documentation. (See Federal Register, Vol. 59, No. 42, March 3, 1994, Section 142-10 -- **(Appendix I of application)**).
- Zoning** Evidence of final zoning including approval of rezoning, PUD or other land use approvals.
- Warranty Deed** Copy of current ownership warranty deed or title abstract for acquisition/rehab deals.
- Section 8 properties** Copy of HUD approval request for transfer of physical assets.
- Preservation Set-Aside Developments** Evidence that the development preserves low-income units under one of the appropriate programs.
- RCAC Developments** To receive credit in the 2003 cycle, all RCAC developments must be certified by the Department of Health and Family Services prior to 8609 issuance.
- Financing**
- Construction** Fully executed copies of unexpired construction financing commitments from qualified financing entities. Commitments should cover all construction financing needs of the development including those provided by grants, equity contributions, or other indicated funding sources. Commitments must be valid for 90 days from the application submission date. Letters of intent or interest do not meet this requirement.
- Permanent** Fully executed copies of all unexpired permanent financing commitments (3-year minimum term) from qualified financing entities. Corporate resolutions, where appropriate, evidencing the applicant's authority to enter into the financing transaction. Commitments should cover all permanent financing needs of the development not provided by equity contributions & should contain, at minimum, all provisions regarding the interest rates, amortization schedules, and the terms or periods. If another lending institution's participation is required, evidence of participation must be provided. A valid, executed Rural Development document (corresponding to the Rural Development Form AD622) meets this requirement. Commitments must be valid for 90 days from the application submission date. If the commitment is contingent upon participation by additional lender(s), evidence of the required participation commitment must be submitted. Commitments must be from a qualified financing entity and contain the loan amount, the interest rate, the term, and the amortization schedule. The loan amount must be adequate to meet all construction expenses. Letters of intent do not meet this requirement.
- Assuming Existing Financing** Documentation from the current lender disclosing that the mortgage loan provisions permit an assumption; containing the loan's current rate, term & balance; indicating the requirements the applicant must meet to assume the loan; evidence that the mortgage is not in default; and an estimate of when a decision on assumption will be made by the mortgage lender. The documentation must name the entity requesting the assumption & the property address.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

**Affordable Housing Tax Credit Program and
Multifamily Loan Financing Program Fee Remittance**

COMPLETE THIS FORM AND SUBMIT IT WITH YOUR FEE PAYMENT

Sponsor/Owner Name: _____

Project Number: _____

Project Name: _____

Project Address: _____

FEE TYPE:

- | | | | | |
|----|---|--------------------------|----------------------------------|--------------------------|
| 21 | Affordable Housing Tax Credit Application Fee | <input type="checkbox"/> | Multifamily Loan Application Fee | <input type="checkbox"/> |
| | Reservation Fee | <input type="checkbox"/> | Appraisal Fee | <input type="checkbox"/> |
| | Carryover Allocation Fee | <input type="checkbox"/> | Market Study Fee | <input type="checkbox"/> |
| | Post-Reservation Fee | <input type="checkbox"/> | Loan Structuring Fee | <input type="checkbox"/> |
| | Tax-Exempt Tier 1 Fee | <input type="checkbox"/> | Loan Origination Fee | <input type="checkbox"/> |
| | Tax-Exempt Tier 2 Fee | <input type="checkbox"/> | Other: | <input type="checkbox"/> |
| | Tax Credit Extension Fee | <input type="checkbox"/> | | |

Date Payment Due: _____

Amount Due: _____

Amount Paid: _____

For WHEDA Use Only	
Date payment received:	_____
Amount:	_____
Initials:	_____

DISCLAIMER

Every reasonable effort has been made to ensure that the enclosed information is correct and up to date. However, there may be misinformation, due to amendments or repeals of applicable Code sections, or due to human error.

Therefore, it is very important for the reader to consult with the most recent update of the applicable IRS Code and its revisions, or an attorney qualified to provide professional advice relating to your specific questions. More definitive interpretations may be required beyond the mere reading of the Statute itself. As in all complex matters of this sort, specific professional advice and legal opinion may be required by potential users of the enclosed tax credits statutes.

The enclosure of the following section does not create an assumption of liability by the Wisconsin Housing and Economic Development Authority, its members, officers, employees and agents for any costs, damages or inconvenience resulting from the use of the enclosed duplicated information.

I. APPLICATION TYPE

- Review 1:* Complete Application - Reservation Request
- Review 2:* Post-Reservation or Carryover Allocation Request Project # _____
- Review 3:* Placed-in-Service Request¹ Project # _____



¹WHEDA must receive within 90 days of "placed-in-service" date.

All information must be updated for each Application review.

- Review 1:* Tax Exempt Bond Funded Development
- Review 2:* Tax Exempt Bond Funded Development

II. TYPE(S) OF LOW-INCOME HOUSING TAX CREDIT REQUESTED

- | With Federal Financing
4% credit category | Without Federal Financing
9% credit category |
|--|--|
| <input type="checkbox"/> New Construction | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Acquisition ² | <input type="checkbox"/> Acquisition* - 4% credit category |
| <input type="checkbox"/> Rehabilitation | <input type="checkbox"/> Rehabilitation |



²Acquisition credits can only be requested if: 1) minimum rehabilitation requirement will be met, and 2) the prior owner has held the property for a minimum of ten years or a written federal waiver of the 10-year requirement has been received.

III. MINIMUM SET-ASIDE ELECTION

The owner must elect one of the minimum set-aside requirements:

(Check only one)

- At least **20%** of the rental residential units in this development will be rent-restricted and occupied by individuals whose income is **50%** or less of area median income as adjusted by family size and published annually by HUD.
- At least **40%** of the rental residential units in this development will be rent-restricted and occupied by individuals whose income is **60%** or less of area median income as adjusted by family size and published annually by HUD.

IV. DEVELOPMENT NAME AND ADDRESS

Name:			
Address:			
City:	Wisconsin	Zip:	
County:	Census tract(s):	Check if QCT: <input type="checkbox"/>	

Give the district number for each of the following:

Congressional: _____
State Senate: _____
State Assembly: _____

Legislative hot line in WI: 1-800-362-9472
TDD: 1-800-228-2115

Is the development located in a: City Village Town

Name, address & phone number of the chief executive officer of the city, village, or town:

Name:			
Address:			
City:	Wisconsin	Zip:	Phone:

The officer is a: Mayor Chairman President Other

V. APPLICANT/DEVELOPER

For-profit Nonprofit (Complete "Nonprofit Determination" on page 5, Section VIII)

Name: ¹		
Address:	State:	Zip:
City:	Phone #:	Fax #:
Contact Person:	E-Mail Address:	

	Yes ²	No
Do any unsatisfied judgements exist against the applicant/developer, its principal(s) or any related party?	<input type="checkbox"/>	<input type="checkbox"/>
Has the applicant/developer, its principal(s) or any related party been party to any litigation, including real estate foreclosure or bankruptcy within the past 7 years?	<input type="checkbox"/>	<input type="checkbox"/>
Do any environmental issues or administrative proceedings exist that would adversely affect the ability to timely proceed?	<input type="checkbox"/>	<input type="checkbox"/>



¹Applicant must sign the initial application.

²If "Yes" has been answered in any of the above questions, please attach a separate explanation.

Total number of multifamily projects developed to date:	
Total number of units:	
Type of units: (i.e. Family, Elderly, Special needs):	
Type of State or Federal Assistance if any:	

VI. ALLOCATION SET-ASIDE CHOICE

You must choose from which allocation set-aside you are requesting credit and you must choose only one (see application instructions before selecting a set-aside).

- General Set-Aside
- Preservation Set-Aside
- Nonprofit Set-Aside
- Tax-Exempt Bond Financed Developments (Do Not check another set-aside)

VII. OWNERSHIP ENTITY INFORMATION

The Wisconsin Housing and Economic Development Authority (WHEDA) reserves tax credits to a specific development, location, and owner. Reservations are not transferable from one development to another. Any change in ownership status requires notice to WHEDA and may require a new application. **Articles of Incorporation (if applicable) must be submitted with this application.**

- Individual
- Limited Partnership
- General Partnership
- Limited Liability Partnership
- "C" Corporation
- Subchapter "S" Corporation
- Limited Liability Company



Owner address must be a valid mailing address. All development correspondence will be mailed to the ownership entity.

Name of Entity:		
Address:	State:	Zip:
City:	Phone #:	Fax #:
Contact Person:	E-Mail Address:	

Legal Status:

- Exists Currently Federal ID # or Social Security #
- To be formed¹ Estimated date:



¹Regulations require that a taxpayer identification number be included on the Carryover Allocation Agreement.

Name of general partner(s), managing LLC member(s), or principals:

	Phone #:	% Ownership:
	Phone #:	% Ownership:
	Phone #:	% Ownership:

VIII. **NONPROFIT DETERMINATION**

To qualify for the Nonprofit Set-Aside, the applicant must own an interest in the development and materially participate in the development and operation of the development throughout the compliance period. Within the meaning of IRC 469(h), "a (nonprofit) shall be treated as materially participating in an activity only if the (nonprofit) is involved in the operations of the activity on a basis which is regular, continuous, and substantial."

Check one:

- 501(c)(3) Organization
- 501(c)(4) Organization
- Organization has applied to the IRS for tax-exempt status under section 501(a).



Articles of Incorporation and application to IRS for tax-exempt status must be submitted with this application. By signing this application, the nonprofit certifies that it will own an interest in the development and materially participate in the development and is not affiliated with or controlled by a for-profit entity.

Describe the nonprofit's participation in the development and operation of the development, as well as its proposed ownership interest percentage in the development.

List the names of current board members for the nonprofit organizations.

Identify paid full-time staff and sources of funds for annual operating expenses and current programs.

IX. DEVELOPMENT TEAM INFORMATION

GENERAL PARTNER/MANAGING MEMBER

Name:		
Address:	State:	Zip:
City:	Phone #:	Fax #:
Contact Person:	E-Mail Address:	

GENERAL CONTRACTOR

Name:		
Address:	State:	Zip:
City:	Phone #:	Fax #:
Contact Person:	E-Mail Address:	

DESIGN ARCHITECT AND FIRM

Name:		
Address:	State:	Zip:
City:	Phone #:	Fax #:
Contact Person:	E-Mail Address:	

SUPERVISORY ARCHITECT AND FIRM

Name:		
Address:	State:	Zip:
City:	Phone #:	Fax #:
Contact Person:	E-Mail Address:	

RENTAL MANAGEMENT ENTITY


Name:		
Address:	State:	Zip:
City:	Phone #:	Fax #:
Contact Person:	E-Mail Address:	
Years of multifamily experience:		
Total number of projects currently under management:		Total Units:

ATTORNEY AND FIRM

Name:		
Address:	State:	Zip:
City:	Phone #:	Fax #:
Contact Person:	E-Mail Address:	

Does an identity of interest or business association exist between the Applicant, Developer or Owner and any other member of the development team? If members of the development team are related or associated in any way, please indicate the nature of the relationship. Examples of such overlapping interests or relationships include: family relationships; acting as a director, officer, or owning stock in corporations; being partners (general or limited) or principals in a partnership; members in a limited liability company; or managing, advising or directing other corporate or business entities. *

If there is an identity of interest, please describe.

 If identities of interest exist and the auditor performing the cost certification determines that the general contractor entity is not a legitimate operating concern, the general requirements, contractor's profit, contractor's overhead, consultant's and developer's fees, and developer's overhead combined will be limited to 20% of total development cost less those items for developments of 24 units and under and 17% for developments over 24 units. If rehabilitation development, the limits will be reduced to reflect the policy in Appendix K.

Provide the names of those development team members which have been determined, including sponsoring organization, consultant, tax accountant, and any others involved in the development team.

List any direct or indirect, financial or other interest a member of the above team may have with another member of the team for this development. List "none" if there are no identities of interest.

X. DEVELOPMENT ESTIMATED SCHEDULE

Date of completion or
Scheduled date (month & year)

A. Site Control:

Option

Site acquisition/Purchase

B. Financing:

1. Construction loan

Conditional commitment

Loan closing

2. Permanent loan

Conditional commitment

Loan closing

C. Plans and Specifications

Preliminary drawings

Initial working drawings

Working drawings & specifications

D. Closing and Transfer of Property

E. Construction Starts

F. Completion of Construction

G. Lease-up Period

From:

To:

H. First Building to be Placed in Service

I. Last Building to be Placed in Service

--

XI. SITE INFORMATION

Is site currently under control for the development?

Yes

No



Site Control documentation must include a complete legal description of the property.

If Yes, control is in the form of: Deed

Option

Purchase Contract

Other:

Expiration date of contract or option: (month, date & year) _____

Total Cost of Land: \$		
Seller:		
Address:		
City:	State:	Zip Code:

Present zoning classification: _____

Is a conditional use permit required? _____

When is approval for it expected? _____

Are all utilities presently available to the site? Yes No

If No, which utilities need to be brought to the site?

Site currently used for:

Are there any environmental site conditions that affect your ability to timely proceed? Yes No

If yes, please explain:

Previous site uses:

ADJOINING LAND USES

Describe adjoining land uses:

North	
South	
East	
West	

XII. DEVELOPMENT INFORMATION

(DO NOT include manager units in total number of units)

Total number of development units:	Number of low-income units:
Percent of units low-income: %	Percent of low-income rentable floor area: %
	Number of manager units:

Type of units:

- | | |
|--|---|
| <input type="checkbox"/> Multifamily rental residential | <input type="checkbox"/> Single room occupancy |
| <input type="checkbox"/> Transitional housing for homeless | <input type="checkbox"/> Residential Care Apt. Complex (RCAC): (Must be certified prior to 8609 issuance) |
| <input type="checkbox"/> Group home | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Other: | |

Targeting of units:¹

	Number of Units		Number of Units
<input type="checkbox"/> Family	_____	<input type="checkbox"/> RCAC	_____
<input type="checkbox"/> Elderly	_____	<input type="checkbox"/> Physically disabled	_____
<input type="checkbox"/> Homeless individuals/families	_____	<input type="checkbox"/> Manager's unit targeted as common area	_____

Type of building:

- Apartments:
- Elevator building, number of stories:
 - Non-elevated building, number of stories:
 - Row house/town house
 - Detached two-family (duplex)
 - Detached single-family

Type of construction:

- Slab on grade
- Crawl space
- Partial Basement
- Full Basement

Public Water/Sewer:

- Yes
- No²



¹Do not double count units when targeting special populations.

²If no, please discuss with a WHEDA Development Officer if also applying for WHEDA financing.

Number of residential buildings:			
Number of parking spaces:	Garages:	Underground:	Surface:
	Rent per space per month:	Garages: \$	Underground: \$

Type of Nonresidential Space:

Accessory building(s): (includes garages)

Commercial facilities:

Other facilities:

Square Feet:


Gross floor area of all bldgs: (Sq.Ft.)	Less non-residential floor area:	Gross residential rental floor area: (Sq. Ft.)
---	---	--

XIII. ACQUISITION OF EXISTING BUILDING(S)

How many residential buildings will be acquired for the development? _____

Are all the buildings currently under site control for the development? Yes No

Address of Building	Type of Control: Ownership, Option, Purchase Contract	Expiration Date of Control Document (month, date & year)	Number of Units	Acquisition Cost of Building
1.				\$
2.				\$
3.				\$
4.				\$
5.				\$
6.				\$


 Rehabilitation minimum must be met whether or not acquisition credit is requested. This minimum is the greater of \$3,000 per low-income unit or 10% of adjusted building basis.

WHEDA reserves the right to require an independent appraisal to validate issues including, but not limited to acquisition price and the appropriation of land and building costs.

XIV. 10-YEAR HOLDING PERIOD REQUIREMENT (ACQUISITIONS)

List below by building address, the date the building was placed in service, date the building was or is planned for acquisition, and the number of years between the date the building was placed-in service, and the date of acquisition. Attach separate sheet(s) with additional information as necessary.

Address of Building	Placed-in-Service Date by Current Owner (month, date, & year)	Proposed Date of Acquisition by Applicant (month, date, & year)	Number of Years Between Placed-in- Service Date and Acquisition ¹
1.			
2.			
3.			
4.			
5.			
6.			

 ¹ Number of years between placed-in-service date and acquisition must be at least 10 years, or for federally assisted projects at risk, a written federal waiver of 10-year requirement has been received - applies to acquisition credit requests only. See Section 42 requirements for details. Evidence of compliance with the 10 year holding period requirement must be submitted. A copy of the recorded deed for current ownership or title abstract would be considered sufficient evidence.

XV. RELOCATION INFORMATION

Relocation expenses may not qualify for eligible basis.

Does this development involve any relocation or dislocation of tenants? Yes No

If Yes, describe relocation plan and assistance.

XVI. EXISTING SUBSIDIES WITH ACQUISITION DEVELOPMENTS

Number of subsidized units: _____

Number of years remaining on rental assistance contract: _____

- RECD/Rental Assistance
- Section 221(d)(3) BMIR
- Section 236
- Section 8 Rent Supplemental or Rental Assistance Payment
- Section 8 Housing Assistance Payment Contract

	Yes ¹	No
Is HUD approval for transfer of physical asset required?	<input type="checkbox"/>	<input type="checkbox"/>
Is RECD approval for transfer of physical asset required?	<input type="checkbox"/>	<input type="checkbox"/>
Is WHEDA approval for transfer of physical asset required?	<input type="checkbox"/>	<input type="checkbox"/>



¹ If the answer to any of the above questions is "yes," a copy of a request for approval and transfer of physical assets must be submitted with this application. Definition of transfer of physical assets must be submitted with this application. Definition of transfer of physical asset includes re-syndication approval.

XVII. DEVELOPMENT COSTS

Only residential costs qualify as part of eligible basis.

	1 Estimated or Actual Cost	2 Eligible Basis by Credit Type 30 % Present Value (4% credit)	3 Eligible Basis by Credit Type 70% Present Value (9% credit)
A. To Purchase Land and Buildings			
Land	\$	\$ NA	\$ NA
Existing structures	\$		
Demolition	\$	\$	\$
Other:	\$	\$	\$
Other:	\$		
Category Subtotal	\$	\$	\$

B. For Site Work

Site work	\$	\$	\$
Off-site improvements	\$	\$	\$
Landscaping ¹	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Category Subtotal	\$	\$	\$

C. For Rehabilitation and New Construction²

New building	\$	\$	\$
Rehabilitation	\$	\$	\$
Accessory buildings (garages, etc.)	\$	\$	\$
General requirements ³	\$	\$	\$
Contractor overhead ³	\$	\$	\$
Contractor profit ³	\$	\$	\$
Construction supervision:	\$	\$	\$
Other:	\$	\$	\$
Category Subtotal	\$	\$	\$



¹Landscaping costs may not be eligible expenses. Include only those which are eligible. Refer to IRS TAM# 20004405, July 14, 2000.

²All line items in Part C must be completed in review 1 if an identity of interest exists between contractor and developer and in all applications by review 3.

³General requirements, contractor overhead, and contractor profit are limited to 14% in aggregate, based on the construction costs.

1	2	3
Estimated or Actual Cost	Eligible Basis by Credit Type 30% Present Value (4% credit)	Eligible Basis by Credit Type 70% Present Value (9% credit)

D. For Contingency

Construction contingency

\$	\$	\$
----	----	----

Other:

\$	\$	\$
----	----	----

Other:

\$	\$	\$
----	----	----

Category Subtotal

\$	\$	\$
----	----	----

**Construction Cost Subtotal
(Categories A-D)**

\$	\$	\$
----	----	----

E. For Architectural and Engineering Fees

Architect fee-design¹

\$	\$	\$
----	----	----

Architect fee-supervision¹

\$	\$	\$
----	----	----

Real estate attorney

\$	\$	\$
----	----	----

Consultant/processing agent²

\$	\$	\$
----	----	----

Other:

\$	\$	\$
----	----	----

Other:

\$	\$	\$
----	----	----

Other:

\$	\$	\$
----	----	----

Other:

\$	\$	\$
----	----	----

Category Subtotal

\$	\$	\$
----	----	----

F. For Interim/Construction Costs

Construction insurance

\$	\$	\$
----	----	----

Construction interest

\$	\$	\$
----	----	----

Construction loan

 Origination fee³

\$	\$	\$
----	----	----

 Credit enhancement

\$	\$	\$
----	----	----

Real estate taxes

\$	\$	\$
----	----	----

Category Subtotal

\$	\$	\$
----	----	----



¹Architectural fees (including both design and supervision) are limited to \$2,500 per unit for new construction and \$3,000 per unit for rehabilitation.

²Construction supervision, consultant fees, developers fees and developer overhead are limited to a combined 15% of total development costs for new developments with 24 units or less and to 12% for those with more than 24 units. Those same fees are subject to greater restrictions for the acquisition portion of acquisition/rehab projects. (See Appendix K for more detail).

³If the construction lender and permanent lender are same entity, the origination fee is not allowed in eligible basis. Additionally, rehabilitation developments are subject to greater restrictions.

1	2	3
Estimated or	Eligible Basis by	Eligible Basis by
Actual Cost	Credit Type	Credit Type
	30% Present Value	70% Present Value
	(4% credit)	(9% credit)

G. For Financing Fees and Expenses

Bond premium	\$	\$	\$
Credit report	\$	\$ NA	\$ NA
Permanent loan			
Origination fee	\$	\$ NA	\$ NA
Credit enhancement	\$	\$ NA	\$ NA
Underwriter's discount	\$	\$ NA	\$ NA
Title and recording	\$	\$	\$
Counsel's fee	\$	\$ NA	\$ NA
Other:	\$	\$	\$
Other:	\$	\$	\$
Category Subtotal	\$	\$	\$

H. For Soft Costs

Property appraisal (feasibility)	\$	\$	\$
Market study	\$	\$	\$
Environmental reports	\$	\$	\$
WHEDA tax credit fees	\$	\$	\$
Rent-up marketing	\$	\$ NA	\$ NA
Consultants*	\$	\$	\$
Cost certification	\$	\$	\$
Letter of credit	\$	\$ NA	\$ NA
Relocation costs	\$	\$ NA	\$ NA
Common area furniture & fixtures	\$	\$	\$
Other:	\$	\$	\$
Category Subtotal	\$	\$	\$

	1 Estimated or Actual Cost	2 Eligible Basis by Credit Type 30% Present Value (4% credit)	3 Eligible Basis by Credit Type 70% Present Value (9% credit)
I. For Syndication Costs			
Organization (partnership)	\$	\$ NA	\$ NA
Bridge loan fees & expenses	\$	\$ NA	\$ NA
Tax opinion	\$	\$ NA	\$ NA
Other:	\$	\$ NA	\$ NA
Other:	\$	\$ NA	\$ NA
Category Subtotal	\$	\$ NA	\$ NA

J. For Developer's Fees¹

Developer's overhead	\$	\$	\$
Developer's fee	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Category Subtotal	\$	\$	\$

K. For Development Reserves

Rent-up reserve	\$	\$ NA	\$ NA
Operating reserve	\$	\$ NA	\$ NA
Escrows	\$	\$ NA	\$ NA
Other:	\$	\$ NA	\$ NA
Other:	\$	\$ NA	\$ NA
Other:	\$	\$ NA	\$ NA
Other:	\$	\$ NA	\$ NA
Category Subtotal	\$	\$ NA	\$ NA

**Intermediary Cost Subtotal
(Categories E-K)**

\$	\$	\$
----	----	----



¹Construction supervision, consultant fees, developer's fees and developer's overhead are limited to a combined 15% of total development costs for new developments with 24 units or less and to 12% for those with more than 24 units. Those same fees are subject to greater restrictions for the acquisition portion of acquisition/rehab projects. (See Appendix K for more detail).

Development Cost Summary

	1 Estimated or Actual Cost	2 Eligible Basis by Credit Type 30% Present Value (4% credit)	3 Eligible Basis by Credit Type 70% Present Value (9% credit)
Construction Cost Subtotal (From page 14)	\$	\$	\$
Intermediary Cost Subtotal (From page 16)	\$	\$	\$
Total Development Cost	\$	\$	\$
Less portion of federal grant used to finance development costs.		(\$)	(\$)
Less amount of nonqualified non-recourse financing		(\$)	(\$)
Less non-qualifying units of higher quality		(\$)	(\$)
Less Federal Historic Tax Credits (residential portion only)		(\$)	(\$)
Less Other:		(\$)	(\$)
Subtotal	\$	\$	\$
Adjustment for QCT (30% of Subtotal)		\$	\$
Total Eligible Basis	\$	\$	\$
Multiplied by the Applicable Fraction		%	%
Total Qualified Basis	\$	\$	\$
Multiplied by the applicable Credit percentage rate		%	%
Credit Amount Calculated	\$	\$	\$
Less Credit Received in Prior Years	\$	\$	\$
Total Amount of Tax Credit Requested	\$	\$	\$

XVIII. REHABILITATION EXPENDITURES

A. Rehabilitation expenditures allocable to low-income units	\$
B. Number of low-income units: _____ x \$3,000 =	\$
C. Adjusted building basis: \$ _____ x 10%=	\$



Rehabilitation expenditures (A) must be equal to or greater than the larger of (B) or (C). Refer to Section 42(e) of the code.

XIX. SYNDICATION OR EQUITY INFORMATION

Gross Equity Proceeds ¹	\$
Less Historic Rehabilitation Tax Credit Proceeds	(\$)
Less Expenses (describe below):	
	(\$)
	(\$)
Total Net Proceeds	\$
Expected Value Per Credit Dollar	\$



Note strong fluctuation in recent credit pricing. WHEDA will not allow extensions or special considerations for making up gaps resulting from unrealistic credit pricing anticipation.

When are these net proceeds to be available?² _____

Type of offering: Public Private
 Type of investors: Individual Corporations

Name of fund:		
Syndicator:		
Address:	Phone:	
City:	State:	Zip Code:

XX. DEVELOPMENT SUBSIDY INFORMATION

Do/will any low-income units receive rental assistance? Yes No

If yes, check the type of rental assistance:³

- Section 8 New Construction/Substantial Rehabilitation
- Section 8 Moderate Rehabilitation
- Section 8 Certificates
- State Assistance (specify program) _____
- Section 8 Based Assistance
- Rural Development Assistance
- Other _____

Number of units receiving assistance: _____

Number of years of rental assistance contract: _____



¹If the development does not involve a real estate syndication sale of Credits, enter the amount of equity to be placed in the development.

²If investor equity is required to meet construction financing needs, enclose a copy of the investor commitment or letter of intent showing when it will occur, the amount, and under what terms it will be provided.

³Include conditional or firm commitment that documents number of units receiving assistance.

XXI. DEVELOPMENT RENTS

Maximum County Median Rent Limits by Unit Size

(Use correct county and proper percentage designation schedules, Appendix C)

	0-bedroom	1-bedroom	2-bedroom	3-bedroom	-bedroom
30% of Area Median Income	\$	\$	\$	\$	\$
40% of Area Median Income	\$	\$	\$	\$	\$
50% of Area Median Income	\$	\$	\$	\$	\$
60% of Area Median Income	\$	\$	\$	\$	\$

Low-to-Moderate Income Units Only (Do not include manager's unit(s)).

- Do not include utility allowances. Gross rent inclusive of utility allowances cannot exceed maximum CMI limits.
- Projected monthly rent for low-to-moderate income units must meet the percentage indicated by CMI in Category 6 of the Self-Scoring Exhibit in order to receive points in that category.
- **NOTE: No change is allowed in unit mix in Review 2 or 3 without WHEDA permission**

	Number of Bedrooms	Number of Units	CMI Set Aside %	Number of Baths	Size of Unit (Sq. Ft.)	Monthly per unit Net Rent	Monthly Utility Allowance	Monthly per unit Gross Rent	Total Monthly Rent (total units x net rent)
-bedroom						\$	\$	\$	\$
-bedroom						\$	\$	\$	\$
-bedroom						\$	\$	\$	\$
-bedroom						\$	\$	\$	\$
-bedroom						\$	\$	\$	\$
-bedroom						\$	\$	\$	\$
-bedroom						\$	\$	\$	\$
Totals:									

A. Available Net Monthly Rental Income Low-to-Moderate Income Units: \$

Market Rate Units Only

	Number of Bedrooms	Number of Units	Number of Baths	Size of Unit (Sq. Ft.)	Monthly per unit Net Rent	Monthly Utility Allowance	Monthly per unit Gross Rent	Total Monthly Rent (total units x net rent)
-bedroom					\$	\$	\$	\$
-bedroom					\$	\$	\$	\$
-bedroom					\$	\$	\$	\$
-bedroom					\$	\$	\$	\$
-bedroom					\$	\$	\$	\$
Total:								

B. Available Net Monthly Rental Income-Market Rate Units:

\$

C. Total Gross Monthly Rental Income (A+B):

\$

Estimated annual percentage increase in annual income: (%)

%

D. Total Annual Gross Rental Income (Cx12):

\$

XXII. ENERGY AND AMENITIES INFORMATION

Energy Equipment System & Fuel Type:

Heating: gas electric other:

Air Conditioner: central air window sleeve other:

Domestic Hot Water: gas electric other:

Amenities Included with Low-to-Moderate Income Units

- Common laundry
- Community room
- Security systems
- Play area
- Other

Unit Amenities (Check all that apply)

- Range/oven
- Hood fan
- Disposal
- Washer & dryer
- Laundry hookup only
- Dishwasher
- Microwave
- Refrigerator
- Patio/balcony
- Blinds/shades
- Drapes
- Cable TV hookup
- Sheet vinyl
- Ceramic tile
- Carpet
- Central A/C
- Sleeve and A/C unit
- A/C sleeve Only
- Trash compactor
- Other:
- Other:

Amenities Included with Market-Rate Units

- Common laundry
- Community room
- Security systems
- Play area
- Other:

Unit Amenities (Check all that apply)

- Range/oven
- Hood fan
- Disposal
- Washer & dryer
- Laundry hookup only
- Dishwasher
- Microwave
- Refrigerator
- Patio/balcony
- Blinds/shades
- Drapes
- Cable TV hookup
- Sheet vinyl
- Ceramic tile
- Carpet
- Central A/C
- Sleeve and A/C unit
- A/C sleeve Only
- Trash compactor
- Other:
- Other:

XXIII. MONTHLY UTILITY ALLOWANCE CALCULATIONS

Provide information for resident-paid utility costs only; enter allowance amounts by Bedroom Size

Utilities	Type of Utility (Gas, Electric, Etc.)	0-bdr	1-bdr	2-bdr	3-bdr	-bdr
Heating		\$	\$	\$	\$	\$
Cooking		\$	\$	\$	\$	\$
Hot Water		\$	\$	\$	\$	\$
Lighting		\$	\$	\$	\$	\$
Air conditioning		\$	\$	\$	\$	\$
Sewer		\$	\$	\$	\$	\$
Water		\$	\$	\$	\$	\$
Trash Removal		\$	\$	\$	\$	\$
Total Tenant-Paid Utilities		\$	\$	\$	\$	\$

Source of Utility Allowance Calculation

- WHEDA
 Utility Company
 Local PHA



Documentation supporting utility calculations must be submitted with this application. See Federal Register, Vol. 59, No. 42, March 3, 1994, Section 1.42-10 (See Appendix J for website information).

XXIV. ANNUAL DEVELOPMENT EXPENSE INFORMATION

Provide the following information for all units. Expenses must be itemized into the listed categories. Development expenses are expected to be reasonable and appropriate for the type of development. Submit documentation to support any unusual operating expense.

Administrative

Advertising	\$
Management (____% of EGI)	\$
Legal/Partnership	\$
Accounting/Audit	\$
WHEDA Compliance Fees	\$
Other:	\$
Total Administrative	\$

Maintenance

Decorating	\$	
Repairs	\$	
Exterminating	\$	
Grounds	\$	
Other:	\$	
Total Maintenance		\$

Operating

Elevator	\$	
Fuel (heating & hot water)	\$	
Lighting & misc. power	\$	
Water/Sewer	\$	
Gas	\$	
Trash removal	\$	
Payroll/Payroll Taxes	\$	
Hazard insurance	\$	
Common area electric	\$	
Supplies	\$	
Snow removal	\$	
Support Service Expenses (Attach description)	\$	
Other:	\$	
Total Operating Expense		\$
Real Estate Taxes		\$
Total Annual Expenses		\$
Annual Replacement Reserve		\$

Estimated annual percentage increase in annual expenses: _____%

XXV. SOURCES OF CONSTRUCTION & PERMANENT FINANCING FUNDS

Construction Financing

Construction financing funds must be adequate to meet construction expenses. Provide all commitments of funds to meet construction financing needs including investor commitments if necessary.

Source of funds	Amount of Funds
1.	\$
2.	\$
3.	\$
Total Amount of Construction Financing	\$

Permanent Financing

A copy of the permanent financing documents must be submitted with final application.

Name of Lender or Source of Funds	Amount of Funds	Annual Debt Service Cost	Interest Rate	Amortization Period	Term of Loan
1.			%		
2.			%		
3.			%		
4.			%		

Total Amount of Permanent Financing: \$ _____

Will the permanent financing have any type of credit enhancement? Yes No

 If 'yes,' attach a description of the credit enhancement.

Summary of Funding Sources

Total funds must equal or exceed total development cost indicated in Section XVII.

Estimate first mortgage	\$
Subordinate mortgage	\$
Subordinate mortgage	\$
Owner equity	\$
Investor equity	\$
Grants	\$
Grants	\$
Total Funds	\$

Grants and Other Monies

List all other sources of funds to be provided to the development. Applicants must submit commitment letters with this application that state term, interest rate, and repayment requirements, if any. Include investor commitment if required for construction financing.

Type	Name of Lender or Source of Funds	Commitment Date	Amount
WHEDA Grant Foundation			\$
CDBG Grant			\$
HOME Loan at above AFR interest rate*			\$
HOME Loan at below AFR interest rate*			\$
HOME Grant*			\$
Rental Rehab Grant			\$
State Grant			\$
Local Grant			\$
Other Grant			\$
Other Grant			\$
Other Grant			\$
Other			\$
Other			\$
Total Grants and Other Financial Commitments			\$
Annual Debt Service of Other Financial Commitments			\$

Please review use of HOME funds with tax credits. (Appendix D)

Is any legal action required to subordinate deferred loan to WHEDA's first mortgage?

Yes No

Will Federal/State Historic Tax Credits be used for this project?

Yes No

a) Estimated total credit amount:

\$

b) Estimated equity raised for project:

\$

c) Is this building(s) currently on the historic register?

Yes No

Tax-Exempt Bonded Developments

If tax-exempt financing will be used, list the percentage of tax-exempt financing to the development's total cost _____%

If 50% or more of the aggregate basis of building(s) and land are financed with tax-exempt bonds, Credit is allocated without charge against the state allocation.

XXVI. ANNUAL DEVELOPMENT CASH FLOW ANALYSIS SUMMARY

Annual Gross Income (D from page 20)		\$	
Less vacancy & collection loss factor @ _____ %		(\$)
Net rental income		\$	
Plus net non-rental income ¹		\$	
Annual Effective Gross Income			\$
Annual Operating Expenses			
Less total annual expenses (page 22)		(\$)
Less annual replacement reserve (page 22)		(\$)
Annual Net Operating Income Available for debt service and return on equity			\$
Less Annual Debt Service Costs			
	Amount	Annual Debt Service	
Estimated first mortgage	\$	(\$)
Servicing fee first mortgage	\$	(\$)
Subordinate mortgage	\$	(\$)
Servicing fee subordinate mortgage	\$	(\$)
Estimated Excess Cash Flow Available for Return on Equity			\$

¹Identify and calculate other estimated income sources (i.e. parking, laundry, commercial space, etc.) below:

XXVII. CERTIFICATION AND SIGNATURES

The Undersigned hereby acknowledges and certifies to the Wisconsin Housing and Economic Development Authority (WHEDA), individually, and on behalf of the Applicant and the Development as part of this application for Affordable Housing Tax Credit (the Credit) for the _____ (the Development)(this Application) as follows:

1. The Development Team is familiar with Section 42 of the Internal Revenue Code and the related rules and regulations thereunder (the Code) and the rules and requirements of WHEDA (the Requirements) with regard to the Credit, agrees to be bound by the Code and the Requirements and is in compliance with the Code and the Requirements.
2. The information contained in this Application, including all statements and certifications attached hereto, is true and correct and has been prepared with due diligence. The Development Team has an affirmative duty to notify WHEDA with regard to any changes regarding this Application or the Development. The Development Team knows of no facts or circumstances that would threaten or adversely affect the Development and cause the information in this Application to be incorrect or misleading.
3. WHEDA is subject to Chapter 19 of the Wisconsin Statutes (the Open Records Law) <http://www.legis.state.wi.us/rsb/stats.html>. The Development Team hereby consents to disclosure of this Application and related documentation pursuant to the Open Records Law.
4. The Development Team agrees to indemnify and hold harmless WHEDA, its members, officers, employees and agents, from and against any and all claims, suits, damages, costs and expenses arising out of WHEDA's review of and decision with regard to this Application or WHEDA's disclosure of any information pursuant to the Open Records Law. WHEDA makes no representations regarding compliance with the Code or the effect of the Credit on a particular taxpayer. WHEDA review of this Application and related documentation is for its own purposes.
5. Misleading information or representations contained in this Application may result in a revocation of Credit, notification to the Internal Revenue Service and prohibition from participation in the Credit program.
6. The Development team hereby certifies that the project will be (or has been) constructed in accordance with ADA and Fair Housing Standards.
7. The execution and delivery of this Application and this document is duly authorized and binding on the Development Team.

Date: _____
Name of Applicant

Name of Development

By: _____

Its: _____

By: _____

Its: _____

By: _____

Its: _____

This application form must be fully completed, signed, and accompanied by those items listed on the Submission form.

Development Name:	January 2003
City:	County:

2003

SELF-SCORING EXHIBIT

Instructions

Calculate applicable scores for your development on this exhibit by individual scoring category. After scoring individual categories, summarize the scores on this page. If a particular category does not apply to the development, enter "0" points.

WHEDA will determine actual point scores after review of information provided by applicant. If two or more applications receive the same score, the application requesting the lowest credit amount (per low-income unit) will be ranked the highest. **Points will not be awarded if the required documentation for a category is not submitted, is insufficient, or is not in an acceptable written form.** Applicants are reminded that if they apply for and receive ranking points, they will be required to enter into agreements with WHEDA to meet those indicated objectives. **Once a development has received a reservation, WHEDA will not permit any changes that affect the scoring of the development.**

All developments must score at least 160 to be eligible for Credit. Points ending in a fraction will be rounded down. WHEDA reserves the right to change this threshold as it deems appropriate.

Scoring Totals:

Category	Maximum Points	Applicant Score	WHEDA Score
1. Lower Income Areas	15		
2. Infill Development	15		
3. Local Support	27		
4. Mixed Income Incentive	25		
5. Serves Large Families	12		
6. Serves Lowest-Income Residents	45		
7. Resident Populations with Special Needs	12		
8. Small Developments	24		
9. Rehabilitation	45		
10. Services	15		
11. Market Appeal	18		
12. Accessible Design	20		
13. Proforma Benchmarks	45		
14. Financial Participation	40		
15. Ownership Characteristics	6		
16. Development Team	60	NA	
17. Extends Minimum Duration of Low-Income Use	6		
18. Readiness to Proceed	20		
Total	450		

Scoring Category 1: Lower Income Areas

Developments located in a qualified census tract the development of which contributes to a concerted community revitalization plan. Attach a copy of the plan.

Maximum 15 points	Total Points:
-------------------	---------------

Scoring Category 2: Infill Development

Developments that maximize land use efficiency through *new construction* within established urban service areas. In most cases, this is new development built on land that was platted and subdivided prior to 1972. Please provide corroborating information with this application. (i.e.: site map, land use plan, dated plat map, certified survey map, letter from local municipality or aerial photographs).

Maximum 15 points	Total Points:
-------------------	---------------

Scoring Category 3: Local Support

Type	Possible Points	Check Box(es)
Municipal Support – Support is indicated and certified on Local Official Notification form. Support = 15 points No position or opposed = 0	15	<input type="checkbox"/>
Community Support – 2 points for each letter of support from non-elected municipal officials, other elected public officials, neighborhood groups, or housing authorities. The letter(s) must not be neutral. They must clearly demonstrate favorable support. The letter(s) must be attached to the application or received by WHEDA no later than the application deadline date. Maximum of 6 points.	6	<input type="checkbox"/>
Indirect Financial Support – evidence of substantial government-funded offsite improvements that benefit the development, minimum of 5% of development budget.	6	<input type="checkbox"/>

Maximum 27 points	Total Points
-------------------	--------------

Scoring Category 4: Mixed Income Incentive

Percentage of Market Rate Units in Development. Score 1.25 (one & one-quarter) points for every percentage point of market rate units in the development as a whole, up to 25 points.

Divide the Number of Market-Rate Units by the Total Number of Development Units

Number of Market-Rate Units =		
Divided by Total Units	=	%
Multiplied by 1.25	X	Points

Maximum 25 points	Total Points:
-------------------	---------------

Scoring Category 5: Serves Large Families (Three-bedroom or larger units)

Divide the Number of 3-Bedroom (or larger) Low-Income Units by Total Number of Low-Income Units

Three- Bedroom (or Larger) Low-Income units Divided by Total Low-Income Units		=		%
---	--	---	--	---

Percentage	Points	Check One
10-15%	6	<input type="checkbox"/>
16-20%	8	<input type="checkbox"/>
21-25%	10	<input type="checkbox"/>
26-35%	12	<input type="checkbox"/>
36-40%	10	<input type="checkbox"/>
41-45%	8	<input type="checkbox"/>
46-100%	6	<input type="checkbox"/>



The market study must support the need for three-bedroom units.

Maximum 12 points	Total Points:
-------------------	---------------

Scoring Category 6: Serves Lowest-Income Residents

WHEDA will award points to developments with a minimum percentage of units reserved for households with incomes of 50% or less of the county median income and having gross rents based upon 50% or less of county median income. Additional points will be awarded for providing units in 2 or more of the low-CMI categories. Circle the point(s) corresponding to the appropriate unit and median income percentages. The application must reflect the unit set-aside choices. The market study (or Market Analysis Summary for developments of 24 units or less) must also address and show there is a sufficient market for the target population. Elections made in this category will be incorporated into the Land Use Restriction Agreement and will be binding for the length of the agreement.

Developments electing points in both this category and Category 4 may be subject to a reduction in Credit by the equity gap calculation. In order to encourage and assist developments in providing these lower rents, developments receiving points in this category may receive credit to the amount calculated by the qualified basis but no more than is necessary to make the development financially feasible.

NOTE: Points will not be awarded in this category for units under project-based or dedicated contract rent subsidies (e.g. Section 8, HAP, RAP, etc.). Such subsidized developments earn additional points in Category 14, Financial Participation. Points are also not awarded for units with resident-based subsidies (e.g. Section 8 vouchers or certificates).

Calculate appropriate percentages and points:

Set-aside Percentage of CMI	Number of Units	Percentage of Total, Must Exceed 5%	Multiplied by Factor	Total Points
50%			1	
40%			1.25	
30% or Lower			1.5	
Blending bonus of 2 points if scoring in 2 or more categories				2
Total points (not to exceed 45 points, rounded down)				

Maximum 45 points	Total Points:
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Example:

100 units total, 4 - 50% units, 6 - 40% units; 7 - 30% units

Math: 4 @ 50% = 4% (0) x 1 = **0 points**; 6 @ 40% = 6% (6) x 1.25 = **7.5 points**; 7 @ 30% = 7% (7) x 1.5 = **10.5 points**; **blending bonus of 2 points**; **Total = 7.5 + 10.5 + 2 = 20 points**

Scoring Category 7: Resident Populations with Special Needs

Points will be awarded to developments providing units intended for occupancy by one or more of the following population groups. The Market Study (or Market Analysis Summary for developments of 24 units or less) must support a sufficient market for the target population.

A) Percentage of Special Needs units – up to 9 points

Special Needs Units

- 1. Number of Units for Persons with physical disabilities*
- 2. Number of Units for Homeless individuals or homeless families, or frail elderly who receive services in an RCAC **
- 3. Total Special Needs Units (1 + 2) =
- 4. Total Development Units =
- 5. % Serving Special Needs Residents (3 ÷ 4) =

*Points are not awarded for design alone. Units must be intended for occupancy by persons with physical disabilities. Describe your architectural features and marketing plan.

**Points are not awarded for space alone, which does not count as a service. Support services must be optional and documentation must be provided, i.e. a Service Plan.

Percentage	Points	Check One
80-100%	9	<input type="checkbox"/>
70-79%	8	<input type="checkbox"/>
60-69%	7	<input type="checkbox"/>
50-59%	6	<input type="checkbox"/>
40-49%	5	<input type="checkbox"/>
30-39%	4	<input type="checkbox"/>
20-29%	3	<input type="checkbox"/>

B) Experience of Provider – 3 points

Provide documentation indicating the number of years and type of experience in the type of housing and/or service delivery proposed:

Experience of Provider - Self Scoring points (3 points) 3

Maximum 12 points	Total Points:
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Scoring Category 8: Small Developments

24 points will be awarded to developments with 24 or fewer units.

Maximum 24 points	Total Points:
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Scoring Category 9: Rehabilitation

Points will be awarded for the amount of rehabilitation hard cost per unit (categories B, C, and D in application.)

Check	Existing Multifamily	Adaptive Reuse Reuse	Points
<input type="checkbox"/>	\$12,000-\$13,500	\$60,000-\$65,000	18
<input type="checkbox"/>	\$13,501-\$15,000	\$65,001-\$70,000	21
<input type="checkbox"/>	\$15,001-\$16,500	\$70,001-\$75,000	24
<input type="checkbox"/>	\$16,501-\$18,000	Over \$75,000	27
<input type="checkbox"/>	\$18,001-\$19,500	----	30
<input type="checkbox"/>	\$19,501-\$21,000	----	33
<input type="checkbox"/>	\$21,001-\$22,500	----	36
<input type="checkbox"/>	\$22,501-\$24,000	----	39
<input type="checkbox"/>	\$24,001-\$25,500	----	42
<input type="checkbox"/>	Over \$25,500	----	45

Maximum 45 points	Total Points:
--------------------------	----------------------

Scoring Category 10: Services

WHEDA will award points to developments offering services that will benefit the residents and promote project viability for the long run.

The applicant must submit adequate supporting documentation for each service to be provided. Examples include:

- Contract or letter of intent for the service by third party vendor.
- Funds in operating/capital budget for delivery of the service (e.g. staff or dedicated vehicle).
- Other information, developer track record, infrastructure etc. (e.g. inclusion of beauty salon constitutes evidence of beauty/barber services).

Note: A service provided by a third party that is available to the public at large will not be awarded points in this category (example - Meals on Wheels, County-operated vans, etc.)

2 points for each service checked below (with noted exceptions):

<p>Check applicable boxes below</p> <p><input type="checkbox"/> Meal Services (Excluding Meals on Wheels)</p> <p><input type="checkbox"/> Laundry Services</p> <p><input type="checkbox"/> Beauty/Barber Services</p> <p><input type="checkbox"/> Public bus transportation on-site or at boundary = 5 points</p> <p><input type="checkbox"/> 24 Hour on-site manager</p> <p><input type="checkbox"/> Housekeeping Services</p>	<p>Check applicable boxes below</p> <p><input type="checkbox"/> Wellness monitoring/clinic</p> <p><input type="checkbox"/> Banking/Financial Services</p> <p><input type="checkbox"/> Development-Provided Scheduled Transportation or Dedicated Vehicle = 5 points</p> <p><input type="checkbox"/> Emergency call system</p> <p><input type="checkbox"/> Exercise/Stretching Class</p> <p><input type="checkbox"/> Other* (List)</p>
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WHEDA will determine reasonableness of 'other' service listed; see appendix L for a list of allowable services.

	Maximum allowable 15 points	Total Points:
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Scoring Category 11:	Market Appeal
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WHEDA will award points to developments offering amenities that enhance market appeal and promote project viability for the long run. The amenity must be included in 50% or more of the total development units.

2 points for each market appeal component checked below:

Check Applicable boxes below	Market Appeal Component
<input type="checkbox"/>	Separate exterior entries (family developments)
<input type="checkbox"/>	Community space
<input type="checkbox"/>	Non-Community Balconies / patios
<input type="checkbox"/>	Washer/dryer connection in units (in addition to central laundry)
<input type="checkbox"/>	Playground/Recreation area
<input type="checkbox"/>	Both Dishwasher and Garbage Disposal
<input type="checkbox"/>	Garage (at least 1 space per 2 units)
<input type="checkbox"/>	High-speed internet access in units.
<input type="checkbox"/>	Other* (List):
<input type="checkbox"/>	Other* (List):
<input type="checkbox"/>	Other* (List):



WHEDA will determine reasonableness of 'other' amenity listed; see Appendix L for a list of allowable market appeal components.

Maximum allowable 18 points	Total Points:
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Scoring Category 12: Accessible Design

Developments offering architectural features that increase accessibility will broaden the market for many units. All items must be specified and certified by an architect and attached to application.

Circle all that apply	Common Area Item
3	Handrails on both sides of common area hallways
3	Automatic door openers at the main entry
2	Low profile thresholds - 1/4" max vertical height or 1/2" max beveled at 1:2 are required between ALL interior common areas & in all dwelling unit openings when floor transition height differs.

Common Areas minimum % of Units (Circle all that apply)	Common Areas/Units – To receive points, features must be incorporated in common areas (if present) & a minimum <u>15%</u> of total development units
3	5 foot turning diameter in kitchen and bathroom - Space shall permit knee/toe clearance per ANSI Chapter 3. Space required to make 180-degree turn is clear space. Floor space below countertop/vanity is initially constructed to self-support & base cabinet is easily removable.
3	Switches for garbage disposal, fans, and receptacles mounted on the front of cabinets or on an end wall
3	Adjustable height countertops and cabinets
3	Roll in showers – Shower compartment at minimum 36" X 60" with no raised curb over 1/2" & have at minimum a clear floor space in front of 36" X 48".
2	Closets with adjustable rods and shelving – Rods/shelves a max of 54" above finished floor for side approach. Where distance from wheelchair to rod/shelf exceeds 10" the height shall be 48", depth not to exceed 21". Clear floor space at least 30" X 48" to allow either forward or parallel approach by wheelchair.
1	Front Control Self-cleaning ovens

Common Areas minimum % of Units (Circle all that apply)	Common Areas/Units – To receive points, features must be incorporated in common areas (if present) & a minimum <u>25%</u> of total development units
3	Lever handles within unit and public area doors
3	Townhouse units – if on an accessible level toilet/bathing facilities must be accessible
3	Blocking of interior wall spaces to accommodate the installation of grab bars, however, in non-elderly buildings, grab bars need not be installed initially
3	Exterior Doors with delayed action closers
3	Refrigerators with bottom freezers
3	Front loading washers and dryers
2	30-inch minimum clear open knee space below sinks with either removable or stowaway doors on front
2	Windows and window locks accessible – Windows requiring under 5 lbs. Of pressure to operate. Handles, pulls, etc. shall have shape easy to grasp with 1 hand & don't require tight grasping, pinching or twisting of wrist. Locks/latches mounted no more than 48" above finished door.
2	Front control ranges
2	Low pile carpeting - elderly housing - type 3, class 1, moderate wear in unit; type 3, class 2 heavy wear in public spaces. Family housing - type 1, class 1 or 2A in unit; type 3, class 2 public spaces.
2	Medicine cabinet and/or tilt mirror accessible
2	Bath/Shower with offset controls
1	Sink in kitchen with offset drain and removable cabinet front
1	Sinks in bathroom and kitchen with single lever faucets
1	Anti-scald devices on water supply fixtures
1	Bathtub permanently lined with non-skid surface or pattern covering 75% of the tub or shower stall floor

Other (List)	Points to be determined by WHEDA

Total of Circled Items	Circle Score – Maximum 20 total points
38 and Over	20
30-37	16
22-29	12
14-21	8
6-13	4

Total of Circled Items:	Maximum 20 points	Total Points:
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Scoring Category 13: Proforma Benchmarks

a. Expense Per Unit Per Month (PUPM)

Check Box	Elderly Expense PUPM	Family Expense PUPM	Points
<input type="checkbox"/>	\$167-\$187	\$193-\$213	4
<input type="checkbox"/>	\$188-\$207	\$214-\$233	7
<input type="checkbox"/>	\$208 or greater	\$234 or greater	13

PUPM expense is equal to total projected expenses, including replacement reserves and utilities paid by residents, less real estate taxes.

b. Debt Coverage Ratio-Primary Debt

Debt Coverage Ratio (DCR) for Primary Debt		
Check box	DCR	Points
<input type="checkbox"/>	1.17 - 1.18	5
<input type="checkbox"/>	1.19 – 1.20	10
<input type="checkbox"/>	1.21 and above	15

Debt Coverage Ratio (DCR) is defined as Net Operating Income divided by annual debt service. Note: for 2003 applications, WHEDA calculates DCR for all projects using an 8.0% interest rate – the actual interest rate may be used only if primary debt is tax-exempt or a form of federal financing. Applicants should assume a vacancy rate of 5.5% for developments of 25 or more units, and 7.0% for developments of 24 or fewer units.

c. Debt Coverage Ratio-Including Secondary/Subordinate Debt

Debt Coverage Ratio (DCR) including Secondary/Subordinate Debt		
Check Box	DCR	Points
<input type="checkbox"/>	1.07 and above	5

This Debt Coverage Ratio (DCR) is defined as Net Operating Income divided by total annual debt service. Total annual debt service equals the debt service as calculated in Section b. above **plus** any debt service due on subordinate debt, even if debt service is deferred for three years. Include HOME loans. Do not include deferred developer notes, or loans requiring no debt service payment. Calculate even if there is no secondary debt.

d. Operating & Rent-Up Reserve

From Category K in application.

Check Box	Reserve Amount	Points
<input type="checkbox"/>	Calculated to cover 4-6 mos. or more of operating expenses plus debt service	5
<input type="checkbox"/>	Calculated to cover 6 mos. or more of operating expenses plus debt service	10

Note: Use proforma operating expenses including real estate taxes and replacement reserve deposit. Use debt service as calculated in Section b. above.

e. Deferred Fee Ratio

Divide proposed Deferred Developers Fee by the Estimated First Year Cash Flow.

Proposed Deferred Developers Fee =	<input type="text"/>	
Divided by Estimated First Year Cash Flow =	<input type="text"/>	= <input type="text"/>

Deferred Fee Ratio		
Check Box	Deferred Ratio	Points
<input type="checkbox"/>	0 to 5.00	5

Maximum 45 points	Total Points:
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Scoring Category 14: Financial Participation

If the development is to receive financing or rental subsidy support from governmental entities or foundations, check the percent of development costs or percent of development units and multiply that value by 0.40 to determine the appropriate number of points. To receive points in this category, written conditional commitments must be submitted to document any points claimed. One or more of the following sources qualify: federal, state, county or city governments; public housing authorities; Wisconsin Department of Administration's Division of Housing and Intergovernmental Relations, tax-exempt bonding authorities; federal and/or state historic credit; and public or private foundations. If receiving historic credit, submit written evidence that it has been applied for.

Percentage of development costs supported with special financing or subsidies	_____ %
--	---------

Multiply % times 0.40, rounding down, to determine points: _____ % X 0.40 = _____ points

Percentage of development units with project-based/dedicated rent subsidies	_____ %
--	---------

Multiply % times 0.40, rounding down, to determine points: _____ % X 0.40 = _____ points

Maximum 40 points	Total Points:
--------------------------	----------------------

Scoring Category 15: Ownership Characteristics

Check applicable box(es). If any boxes are checked, supporting documentation must be attached in order to receive points.

Check box(es)	Item
<input type="checkbox"/>	Developments that are at least 51 percent owned and at least 51 percent controlled by minority group members or tribal government. (Minority "control" means a development is owned by an entity in which a minority group member has and exercises authority to independently control the entity). Please name the minority or nation: _____ (6 POINTS)
<input type="checkbox"/>	The Owner is a local tax-exempt organization (including local governments and public housing authorities) with previous experience in the development and/or operation of housing similar to that proposed in the application. (6 POINTS)
<input type="checkbox"/>	The development is intended for eventual resident ownership. Submit plan describing plan, and other necessary documentation. (6 POINTS)

Maximum 6 points	Total Points:
-------------------------	----------------------

Scoring Category 16: Development Team

Member	Possible Points
Developer Quality. Factors include the following: <ul style="list-style-type: none"> - number of years multifamily development experience - number of years experience with Section 42 multifamily development - number of Section 42 and multifamily units successfully developed - quality of previous Section 42 and multifamily developments (building quality and occupancy history) - developer's experience with the specific market - development partners, including general contractor 	33
Management Agent Quality. Factors include the following: <ul style="list-style-type: none"> - number of years experience with tax credit compliance - compliance history - vacancy history in Section 42 and multifamily portfolio - maintenance quality and history of Section 42 and multifamily portfolio - staffing capacity 	27

Maximum 60 points	Total Points (To be calculated by WHEDA)
--------------------------	---


Scoring Category 17: Extends Minimum Duration of Low-Income Use

Development owner agrees to extend low-income use beyond the 15 years mandated by the IRS. Owners will be required to enter into land-use restriction agreements for a total of 30 years. WHEDA recommends that the applicant consider the overall financial effect to the development when self-scoring in this category.

Maximum 6 points	Total Points:
-------------------------	----------------------

Scoring Category 18: Readiness to Proceed

	Possible Points	Points
Part 1. Zoning Status: Permissive zoning in place, including any conditional use permit or other acceptable zoning. (Final plan approval not required)	15	
Part 2. Financing Firm Commitments for subordinate financing necessary to make the project feasible. <i>(Points are awarded for Part 2 ONLY if applicant received Part 1 points)</i>	5	

 **Developments scoring in this category are assumed to be ready to proceed. Unless WHEDA receives the required Additional Documentation within 90 days of initial scoring publication, these points will not be included in the development's score. This lower score may result in failure to receive a credit allocation.**

Maximum 20 points	Total Points:
--------------------------	----------------------

**MARKET ANALYSIS SUMMARY
(MAS)**

ALL developments **under 25** units must complete the following Market Analysis Summary. ALL developments with **25 units or more** must submit a copy of the third-party market study along with page 51 of the Market Analysis Summary form. If **any** developments target a special needs population, the required letters to and from the County agency which serves that special needs population must be submitted. Please see the instructions below for this required component.

If the development is receiving financing from Rural Development (RD), include any third party market study(ies) which were submitted to RD. Include any additional information that you believe will demonstrate the market need for the project.

=====

Name of the organization and the name of individual that prepared the market analysis summary:

INSTRUCTIONS FOR THE MARKET ANALYSIS SUMMARY

PAGE 38

Indicate the development's target population: If claiming points in the Self Scoring Exhibit for "projects serving special needs populations", the applicant is required to submit additional supporting information requested. The following paragraphs indicate the type of supporting documentation that is required. Developments serving only special needs populations need not complete the rest of the form. All other developments must complete the remainder of the form.

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Summary of Comparable Properties Within the Target Area: If the development targets families, include information on other family projects within the target area that are of similar size and with similar amenities. If the proposed development targets elderly residents, include information on other elderly projects in the target area. Non-subsidized housing is defined as rental housing that does not receive a project-based rental subsidy from the Department of Housing and Urban Development or Rural Development or any other state or federal agency.

Average Rent by Number of Bedrooms: Please indicate average monthly net rent, based on the number of bedrooms, for the units in the project's target area. *Do not include an allowance for utilities.*

Number of outstanding building permits: Indicate the number, and value, of multifamily building permits for sites located within the project target area. Also, indicate if there are any planned developments that have yet to receive building permits. The local planning or city development department should be able to provide information on upcoming development projects.

PAGE 40

Target Area Demand: Data must be based on the 1990 Census; identify the source of the data that is used. Submit a copy of your demographic data with the Market Analysis Summary.

Target Range Income: Identify the income range that results from the low-income set-aside(s) chosen for this project. Identify assumptions made on the number of persons in a household who will occupy various bedroom sizes. For example, a one-bedroom unit might be occupied by a one- or two-person household; a two-bedroom unit might be occupied by a two-, three-, or four-person household.

Number of Renter Income Eligible Households: Based on the family size, identify how many rental households within the target area have incomes within the identified range. **If the development plans to serve several income levels (30% CMI, 40% CMI, 50% CMI, and/or 60% CMI), copy this page to address each individually.**

If the developments serves households have very low incomes and receive rental assistance, consider what other projects in the market target area have rental assistance. The households living in these units will probably be unlikely candidates for the development and should be excluded from the eligible households.

Penetration rate: Defined as the number of units in the subject property divided by the number of age and income-qualified households in the TMA.

Saturation rate: Defined as the number of units in the subject property + comparable pipeline units + existing comparable units divided by number of age and income-qualified households in the TMA.

Absorption rate: Defined as the number of months the project would take to reach sustaining occupancy (95% occupied at underwritten rents and expenses). The analyst should consider such factors as the overall estimate of new household growth, available supply of competitive units, observed trends in absorption of comparable units, and availability of subsidies and concessions. The absorption period will be considered to start as soon as the first units are released for occupancy.

Demand Analysis Example:

Assumptions:

Elderly project, 12 units (all one-bedroom, 60% CMI), 200 households of 1.5 persons earning at most 60% of CMI and paying no more than 40% of their income for rent, 25 households added via growth into TMA, 6 pipeline comparable units, 12 existing comparable units.

Calculations:

Penetration rate: 12 divided by 200 = 6%

Saturation rate: (12 + 6 + 12) divided by 200 = 15%

Absorption rate: Determined by history and observed factors to be 1.5 units per month:
12 divided by 1.5 = 8 months.

If this is an acquisition and rehabilitation project: Identify the number of current tenants that within the range indicated that are income eligible.

Projected Rental Household Growth: Indicate the expected household growth, within the project target area, for the years 2005 and 2010. Some suggested sources of this information are:

- University of Wisconsin Applied Population Lab -- (608) 262-1515 --contact Dan Veroff
- CACI -- (800)-292-2224 -- contact Alice Kavanaugh
- State and local versions of the Comprehensive Housing Affordability Strategy

PAGES 41 and 42

Detailed Comparable Information: Provide detailed market information on **four** comparable properties. A comparable property is one that will compete with the proposed development for prospective tenants. When selecting comparable properties, be aware of characteristics such as size, condition, age, and distance to necessary services, as well as the amenities or services provided by the development itself. When researching comparable properties, inquire whether rents include utilities, parking, storage, or services, and whether the development rents are subsidized or a portion of the tenants receive rental assistance. List this information in the detailed Comparable Properties segment.

WHEDA, in determining whether a market exists for a proposed project, will consider factors other than the market analysis summary and market study and reserves the right to reject the application based on those factors.

Telephone number:

You must include the following items with the MAS:

- 1) **A map identifying the development's location and target area. Describe why the target area was selected and attach your demographic data. Denote the comparable property locations.**
 - 2) **At least one picture of each comparable property.**
-

Indicate the development's target population: **Family** **Elderly** **Special Needs**

If claiming points in the Self-Scoring Exhibit for serving special needs populations, please review the following. If not claiming points, skip to page 50 of the Market Analysis Summary.

For developments serving special needs populations with physical disabilities, submit a letter from the appropriate County agency describing the following:

- (1) the current number of special needs households;
- (2) an estimate of the time prospective tenants have been waiting for housing, and
- (3) referrals of these tenants to your proposed project.

Attach a copy of the County agency's written response to the Market Analysis Summary. If the agency does not have that information available, include its letter stating this or note this separately in the application.

A directory of human service contacts in the Wisconsin counties may be purchased through: The Wisconsin County Human Service Association. Their telephone number for 2002 is 715-421-8600 (contact person is Carol Kummer).

For developments serving homeless persons or families, request the following from one of the homeless service providers:

- (1) The amount of need in the community (for example, shelter nights provided or other relevant facts); and
- (2) Describe how the service provider will work with you to place homeless persons or families into the units.

Attach a copy of the service provider's written response to the Market Analysis Summary. Contact the State of Wisconsin Division of Housing and Intergovernmental Relations at 608-266-0288 for a directory of service providers in the State.

Summary of Comparable Properties Within the Target Area

	Number of Units by Number of Bedrooms				Vacancy Rate by Number of Bedrooms			
	Effic	1 BR	2 BR	3+ BR	Effic	1 BR	2 BR	3+ BR
LIHC Developments								
Other Subsidized Developments								
Other Non-subsidized Developments								
Total								

	Average Rent by Number of Bedrooms (excluding utilities)				Number of Units Receiving Rental Subsidies			
	Effic	1 BR	2 BR	3+ BR	Effic	1 BR	2 BR	3+ BR
LIHC Developments								
Other Subsidized Developments								
Other Non-subsidized Developments								
Total								

Number of developments surveyed: LIHC HUD Other:

Number of outstanding multifamily building permits: _____

Estimated value of the outstanding multifamily permits: _____

Number of other planned new multifamily developments & number of units: _____

(List on a separate page: describe location, size, rents, amenities, when completion is planned, and if considered competitive.)

Target Area Demand for Rental Units

	Efficiency	1 BR	2 BR	3 BR	Overall
Target Range Income (lower to upper)					
Number of Renter ¹ Income Eligible Households					
Number of Development Units					
Development's Penetration Rate					
Number of Comparable Pipeline Units					
Number of Development Units + Comparable Pipeline Units					
Development's Saturation Rate					
Development's Absorption Rate					



¹Justify any use of owner-occupied households.

Current household population of the project's target area: _____

Current percentage of rental households living in the target area: _____

Projected Household Growth in Target Area:

Year 2005: _____ Year 2010: _____

Source of data: _____

Number tenant-based Section 8 Certificates (or any other tenant-based subsidy) available in the project market area: _____

Number of Section 8 Certificates (or other tenant-based subsidy) currently used at the present time: _____

Number of Section 8 Certificate holders unable to find housing: _____

Will the proposed receive any rental subsidy?

- Rural Development
 HUD
 Other: _____

If this is an acquisition and rehabilitation of an existing multifamily development:

Number of current tenants that are income eligible: _____

Number of income qualified tenants that will remain after rehabilitation is completed: _____

COMPARABLE PROPERTIES

Market Comparable 1:

Distance from Subject site:

Name:		Date Surveyed:
Address:		Age of Building:
Contact Person:	Phone #:	Current Vacancy Rate:
Elderly or Family Development:	Serving Special Needs? Yes/No	
Does the comparable receive any subsidies (rental or operating assistance)? Yes/No		
If so, please describe:		
Description of Development Amenities:		

Additional costs to tenants if not included in rent

Number of Bedrooms	# of Units	Size (Sq.Ft.)	Rent Per Month	Heat	Hot Water	Unit Electric	Gross Rent	Parking
-bdrm								
-bdrm								
-bdrm								
-bdrm								
-bdrm								
Total								

Market Comparable 2:

Distance from Subject site:

Name:		Date Surveyed:
Address:		Age of Building:
Contact Person:	Phone #:	Current Vacancy Rate:
Elderly or Family Development:	Serving Special Needs? Yes/No	
Does the comparable receive any subsidies (rental or operating assistance)? Yes/No		
If so, please describe:		
Description of Development Amenities:		

Additional costs to tenants if not included in rent

Number of Bedrooms	# of Units	Size (Sq.Ft.)	Rent Per Month	Heat	Hot Water	Unit Electric	Gross Rent	Parking
-bdrm								
-bdrm								
-bdrm								
-bdrm								
-bdrm								
Total								

COMPARABLE PROPERTIES

Set-aside Comparable 1:

Distance from Subject site:

Name:		Date Surveyed:
Address:		Age of Building:
Contact Person:	Phone #:	Current Vacancy Rate:
Elderly or Family Development:	Serving Special Needs? Yes/No	
Does the comparable receive any subsidies (rental or operating assistance)? Yes/No		
If so, please describe:		
Description of Development Amenities:		

Additional costs to tenants if not included in rent

Number of Bedrooms	# of Units	Size (Sq.Ft.)	Rent Per Month	Heat	Hot Water	Unit Electric	Gross Rent	Parking
-bdrm								
-bdrm								
-bdrm								
-bdrm								
-bdrm								
Total								

Set-aside Comparable 2:

Distance from Subject site:

Name:		Date Surveyed:
Address:		Age of Building:
Contact Person:	Phone #:	Current Vacancy Rate:
Elderly or Family Development:	Serving Special Needs? Yes/No	
Does the comparable receive any subsidies (rental or operating assistance)? Yes/No		
If so, please describe:		
Description of Development Amenities:		

Additional costs to tenants if not included in rent

Number of Bedrooms	# of Units	Size (Sq.Ft.)	Rent Per Month	Heat	Hot Water	Unit Electric	Gross Rent	Parking
-bdrm								
-bdrm								
-bdrm								
-bdrm								
-bdrm								
Total								

**LOCAL OFFICIAL NOTIFICATION FORM
DESCRIPTION OF DEVELOPMENT**

Project Name: _____
 Address: _____
 City: _____ WI ZIP: _____

Number of Development Units: _____ Number of Set-Aside Units: _____

Units are targeted to: family elderly special needs homeless
 physically disabled other:

<p>Type of building:</p> <p><input type="checkbox"/> Row house/town house</p> <p><input type="checkbox"/> Detached two-family</p> <p><input type="checkbox"/> Detached single-family</p> <p>Apartments:</p> <p><input type="checkbox"/> Elevator building, number of stories:</p> <p><input type="checkbox"/> Nonelevated building, number of stories:</p>	<p>Number of Buildings:</p> <table border="1" style="width: 100%; height: 100px;"> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table>						

Number of parking spaces:	Covered:	Uncovered:
Rent per space per month:	Covered: \$	Uncovered: \$

Gross floor area of all buildings: _____ (square feet)

Set-Aside Units (rents do not include utility expense)

Number of Bedrooms	Number of Baths	Number of Units	County Median Income Set-Aside	Monthly Rent per Unit	Average sq. ft. of Unit
-bedroom				\$	sq. ft.
-bedroom				\$	sq. ft.
-bedroom				\$	sq. ft.
-bedroom				\$	sq. ft.
-bedroom				\$	sq. ft.
-bedroom				\$	sq. ft.
Total:					

Market Rate Units (rents do not include utility expense)

Number of Bedrooms	Number of Baths	Number of Units	Monthly Rent per Unit	Average sq. ft. of Unit
-bedroom			\$	sq. ft.
-bedroom			\$	sq. ft.
-bedroom			\$	sq. ft.
Total:				

The tenant will pay the following utilities:

Utilities	Type of Utilities (Gas, Electric, Etc.)	0-bdr	1-bdr	2-bdr	3-bdr	-bdr
Heating		\$	\$	\$	\$	\$
Cooking		\$	\$	\$	\$	\$
Hot Water		\$	\$	\$	\$	\$
Lighting		\$	\$	\$	\$	\$
Air conditioning		\$	\$	\$	\$	\$
Sewer		\$	\$	\$	\$	\$
Trash		\$	\$	\$	\$	\$
Total Tenant-Paid Utilites		\$	\$	\$	\$	\$

Units Include:

Set-Aside Units:

- | | | |
|--|--|-------------------------------------|
| <input type="checkbox"/> Range | <input type="checkbox"/> Refrigerator | <input type="checkbox"/> Disposal |
| <input type="checkbox"/> Air conditioner | <input type="checkbox"/> Kitchen exhaust fan | <input type="checkbox"/> Dishwasher |
| <input type="checkbox"/> Washer & dryer | <input type="checkbox"/> Washer & dryer hookup | <input type="checkbox"/> Other: |

Market-Rate Units:

- | | | |
|--|--|-------------------------------------|
| <input type="checkbox"/> Range | <input type="checkbox"/> Refrigerator | <input type="checkbox"/> Disposal |
| <input type="checkbox"/> Air conditioner | <input type="checkbox"/> Kitchen exhaust fan | <input type="checkbox"/> Dishwasher |
| <input type="checkbox"/> Washer & dryer | <input type="checkbox"/> Washer & dryer hookup | <input type="checkbox"/> Other: |

Targeted Income Ranges of Tenants:

County Median Income (CMI)	-bdr	-bdr	-bdr
30%	\$ to \$	\$ to \$	\$ to \$
40%	\$ to \$	\$ to \$	\$ to \$
50%	\$ to \$	\$ to \$	\$ to \$
60%	\$ to \$	\$ to \$	\$ to \$
Market	\$ to \$	\$ to \$	\$ to \$

IMPORTANT!

Please check one:

- My office supports this development.
- My office has no position regarding this development.
- My office opposes this development.

We have received a copy of this document.

SIGNATURE

DATE

TITLE

PHONE

DEVELOPER EXPERIENCE CERTIFICATION

Developer Name: _____

Number of years in the multifamily apartment business: _____

I certify that the developments portrayed on the following *DEVELOPER EXPERIENCE* sheets represent all the developments in which I have participated within the last five (5) years that have activities, features, and/or are similar in size or type (family, elderly, special needs) to the proposed development.

Signature: _____

Date: _____

Name:(please print) _____



Please attach a resume or company fact sheet indicating years of experience, the experience of the principals and total applicable number of units.

INFORMATION RELEASE FORM

I, _____,
(Name of individual)

as _____
(Title)

of _____
(Name of developer)

grant you permission to disclose any and all information to the Wisconsin Housing and Economic Development Authority regarding the quality and performance of _____ relative to any real estate development for which the

(Name of developer, contractor or management agent)
referenced entity acted or continues to act as

_____ in your state, county, city or community.
(Developer, contractor or management agent)

Date: _____
(Name of developer, contractor or management agent)

By: _____

Its: _____
(Title)

RELEVANT EXPERIENCE AND CERTIFICATION: GENERAL CONTRACTOR

I certify that I represent the general contractor for (name of project) _____, located in (city, state) _____. I further certify that the following list represents all states in which I have transacted business within the last five (5) years.

Signature: _____

Date: _____

Complete the information below for each development your organization has carried out within the past five years. List only those developments which have activities, features, and/or are similar in size or type (family, elderly, special needs) to the proposed development. *Do not include developments not yet in operation.* Attach additional copies of this form as needed.

Development Name:		City, State:		Developer Name:		Telephone Number:			
Development Type: <input type="checkbox"/> New Construction <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Acquisition/Rehabilitation		Type of Subsidy: <input type="checkbox"/> None (Market) <input type="checkbox"/> Section 8 <input type="checkbox"/> Rural Housing		<input type="checkbox"/> Section 42 <input type="checkbox"/> Tax-Exempt Bond Financing <input type="checkbox"/> Other:		Contact Person at Subsidy Agency or Local Municipal Office: # of Units:		Telephone Number:	

Development Name:		City, State:		Developer Name:		Telephone Number:			
Development Type: <input type="checkbox"/> New Construction <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Acquisition/Rehabilitation		Type of Subsidy: <input type="checkbox"/> None (Market) <input type="checkbox"/> Section 8 <input type="checkbox"/> Rural Housing		<input type="checkbox"/> Section 42 <input type="checkbox"/> Tax-Exempt Bond Financing <input type="checkbox"/> Other:		Contact Person at Subsidy Agency or Local Municipal Office: # of Units:		Telephone Number:	

Development Name:		City, State:		Developer Name:		Telephone Number:			
Development Type: <input type="checkbox"/> New Construction <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Acquisition/Rehabilitation		Type of Subsidy: <input type="checkbox"/> None (Market) <input type="checkbox"/> Section 8 <input type="checkbox"/> Rural Housing		<input type="checkbox"/> Section 42 <input type="checkbox"/> Tax-Exempt Bond Financing <input type="checkbox"/> Other:		Contact Person at Subsidy Agency or Local Municipal Office: # of Units:		Telephone Number:	

Development Name:		City, State:		Developer Name:		Telephone Number:			
Development Type: <input type="checkbox"/> New Construction <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Acquisition/Rehabilitation		Type of Subsidy: <input type="checkbox"/> None (Market) <input type="checkbox"/> Section 8 <input type="checkbox"/> Rural Housing		<input type="checkbox"/> Section 42 <input type="checkbox"/> Tax-Exempt Bond Financing <input type="checkbox"/> Other:		Contact Person at Subsidy Agency or Local Municipal Office: # of Units:		Telephone Number:	

Development Name:		City, State:		Developer Name:		Telephone Number:	
-------------------	--	--------------	--	-----------------	--	-------------------	--



Please attach a resume or company fact sheet indicating years of experience, the experience of the principals and total applicable number of units.

INFORMATION RELEASE FORM

I, _____,
(Name of individual)

as _____
(Title)

of _____
(Name of contractor)

grant you permission to disclose any and all information to the Wisconsin Housing and Economic Development Authority regarding the quality and performance of

(Name of developer, contractor or management agent)

relative to any real estate development for which the referenced entity acted or continues to act as

(Developer, contractor or management agent)

in your state, county, city or community.

Date: _____

(Name of Developer, contractor or management agent)

By: _____

Its: _____
(Title)

RELEVANT EXPERIENCE AND CERTIFICATION: MANAGEMENT AGENT

I certify that I represent the management agent for (name of project) _____
 located in (city, state) _____ I further certify that the following list represents all states in which I have transacted business within the last three (3) years.

Signature: _____

Date: _____

Complete the information below for each development your organization has carried out within the past three years. List only those developments which have activities, features, and/or are similar in size or type (family, elderly, special needs) to the proposed development. *Do not include developments not yet in operation.* Attach additional copies of this form as needed.

Development Name:		City, State:		Director's Name:		Telephone Number:		
Development Type: <input type="checkbox"/> New Construction <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Acquisition/Rehabilitation		Type of Subsidy: <input type="checkbox"/> None (Market) <input type="checkbox"/> Section 8 <input type="checkbox"/> Rural Housing		<input type="checkbox"/> Section 42 <input type="checkbox"/> Tax-Exempt Bond Financing <input type="checkbox"/> Other:		Placed in Service Date:	# of Units:	Physical/Economic Occupancy Rate
				# Years Managed by Agent::	# of Low-Income Units:			
Contact Person at Agency or Local Office:				City, State:		Telephone Number:		

Development Name:		City, State:		Director's Name:		Telephone Number:		
Development Type: <input type="checkbox"/> New Construction <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Acquisition/Rehabilitation		Type of Subsidy: <input type="checkbox"/> None (Market) <input type="checkbox"/> Section 8 <input type="checkbox"/> Rural Housing		<input type="checkbox"/> Section 42 <input type="checkbox"/> Tax-Exempt Bond Financing <input type="checkbox"/> Other:		Placed in Service Date:	# of Units:	Physical/Economic Occupancy Rate
				# Years Managed by Agent::	# of Low-Income Units:			
Contact Person at Agency or Local Office:				City, State:		Telephone Number:		

Development Name:		City, State:		Director's Name:		Telephone Number:		
Development Type: <input type="checkbox"/> New Construction <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Acquisition/Rehabilitation		Type of Subsidy: <input type="checkbox"/> None (Market) <input type="checkbox"/> Section 8 <input type="checkbox"/> Rural Housing		<input type="checkbox"/> Section 42 <input type="checkbox"/> Tax-Exempt Bond Financing <input type="checkbox"/> Other:		Placed in Service Date:	# of Units:	Physical/Economic Occupancy Rate
				# Years Managed by Agent::	# of Low-Income Units:			
Contact Person at Agency or Local Office:				City, State:		Telephone Number:		

Development Name:		City, State:		Director's Name:		Telephone Number:		
Development Type: <input type="checkbox"/> New Construction <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Acquisition/Rehabilitation		Type of Subsidy: <input type="checkbox"/> None (Market) <input type="checkbox"/> Section 8 <input type="checkbox"/> Rural Housing		<input type="checkbox"/> Section 42 <input type="checkbox"/> Tax-Exempt Bond Financing <input type="checkbox"/> Other:		Placed in Service Date:	# of Units:	Physical/Economic Occupancy Rate
				# Years Managed by Agent::	# of Low-Income Units:			
Contact Person at Agency or Local Office:				City, State:		Telephone Number:		



Please attach a resume or company fact sheet indicating years of experience, the experience of the principals and total applicable number of units.

INFORMATION RELEASE FORM

I, _____,
(Name of individual)

as _____
(Title)

of _____
(Name of developer, contractor or management agent)

grant you permission to disclose any and all information to the Wisconsin Housing and Economic Development Authority regarding the quality and performance of

(Name of developer, contractor or management agent)
relative to any real estate development for which the referenced entity acted or continues to act as

(Developer, contractor or management agent)
in your state, county, city or community.

Date: _____

(Name of developer, contractor, or management agent)

By: _____

Its: _____
(Title)

REQUEST FOR REFERRALS FORM

Date:

(Contact Person)

(Housing Authority Name)

(Address)

(City, State, ZIP)

Dear _____:
(Contact Person)

The _____ plans to develop a _____ # of Units
Developer/Applicant

_____ development in _____.
family/elderly name of community

The development will serve tenants whose income range from _____% to _____% of the county median income. We expect to place the development in service _____.

We believe our development will meet the needs of many of your prospective tenants and request that you refer those who have been on your waiting list for six months or more to us.

Should you have any questions, please contact me at () _____ - _____.

Sincerely,

Contact Person

Developer/Applicant

TAX CREDIT

MULTIFAMILY LOAN APPLICATION ADDENDUM



201 West Washington Avenue, Suite 700
PO Box 1728
Madison WI 53701-1728
608-266-7884

101 West Pleasant Street, Suite 100
Milwaukee WI 53212-3962
414-227-4039

Revised
October 2002

TAX CREDIT MULTIFAMILY LOAN APPLICATION ADDENDUM SUBMISSION CHECKLIST

Please follow and use this checklist in completing your application package. Your application will be considered incomplete if any required item is missing. Further review will not resume until missing items are received.

- Nonrefundable Loan Application Fee: \$250 for projects of 24 units or less and \$500 for projects of 25 units or more
- The Tax Credit Multifamily Loan Application Addendum, signed by appropriate signatory
- At least 4 color photographs of the site itself and adjacent land uses from all directions. Also include all applicable street views
- Evidence of site control: A signed and accepted copy of an option, an unexpired contract for purchase or a copy of the deed if title has already been transferred. Terms of the sale (such as price, seller financing, etc.) should be specified. (Options must extend at least 120 days beyond the application submission date.) All forms of site control must include a complete legal description of the property (per address for scattered site projects)
- Financial statements of the Developer and/or Owner, audited if available.
- Conceptual drawings: sketches of site plan and building layout, if available.

TAX CREDIT MULTIFAMILY LOAN APPLICATION ADDENDUM

Date of Application: _____

WHEDA Project # _____
(WHEDA use only)

1. APPLICANT

DEVELOPMENT NAME AND ADDRESS

Name:		
Address:		
City:	Wisconsin	Zip:
County:	Census tract:	

2. LOAN REQUESTED

PROPOSED FINANCING INFORMATION

Loan Requested	\$	Annual P & I	\$
Interest Rate	%	Debt Cover Ratio <i>(Net Operating Income divided by Annual P & I)</i>	
Term	Years	Mortgage per Unit	\$

FINANCING TYPE <i>(Check all that apply)</i>		FINANCING FOR <i>(Check all that apply)</i>	
Construction & Permanent Mortgage		New Construction	
Permanent only		Acquisition & Rehabilitation	
Construction only		Refinance	

3. DEVELOPMENT CHARACTERISTICS

SQUARE FOOTAGE BREAKDOWN

	GROSS Sq. Ft.
Residential	
Common Area	
Surface Garage Area	
Underground Parking Area	
Basement Area only	
Commercial	
TOTAL SQUARE FOOTAGE	

3. DEVELOPMENT CHARACTERISTICS (Continued)

A. UTILITIES (Check all that apply)

	Gas	Electric	Other	Owner Paid	Tenant Paid
Heat (Primary Source)					
Cooking					
Hot Water					
Unit Electric (Lights)					
Air Conditioning					
Sewer					
Water					
Parking					
Storage					
Trash Removal					

B. NEAREST LINKAGES AND SERVICES

	Distance		Distance
Grocery Store		Day Care Center	
Convenience Store		Elementary School	
Place of Worship		Middle School	
Hospital		High School	
Post Office		Senior Citizen Center	
Banks		Bus Stop	
Shopping Center		Special Transit Services	

4. GENERAL SCOPE OF WORK (REHABILITATION PROJECTS ONLY)

	Cost estimates	Describe (Attach additional descriptions if necessary)
Interior	\$	
Exterior	\$	
Plumbing	\$	
Electric	\$	
Heating System	\$	
Roof	\$	
Appliances	\$	
Landscaping	\$	
Other	\$	
Other	\$	
TOTAL	\$	

5. CONSTRUCTION BUDGET			
A. HARD COSTS			
1	New Structures (new construction)	\$	
2	Rehabilitation	\$	
3	Site Work	\$	
4	Mortgage Payoff (refinance only)	\$	
5	Surface Garage/Underground Parking	\$	
6	Other	\$	
7	TOTAL CONSTRUCTION HARD COSTS	\$	
8	HARD COST PER SQUARE FOOT <i>(Divide line 7 by Total Residential & Common Area Sq. Ft. on page 1)</i>		\$

B. SOFT COSTS			
9	Architectural Design/Engineering	\$	
10	Architectural Supervision	\$	
11	Miscellaneous Engineering Fees	\$	
12	Construction Interest (_____ months)	\$	
13	Real Estate Tax (during construction)	\$	
14	Construction Insurance	\$	
15	Construction Origination Fee (non-WHEDA)	\$	
16	AHTC Tax Credit Fee	\$	
17	Appraisals, Reports, Consultants	\$	
18	Environmental Assessment Report(s)	\$	
19	Legal Fees	\$	
20	Title Insurance & Recording Fees	\$	
21	Developer Fee	\$	
22	Operating & Rentup Reserves	\$	
23	Common Area Furniture & Fixtures	\$	
24	Letter of Credit	\$	
25	Cost Certification	\$	
26	Relocation Costs	\$	
27	WHEDA Application Fee	\$	
28	WHEDA Mtg. Origination Fee (___% of Mortgage)	\$	
29	Other	\$	
30	Other	\$	
31	TOTAL CONSTRUCTION SOFT COSTS		\$

C. TOTAL COSTS			
32	Total Hard Costs from Line 7, above:	\$	
33	Total Soft Costs from line 31, above:	\$	
34	Land Cost:	\$	
35	Existing Building(s) Cost:	\$	
TOTAL PROJECT COST:			\$

6. DEVELOPMENT INCOME		
GROSS POTENTIAL INCOME (GPI):		Total Annual
	Total Gross Rental Income <i>(See AHTC application page 20)</i>	\$
1	Laundry	\$
2	Parking	\$
3	Commercial	\$
4	Interest Income	\$
5	Support Service Income <i>(Attach separate page with specific details if applicable)</i>	\$
6	Other Income: Describe	
7	Other Income: Describe	\$
8	TOTAL GROSS POTENTIAL INCOME	\$
9	Less Rental Vacancy (____%) (minimum 5%)	\$
10	Less Other Vacancy (____%) (e.g. commercial, laundry, parking, etc.)	\$
11	TOTAL VACANCY LOSS	\$
12	EFFECTIVE GROSS INCOME (EGI) GPI (line 8) less Total Vacancy Loss (line 11)	\$

7. DEVELOPMENT EXPENSES		
1	Administrative - Other <i>(Include detail on separate page)</i>	\$
2	Affordable Housing Tax Credit Monitoring Fees	\$
3	TOTAL ADMINISTRATIVE	\$
4	Utilities	\$
5	Operating & Maintenance	\$
6	Hazard Insurance	\$
7	Replacement Reserve <i>(Minimum per unit per year - Elderly: \$200, Family: \$250)</i>	\$
8	Real Estate Taxes	\$
9	Support Service Expenses <i>(Attach description)</i>	\$
10	Other <i>(Provide documentation)</i>	\$
11	TOTAL EXPENSES	\$

8. CASH FLOW

12	Effective Gross Income (Page 5, Line 12)	\$
13	Less Total Expenses (Page 5, Line 11)	\$
14	Net Operating Income (EGI {line 12} less Total Expenses {line13})	\$
15	Less Debt Service (Annual P & I, page 1)	\$
16	Projected Cash Flow	\$

9. ENVIRONMENTAL ISSUES

Do you know of or suspect the evidence or the presence of a potential hazard or condition? Yes/No

If yes, explain:

10. COMPARABLE PROPERTIES

A. Market Comparable 1: Distance from Subject site:

Name:		Date Surveyed:
Address:		Age of Building:
Contact Person:	Phone #:	Current Vacancy Rate:
Elderly or Family Development:	Serving Special Needs? <i>Yes/No</i>	
Does the comparable receive any subsidies (rental or operating assistance)? <i>Yes/No</i>		
If so, please describe:		
Description of Development Amenities:		

Number of Bedrooms	# of Units	Size (Sq.Ft.)	Rent Per Month	Additional costs to tenants if not included in rent			Gross Rent	Parking Description:
				Heat	Hot Water	Unit Electric		
- bdrm								
- bdrm								
- bdrm								
- bdrm								
Total								

Market Comparable 2: Distance from Subject site:

Name:		Date Surveyed:
Address:		Age of Building:
Contact Person:	Phone #:	Current Vacancy Rate:
Elderly or Family Development:	Serving Special Needs? <i>Yes/No</i>	
Does the comparable receive any subsidies (rental or operating assistance)? <i>Yes/No</i>		
If so, please describe:		
Description of Development Amenities:		

Number of Bedrooms	# of Units	Size (Sq.Ft.)	Rent Per Month	Additional costs to tenants if not included in rent			Gross Rent	Parking Description:
				Heat	Hot Water	Unit Electric		
- bdrm								
- bdrm								
- bdrm								
- bdrm								
Total								

10. COMPARABLE PROPERTIES (Continued)

B. Set-aside Comparable 1: Distance from Subject site:

Name:		Date Surveyed:
Address:		Age of Building:
Contact Person:	Phone #:	Current Vacancy Rate:
Elderly or Family Development:	Serving Special Needs? <i>Yes/No</i>	
Does the comparable receive any subsidies (rental or operating assistance)? <i>Yes/No</i>		
If so, please describe:		
Description of Development Amenities:		

Number of Bedrooms	# of Units	Size (Sq.Ft.)	Rent Per Month	Additional costs to tenants if not included in rent			Gross Rent	Parking Description:
				Heat	Hot Water	Unit Electric		
- bdrm								
- bdrm								
- bdrm								
- bdrm								
Total								

Set-aside Comparable 2: Distance from Subject site:

Name:		Date Surveyed:
Address:		Age of Building:
Contact Person:	Phone #:	Current Vacancy Rate:
Elderly or Family Development:	Serving Special Needs? <i>Yes/No</i>	
Does the comparable receive any subsidies (rental or operating assistance)? <i>Yes/No</i>		
If so, please describe:		
Description of Development Amenities:		

Number of Bedrooms	# of Units	Size (Sq.Ft.)	Rent Per Month	Additional costs to tenants if not included in rent			Gross Rent	Parking Description:
				Heat	Hot Water	Unit Electric		
- bdrm								
- bdrm								
- bdrm								
- bdrm								
Total								

APPLICANT CERTIFICATION

The Undersigned hereby acknowledges and certifies to the Wisconsin Housing and Economic Development Authority (WHEDA), individually and on behalf of the Applicant/Developer (the "Applicant") as part of this application for Authority mortgage loan financing in the amount of \$_____ for the _____ the "Development")(the "Application") located at _____ as follows:

1. The information contained in the Application, including all statements and certifications attached hereto, is true and correct and has been prepared with due diligence. The Applicant has an affirmative duty to notify WHEDA with regard to any changes to the information contained in the Application or to the Development. The Applicant knows of no facts or circumstances that would threaten or adversely affect the Development and cause the information in the Application to be incorrect or misleading. WHEDA or its agents may make verification of information contained in the Application at any time.
2. The Applicant agrees to indemnify and hold harmless WHEDA, its members, officers, employees and agents, from and against, any and all claims, suits, damages, costs and expenses arising out of WHEDA's review of and decisions with regard to the Application. Authority analysis and review of the Application and related documentation is for its own purposes. The Applicant is not entitled to rely on such analysis and review. WHEDA is not responsible for any actions taken by Applicant in reliance on a prospective financing commitment from WHEDA. WHEDA is not liable for damages resulting directly or indirectly from such actions. A financing commitment does not exist until WHEDA has issued a Loan Approval Commitment Letter and the Applicant has accepted such Letter.
3. Misleading information or misrepresentation contained in the Application may result in the termination of the underwriting/approval process, a revocation of loan approval and/or prohibition from participation in Authority programs.
4. The Contract Documents when entered into by WHEDA and the Applicant shall supersede all discussions, negotiations and agreements with regard to the Application.
5. The execution and delivery of the Application and this document is duly authorized and binding on the Applicant.
6. Your signature on the authorization below will permit WHEDA to make requests of any individual, firm or other normal sources of debt or credit information. Without your express written consent, however, WHEDA will not unnecessarily release credit information to any individual or firm not affiliated with WHEDA, or not related to the transaction under consideration. Your authorization will also permit WHEDA and its commonly-controlled entities to exchange account and credit information from time to time with any of the banking or non-banking affiliates of WHEDA.

Date: _____

Name of Applicant











By: _____

Name and Title
















TAX CREDIT MULTIFAMILY LOAN ADDENDUM CHECKLIST
Loans Greater than \$500,000

This checklist is to help you understand the documents that will likely be required for our loan and closing process.








LOAN CLOSING DOCUMENTS

-  WHEDA contracted independent Appraisal and/or Market Study
-  Management plan/profile; Marketing plan
-  Management agreement
-  **Non-Profit only:** Any supporting documentation of PILOT exemption
-  Evidence of permissive zoning: A letter or other evidence from the appropriate local governmental body indicating that the project meets local zoning requirements for number and type of units
-  Phase I Environmental Audit
-  Evidence of Insurance
-  Proof of management entity fidelity bond
-  ACH Authorization
-  Cost Certification

ARCHITECTURAL DOCUMENTS

-  Certified property survey
-  Preliminary drawings and outline specifications:
 - building floor plan
 - principal exterior elevation
 - wall section, minimum 1/2" scale noting materials
 - cost estimates of major divisions of work
 - typical floor plan 1/8" scale
 - outline of building materials and systems
-  Topographical site survey
-  **Rehab only:** Detailed scope of rehabilitation work
-  Subsurface geotechnical (soils) reports
-  Final building construction (bid) design drawings:
 - site development and utility plans
 - foundation plans and details
 - door, window and furnishings schedules
 - mechanical systems plans, details and schedules
 - material and performance specifications
 - building structural and mechanical systems design calculations (heat loss)
 - floor plan 1/8" scale
 - enlarged plans of typical units
 - building section and details
 - finished material schedules
 - exterior building elevations
-  Local and/or state Wisconsin Commerce Buildings and Safety building plan review letters
-  Prime construction contracts
-  Final Construction trade breakdowns (schedule of values)
-  Design Architect's Opinion Letter including development interests and compliance with Fair Housing and Americans with Disabilities Act accessibility standards
-  Certificate(s) of substantial completion
-  Occupancy permits
-  Warranty documents of major building components
-  Mortgage "as built" survey
-  Supervisory Architect's Opinion Letter










LEGAL DOCUMENTS

-  Title Insurance commitment (full amount)
-  Letter of credit
-  Attorney's opinion letter
-  Resolution of borrower's organization
-  Organizational documents (i.e. partnership agreements, articles and bylaws, articles of organization, operating agreement) and if a 501(c)(3), IRS documentation of tax-exempt status (for existing entities)
-  State licenses (where applicable; e.g., CBRF operators)
-  Zoning & Floodplain letters












MULTIFAMILY LOAN CHECKLIST
Loans less than \$500,000

This checklist is to help you understand the documents that will likely be required for our loan and closing process.







LOAN CLOSING DOCUMENTS

-  WHEDA contracted independent Appraisal and/or Market Study
-  Management plan/profile; Marketing plan
-  Management agreement
-  **Non-Profit only:** Any supporting documentation of PILOT exemption
-  Evidence of permissive zoning: A letter or other evidence from the appropriate local governmental body indicating that the project meets local zoning requirements for number and type of units
-  Evidence of Insurance
-  Proof of management entity fidelity bond
-  ACH Authorization
-  Cost Certification

ARCHITECTURAL DOCUMENTS

-  Certified property survey for new construction, copy of platmap for existing projects
-  **Rehab only:** Detailed scope of rehabilitation work
-  Final building construction (bid) design drawings:
 - site development and utility plans
 - foundation plans and details
 - door, window and furnishings schedules
 - mechanical systems plans, details and schedules
 - material and performance specifications
 - building structural and mechanical systems design calculations (heat loss)
 - floor plan 1/8" scale
 - enlarged plans of typical units
 - building section and details
 - finished material schedules
 - exterior building elevations
-  Local and/or state Wisconsin Commerce Buildings and Safety building plan review letters
-  Prime construction contracts
-  Final Construction trade breakdowns (schedule of values)
-  Design Architect's Opinion Letter including development interests and compliance with Fair Housing and Americans with Disabilities Act accessibility standards
-  Certificate(s) of substantial completion
-  Occupancy permits
-  Warranty documents of major building components
-  Supervisory Architect's Opinion Letter

LEGAL DOCUMENTS

-  Title Insurance commitment (full amount)
-  Letter of credit
-  Resolution of borrower's organization
-  Organizational documents (i.e. partnership agreements, articles and bylaws, articles of organization, operating agreement) and if a 501(c)(3), IRS documentation of tax-exempt status (for existing entities)
-  State licenses (where applicable; e.g., CBRF operators)
-  Zoning & Floodplain letters

LAND USE RESTRICTION AGREEMENT
FOR LOW-INCOME HOUSING TAX CREDIT

Return to: GENERAL COUNSEL
WHEDA
PO BOX 1728
MADISON WI 53701-1728

PIN: _____

Drafted By: Mickey N. Conrad, General Counsel
Wisconsin Housing and Economic
Development Authority
P.O. Box 1728
Madison, WI 53701-1728

SAMPLE

(Borrower's Name)
(Project Name)
(Project Address)
(City, Town, Wisconsin Zip)
LIHC #

THIS LAND USE RESTRICTION AGREEMENT (the "Agreement") dated as of _____, _____ is by and between _____, a Wisconsin _____ (the "Owner") and the WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic, located at 201 West Washington Avenue, Suite 700, P. O. Box 1728, Madison, Wisconsin 53701-1728 (the "Authority").

WITNESSETH:

WHEREAS, the Owner is or shall be the owner of a _____-unit rental housing development (consisting of one (1) manager's unit which has been excluded by the Owner from eligibility for tax credit under IRS ruling 92-61, _____ tax credit units, and _____ market-rate-rent units). The development is located on lands in the City of _____, County of _____, State of Wisconsin, more particularly described in Exhibit A hereto, known as _____ (LIHC # _____ and BINs: _____, and _____) (the "Project"); and

WHEREAS, the Project consists of the following buildings:

WHEREAS, the Authority has been designated by the Governor of the state of Wisconsin as the housing tax credit agency for the state of Wisconsin for the allocation of low-income housing tax credits; and

WHEREAS, the Owner has applied to the Authority for an allocation of low-income housing tax credits to the Project; and

WHEREAS, the Owner and the Project must continuously comply with Section 42 and other applicable sections of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations thereunder or under the Internal Revenue Code of 1954 as in effect on the date of enactment of the Code; and

WHEREAS, compliance by Owner and the Project with Section 42 of the Code is in large part within the control of the Owner; and

WHEREAS, the Authority is unwilling to allocate low-income housing tax credits to the Project unless the Owner shall, by entering into this Agreement, consent to be regulated by the Authority in order that the Authority may enforce the occupancy restrictions and other covenants, terms and conditions of this Agreement in accordance with the Code and the regulations promulgated thereunder; and

WHEREAS, the Owner has represented to the Authority in the Owner's Low-Income Housing Tax Credit Application (the "Application") that Owner shall lease certain units in the Project to individuals or families whose income meets certain specified requirements as determined in accordance with the Code.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Owner and the Authority agree as follows:

1. Definitions. All words and phrases used in this Agreement, defined in the Code or the regulations promulgated thereunder, and not defined herein, shall have the meanings assigned to such words and phrases by the Code or such regulations.

2. Representations, Covenants and Warranties of the Owner. Owner makes the following representations and warranties to induce the Authority to enter into this Agreement and further represents, warrants and covenants that:

a. The Owner has the full legal right, power and authority to execute and deliver this Agreement and to perform all the undertakings of the Owner hereunder.

b. The Owner has good and marketable title to the Project.

c. The Project constitutes and will constitute residential rental property, as defined in Section 42 of the Code and the regulations promulgated thereunder, the rental units of which will be rented or available for rental on a continuous basis to members of the general public. The Project consists of one or more proximate buildings or structures containing one or more similarly constructed accommodations containing separate and complete facilities for living, sleeping, eating, cooking and sanitation which are to be used on other than a transient basis and facilities which are functionally related and subordinate to such accommodations. No actions will be taken by the Owner which will in any way impair the use of the Project therefor.

d. The Owner will not knowingly take or permit to be taken any action, which would have the effect, directly or indirectly, of causing the Project to be in noncompliance with Section 42 of the Code and the regulations promulgated thereunder.

e. The Owner shall comply with all federal and state fair housing laws as now or hereafter in effect and shall not discriminate upon any basis prohibited by law in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

f. The Owner shall not:

(i) demolish any part of this Project or substantially subtract from any real or personal property of the Project; or

(ii) permit the use of any residential rental unit for any purpose other than rental housing during the term of this Agreement.

(iii) refuse to lease a unit to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.

g. The Owner warrants that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

h. If the Owner becomes aware of any situation, event or condition, which would result in noncompliance of the Project or the Owner with Section 42 of the Code or the regulations thereunder, the Owner shall promptly give written notice thereof to the Authority.

i. All units of the Project occupied by Qualifying Tenants shall be of comparable quality to other units in the Project.

j. Owner represents that the "applicable fraction" (as defined in Section 42(c) of the Code) for the Project is, as of the date hereof, %, and covenants that the applicable fraction shall not fall below such percentage while the occupancy restrictions set forth in Section 4 of this Agreement are in effect.

k. Owner warrants that the Project complies in all respects with Section 42 of the Code and the regulations promulgated thereunder and covenants that the Project shall continue, during the term of this Agreement, to comply in all respects with such Section and regulations. Owner warrants that all information heretofore supplied by Owner to the Authority in connection with Owner's Application is true and correct in all respects. The Owner's Application and accompanying attachments are incorporated herein by reference and made a part hereof.

l. The tax identification number of Owner is .

m. The Project was placed in service (as defined in Section 42 of the Code) on the following dates:

Building 1: _____, 199 ; and
Building 2: _____, 199 .

n. The Owner covenants that it shall not dispose to any person any portion of the Project unless all of the Project is disposed of to such person.

o. The Owner covenants that it shall neither (i) evict or terminate the tenancy (other than for good cause) of an existing tenant of any low-income unit or (ii) increase the gross rent with respect to any such unit not otherwise permitted by Section 42 of the Code.

p. The Owner covenants and agrees that the Owner shall pay all reasonable monitoring fees established by the Authority from time to time pursuant to the Authority's responsibility for monitoring compliance with this Agreement and the Code.

3. Term of Restrictions.

a. The term of the occupancy restrictions set forth in Section 4 of this Agreement shall:

(i) commence upon the first day of the taxable year in which the Project is placed in service (or, if Owner has elected under Section 42(f)(1)(B) of the Code to have the credit period begin in the succeeding taxable year, then upon the first day of such succeeding taxable year); and

(ii) end on the earlier of: (a) the last day of the twenty-ninth (29th) taxable year following the taxable year described in Section 3.a.(i); or (b) the date the Project is acquired by foreclosure or instrument in lieu of foreclosure. If, however, the Project is acquired by foreclosure or instrument in lieu of foreclosure, and at any time subsequent to such event during the period ending upon the last day of the twenty-ninth (29th) taxable year following the taxable year described in Section 3.a. above the Owner or a related person (as defined in the Code) of the Owner acquires an ownership interest in the Project, then the occupancy restrictions shall be revived for the period of time in which the Owner or such related person continues to hold such interest. The requirements of this Section 3.a. shall be deemed to be "more stringent requirements" within the meaning of the last sentence of Section 42(h)(6)(E)(i) of the Code.

b. Notwithstanding the termination of occupancy restrictions and this Agreement under Section 3.a.(ii)(b), Owner agrees that no such termination shall be construed to permit, before the close of the three (3)-year period following such termination, either the eviction or the termination of tenancy (other than for good cause) of an existing tenant of any low-income unit, or any increase in the gross rent with respect to such unit. The covenants set forth in this Section 3.b., and the right granted to the Authority and those persons identified in Section 5.f. hereof hereunder to enforce the same, shall survive termination of this Agreement for such three (3)-year period.

c. If the Owner is proposing a lease-purchase project, and wishes to sell the low-income unit(s) to Qualifying Tenant(s) (as applicable, according to the minimum set-aside requirement election chosen by Owner on IRS Form 8609 and elections made in Section 4 of this Agreement) at the end of the 15-year compliance period the statement, below should be checked:

 N/A Yes, the Owner is proposing a lease-purchase project and will follow the guidelines prescribed in Section 42(i)(7) of the Code.

The Authority will approve such proposal, and the Owner's waiver committed to above will terminate upon sale of the unit(s) to a Qualifying Tenant. The Owner must continue to rent the unit(s), however, according to their commitment above, if the Owner cannot sell the unit(s) to a Qualifying Tenant for any reason at the end of the 15-year compliance period.

4. Occupancy Restrictions. The Owner represents, warrants and covenants that:

a. Pursuant to the Code, units in the Project shall be occupied (or treated as occupied as provided herein) by individuals or families whose income is the percent or less of area median gross income (including adjustments for family size) (collectively, the "Qualifying Tenant"), as follows: units @ 30%; units @ 40%; units @ 50%; and units @ 60%. Said units (the "Low-Income Units") shall be rent restricted as provided in Subsection 4.e. hereof. The determination of whether an individual or family is a Qualifying Tenant shall be made at least annually on the basis of the current income of such Qualifying Tenant(s). Any unit occupied by an individual or family who is a Qualifying Tenant at the commencement of occupancy shall continue to be treated as if occupied by a Qualifying Tenant if such unit continues to be rent restricted; provided that should such Qualifying Tenant's income subsequently exceed 140% of the applicable income limit, such tenant shall no longer be a Qualifying Tenant, if after such determination of income, but prior to the next determination, any residential unit of comparable or smaller size is rented to a tenant who is not a Qualifying Tenant.

b. As a condition to occupancy, each person who is intended to be a Qualifying Tenant shall be required to sign and deliver to the Owner an Income Certification in a form provided by the Authority, which form may change from time to time (the "Income Certification"). In addition, such person shall be required to provide whatever other information, documents or certifications are deemed necessary by the Authority to substantiate the Income Certification.

c. The form of lease to be utilized by the Owner in renting any units in the Project to any person who is intended to be a Qualifying Tenant shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by such person with respect to the Income Certification or the failure by such tenant to execute an Income Certification annually.

d. Income Certifications will be maintained and accessible to the Authority with respect to each Qualifying Tenant who resides in a Project unit, and the Owner will, promptly upon request, file a copy thereof with the Authority.

e. All low-income units shall be "rent restricted" units within the meaning of Section 42(g)(2) of the Code, and shall satisfy the requirements of Section 42(i)(3) of the Code.

5. Enforcement

a. The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the Authority to inspect any books and records of the Owner regarding the Project and with respect to the incomes of Qualifying Tenants which pertain to compliance with the provisions of this Agreement and Section 42 of the Code, and the regulations promulgated thereunder.

b. Owner shall submit any other information, documents or certifications requested by the Authority which the Authority shall deem reasonably necessary to substantiate the Owner's continuing compliance with the provisions of this Agreement and Section 42 of the Code, and the regulations promulgated thereunder, or reasonably necessary to assist the Authority in carrying out its responsibilities as a "housing credit agency" under Section 42 of the Code or the regulations promulgated thereunder or pursuant to any agreement between the Authority and the United States Department of the Treasury with respect thereto.

c. The Owner covenants that it will not knowingly take or permit any action that would result in a violation of this Agreement or of the requirements of the Code or the regulations promulgated thereunder. Moreover, Owner covenants to take any lawful action (including amendment of this Agreement as may be necessary, in the opinion of the Authority) to cause the Project to comply with the Code and the regulations promulgated thereunder.

d. If any violation of this Agreement by Owner is not corrected to the satisfaction of the Authority within the period of time specified by the Authority, which shall be at least thirty (30) days after the date notice of default to the Owner is mailed, or within such further time as the Authority determines is necessary to correct the violation, but in any case not to exceed any limitations set by the Code or the regulations promulgated thereunder, then the Authority shall have the right, without further notice, to declare a default under this Agreement, in which case the Authority shall have the right to apply to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement or any other remedies at law or in equity or any such other action as shall be necessary or desirable so as to correct noncompliance with this Agreement. Owner hereby acknowledges that the Authority and the other beneficiaries of this Agreement hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

e. Owner hereby agrees that the representations and covenants set forth herein may be relied upon by the Authority and all persons interested in Project compliance under Section 42 of the Code and the regulations promulgated thereunder. The Authority may conclusively rely upon statements, certificates and other information provided by the Owner and the Qualifying Tenants, and upon audits of the books and records of the Owner or the Project.

f. In addition to the rights granted hereunder to the Authority to enforce the terms of this Agreement, all individuals who meet the income limitations applicable to Qualifying Tenants as set forth either in Section 4.a. hereof or in Section 42(g) of the Code, whether prospective, present or former occupants of the Project, shall have the right to enforce in any Wisconsin court the requirements set forth either in Section 2.j. hereof or in Section 42(h)(6)(B)(i) of the Code.

g. To the extent that any provision of this Agreement conflicts with or is more or less restrictive than any provision of the Code or the regulations promulgated thereunder that applies to the Project, the more restrictive provision shall control.

6. Covenants Run With the Land; Successors Bound. This Agreement shall be recorded in the real property records of the county where the Project is located. This Agreement shall run with the land and bind the Owner and its successors and assigns and all subsequent owners of the Project and all holders of any other interest therein.

7. Interpretation. Any terms not defined in this Agreement shall have the same meaning as terms defined in Section 42 of the Code and the regulations promulgated thereunder. As used in this Agreement, references to "the Code and the regulations promulgated thereunder" shall refer to the Code, all regulations, revenue rulings, revenue procedures and interpretative opinions or rulings promulgated or issued thereunder, now in effect or as the same may be in the future amended, promulgated or issued from time to time.

8. Amendment. This Agreement may be amended only in writing as mutually agreed by the Owner and the Authority. Notwithstanding the foregoing, all provisions of Code Section 42(h)(6), as amended from time to time, which must be included in this Agreement in order to cause this Agreement to be an "extended low-income housing commitment" under Section 42 of the Code, are and shall be expressly incorporated herein by this reference. Any such provision shall be enforceable, in state court or otherwise, only by those persons who must have the right to enforce such provision in order to cause this Agreement to be an "extended low-income housing commitment" under Section 42.

9. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof. All provisions of this Agreement shall be construed wherever possible in a manner that does not conflict with the Code. To the extent any such conflict exists, the Code shall prevail.

10. Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To the Authority: Wisconsin Housing and Economic
Development Authority
ATTENTION: General Counsel
201 West Washington Avenue, Suite 700
P.O. Box 1728

Madison, Wisconsin 53701-1728

To the Owner:

The Authority, and the Owner, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. If the address of the Owner has changed from that given above or subsequently designated under the previous sentence, the Authority may conclusively presume that the address of the Owner for purposes of this Section 10 is the address to which property tax bills for the Project are delivered.

11. Governing Law. This Agreement shall be governed by the laws of the state of Wisconsin and, where applicable, the laws of the United States of America.

12. Project Noncompliance. If the Owner or the Project fails to comply with this Agreement or with the Code, and the regulations promulgated thereunder beyond any applicable cure period, the Authority may, in addition to all of the remedies provided under this Agreement or by law or in equity, request the Internal Revenue Service to find the Project ineligible for low-income housing tax credits and to immediately commence recapture of the tax credits heretofore allocated to the Project.

13. Release. Owner hereby releases the Authority from any claim, loss, demand or judgment arising out of the allocation of low-income housing tax credits to the Project, the recapture of such credits under the Code, the decertification of the Project, or the exercise in good faith by the Authority of any rights or remedies granted to the Authority under this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective duly authorized representatives, as of the day and year first written above.

COPY

By: _____

WISCONSIN HOUSING AND ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Mickey N. Conrad, General Counsel and
Assistant Secretary

ACKNOWLEDGMENTS

STATE OF WISCONSIN)
) ss.
COUNTY OF _____)

This Land Use Restriction Agreement was acknowledged before me on _____, _____, by _____
_____ as _____ of _____.

Notary Public, State of Wisconsin
My Commission: _____

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

This Land Use Restriction Agreement was acknowledged before me on _____, _____, by Mickey N. Conrad as General Counsel and Assistant Secretary of the Wisconsin Housing and Economic Development Authority.

SAMPLE

Notary Public, State of Wisconsin
My Commission: _____

COPY

EXHIBIT A

Legal Description

SAMPLE

COPY

Using HOME funds with Tax Credits

Form of Financing	HOME In Basis	9% Credit	4% Credit	130% QCT*	40/50 Set-Aside	20/50 Set-Aside
Grant -New Construction	No	Yes		Yes		Yes
Grant - with Tax-Exempt Bond Financing	No		Yes	Yes		Yes
Grant Acq/Rehab	Reduces Acq Basis	Yes on Rehab if HOME traced to Acq	Yes on Acq Basis over grant amount	On Rehab Only		Yes
Loan < AFR**	Yes	No	Yes	Yes		Yes
	Yes	Yes		No	Yes	
	No	Yes		Yes		Yes
Loan < AFR Acq/Rehab	Traced to Acq Basis	Yes on Rehab if HOME traced to Acq.	Yes on Acq if fully traceable	Yes on Rehab Only		Yes
Loan @ AFR	Yes	Yes	Yes	Yes		Yes

If the below-market HOME loan can be directly traced to only acquisition, (on an acquisition/rehab project), the project can receive both 9% Credit and 130% of basis in a QCT.

*QCT: Qualified Census Tract is a high cost area as defined by HUD.

**AFR: The Applicable Federal Rate is published monthly by the Treasury Dept. based on Federal borrowing costs for different maturities and different compounding periods.

***HOME funds are not treated as federal funds if the property complies with the 40% at 50% set-aside.

Home Funds

As of the printing of this application, WHEDA will have approximately \$2 million to allocated in Home Funds from the Division of Housing and Intergovernmental Relations.

To request an application, please contact Lori Zander at 608-266-2420 or e-mail her at: lori.zander@wheda.com

WHEDA GUIDELINES FOR PROJECT UNIT COSTS

221(d)(4) Cost Limit Guide

These are *UNIT COST GUIDELINES*:

	0 BR	1BR	2BR	3BR	4+BR
Nonelevated Bldg.	\$37,843	\$42,954	\$51,920	\$65,169	\$73,846
Elevated Bldg.	\$40,876	\$46,859	\$56,979	\$73,710	\$80,913

Costs do not include items such as:

- Community space (large lobbies)
- Exterior parking
- Driveways
- Sidewalks from driveways/parking to building
- Detached garages
- Unusual exterior land improvements (gazebos, large patios)
- Extra landscaping required by the community

The unit cost guidelines are based on a loan to value of 80% of the mortgage maximums for 221(d)(4) units.

Costs may increase in certain counties as shown in the attached "High Cost Percentages, 3/94 or 5/95", published by HUD. In order to arrive at the cost amount of project units, multiply by the appropriate factor to the shown cost of the unit by building type.

These are MORTGAGE MAXIMUMS FOR 221(d)(4) units; unit cost guidelines are based on these mortgage maximums.

	0 BR	1BR	2BR	3BR	4+BR
Nonelevated Bldg.	\$30,274	\$34,363	\$41,536	\$52,135	\$59,077
Elevated Bldg.	\$32,701	\$37,487	\$45,583	\$58,968	\$64,730

Source: Federal Register, 24 C.F.R., Section 221.514 (revised December 1994)

**CAPITAL ADVANCE
AND STATUTORY
MORTGAGE
PROGRAMS**

High Cost Percentages
as of
1/1/2001

1.987	Kenosha County		1.884	Buffalo County
	Racine County			Clark County
				Crawford County
1.97	Milwaukee County			Eau Claire County
	Ozaukee County			Grant County
	Washington County			Green County
	Waukesha County			Jackson County
				La Crosse County
1.906	Columbia County			Lafayette County
	Dane County			Monroe County
	Dodge County			Pepin County
	Iowa County			Rock County
	Jefferson County			Trempeleau County
	Manitowoc County			Vernon County
	Richland County			Walworth County
	Sauk County			
	Sheboygan County		1.84	Adams County
				Brown County
1.877	Ashland County			Calumet County
	Barron County			Door County
	Bayfield County			Fond du Lac County
	Burnett County			Florence County
	Chippewa County			Forest County
	Douglas County			Green Lake County
	Dunn County			Iron County
	Pierce County			Juneau County
	Polk County			Kewaunee County
	Price County			Langlade County
	Rusk County			Lincoln County
	Sawyer County			Marathon County
	St Croix County			Marinette County
	Taylor County			Marquette County
	Washburn County			Menominee County
				Oconto County
				Oneida County
				Outagamie County
				Portage County
				Shawano County
				Vilas County
				Waupaca County
				Waushara County
				Winnebago County
				Wood County

PHYSICALLY DISABLED HOUSING DESIGN FEATURES

If you plan to offer units to special needs tenants who are physically disabled, you must describe your architectural features in an attachment to your application.

Suggested features, though not limited to these, include:

Site:

- Sidewalk accessible ramps leading to entrance in each building
- Clearly marked handicapped parking which is in compliance with regulation on dimensions and in close proximity to units

Common Area:

- Laundry machines with front controls or arranged to easily be used
- Delayed closure entry doors that are accessible
- Accessible door safety latch or lock
- Doors with kick plates at the bottom
- Rental office and common areas accessible
- Hallways unobstructed and accessible
- Lighting adequate for vision-impaired persons
- Mailboxes accessible
- Floors are non-skid or have low-pile carpet
- Doorways wheelchair width
- Lever action handles on doors
- Light switches accessible from the doorway
- Elevators accessible
- Accessible restrooms (faucet knobs, sink height and shape for wheelchair bound person, lock, closure)
- Trash dumpster accessible

Throughout Unit:

- Lever handles on doors
- Kickplates on all doors
- Thresholds same level as flooring
- Low-pile carpet
- Cabinet or bifold doors with handles or wire loop handles of at least 4 inches and mounted horizontally on cabinets
- Closets with hanging rods mounted at half the regular height
- All doorways wheelchair width
- Light switches and receptacles at accessible height
- Windows and window locks accessible
- Front loading washer and dryer, if included in unit

Bathroom:

- Hand held showers with 5 feet flexible hose, adjustable height of at least 2 feet and anti-scald devices on the sinks and tub
- Bath sinks with drains rear mounted and single lever faucets
- Special blocking behind drywall to permit varying heights and lengths of grab bar, often 42 inches needed in toilet area
- 30-inch minimum clear open knee space below sinks with either removable or stow-away doors on the front
- Bath tub permanently lined with non-skid surface
- Roll-in shower, or handicapped stools
- Turning radius to sink, commode, and tub adequate to accommodate a wheelchair
- Medicine cabinet and/or mirror accessible
- Sink and faucet and commode accessible

Kitchen:

- Kitchen with drains rear mounted and single lever faucets; anti-scald devices on the sinks
- Backsplash behind sink or oven that is easily wiped down
- Front control range located in middle of the counter
- Self-cleaning ovens
- Side by side refrigerators
- Switches for garbage disposal and/or fans mounted on the front of cabinets or on an end wall
- Turning radius adequate for a wheelchair to reach cabinets, sink, stove, or refrigerator
- Grab bars in place for accessing freezer or cabinets
- Adequate storage

Visual and Hearing Impaired Units:

All of these units must have auxiliary alarm systems. The wiring for these alarms should be installed, but the alarms themselves do not need to be installed until the unit is made ready for occupancy.

Please review legislation and regulations governing accessible unit design. Following is a partial list of applicable State and Federal Regulations which your development may be subject to regardless of whether your application scores points in this category:

- **Americans With Disabilities Act of 1990**
- **Section 504 of The Rehabilitation Act of 1973, Amended 1978 and 1986**
- **1988 Fair Housing Amendments Act (Title VIII of the 1968 Civil Rights**

GUIDELINES - SERVICE PROVISION IN SENIOR HOUSING:

The following is a description of services housing management can and cannot provide without authority to operate as a community based residential facility (CBRF) or residential care apartment complex (RCAC).

Many services can be provided to tenants of senior housing without a license. However, those providing services above a statutorily defined threshold must be licensed as a community based residential facility (CBRF), be registered or certified as a residential care apartment complex (RCAC). These guidelines determine whether the services that management provides or arranges for tenants will trigger regulatory requirements. These criteria do not apply to, nor do they limit, the types of services a tenant may arrange to receive from a provider other than the housing sponsor.

What housing providers can do without the facility being a CBRF or RCAC

1. Receive and collect information about tenants' needs and services/assistance they will receive.
2. Identify and discuss changes regarding the tenant's need for assistance with the tenant, and if appropriate, tenant's family/guardian.
3. Provide information about, or refer the tenant and, if appropriate, tenant's family/guardian, to agencies providing: personal care; medication administration or other nursing care; physical, occupational or speech therapy; or other health related services.
4. Arrange or provide light or "hotel" type supportive services such as transportation, meals, housekeeping, laundry, social and recreational activities for the tenant.
5. Assist tenant with shopping or other household management tasks.
6. Provide information about the tenant's needs to agencies the tenant has been referred to or which provides service(s) to the tenant.
7. In case of emergency, provide assistance or take action. For example, this would include helping someone who has fallen by calling 911.

What housing providers cannot do if the facility is not A CBRF or RCAC

1. Develop a resident service plan including:
 - supervision
 - bathing, dressing, toileting or other personal care
 - medication storage, monitoring, dispensing, or administration
 - other nursing or health care services
 - physical, occupational or speech therapy
2. Arrange, contract for, or provide any of the services described in #1 above.
3. Provide supervision for tenants. Supervision is protective oversight of a person's daily functioning, including keeping track of their whereabouts and providing guidance and intervention when needed.

For additional licensing information:

Please contact the Wisconsin Department of Health and Family Services, Division of Supportive Living, Bureau of Quality Assurance at their main office telephone number (608) 267-7157 OR visit the Wisconsin Department of Health and Family Services websites:

For RCACs: http://www.dhfs.state.wi.us/rl_DSL/RCACs/RCAContax.htm

For CBRFs: http://www.dhfs.state.wi.us/rl_dsl/CBRF/CBRFintro.htm

SECTION 42 STATUTES
AND
UTILITY ALLOWANCE INFORMATION

IRS SECTION 42 STATUTES

IRC Section 42 can be found at a variety of websites. We have listed a few below for your convenience. However, you must rely on your tax and accounting professional for the most up-to-date version of the Code and regulations and for appropriate interpretation to your specific circumstances.

U.S. Government Printing Office:
http://www.access.gpo.gov/su_docs/index.html

Internal Revenue Service:
www.irs.gov

National Archives & Records Administration:
<http://www.gpo.gov/nara/cfr/index.html>

U.S. House of Representatives:
<http://uscode.house.gov/uscode.htm>

SECTION 42 – UTILITY ALLOWANCES

From IRS "Low Income Housing Credit Newsletter" of October 2001

The cost of any utilities paid directly to the tenant, other than discretionary services such as telephone or cable, should be included in gross rent (IRC 42 (g)(2)(B)). That is, the maximum rent that may be paid by the tenant is to be reduced by a utility allowance. The allowance can be determined in one of the following ways.

1. If a building receives assistance from FmHA, or tenants in the building receive FmHA housing assistance, then the FmHA utility allowance must be used.
2. Buildings that are both HUD regulated and FmHA assisted must use FmHA utility allowance.
3. HUD regulated buildings shall use HUD utility allowances.
4. Other buildings occupied by one or more tenants receiving HUD rental assistance payments must use the applicable public housing authority utility allowances established for the existing Section 8 housing program. Other rent restricted units in the building use the public housing authority allowance as well, unless a utility company estimate is obtained and then that estimate becomes the appropriate allowance *for the building* (except for the HUD assisted units which will continue to use the public housing authority allowance).
5. If none of the buildings or tenants are subject to the rules described in 1-4, then the public housing authority allowance is used. However, if an estimate is obtained for any unit from a utility company, that estimate is used as the utility allowance for all similar units in the building.

Note – for utility allowances, contact the Housing Authority in the community or county where the project is located. If no Housing Authority has jurisdiction, then contact the local utility company. If you are unable to obtain utility allowance information from any of the above sources, WHEDA can provide utility allowance information but only for counties in which WHEDA has HUD voucher jurisdiction.

DEVELOPER FEES FOR LOAN AND TAX CREDIT DEVELOPMENTS

Revised - September 12, 2002

Executive Summary

Developer fees have recently become a topic of great discussion at WHEDA, particularly with respect to our funding policies. As WHEDA looks to federally subsidize housing developments with either tax credits or discounted tax-exempt bonds, Staff and Members of the Board are struggling with the question of appropriateness of fees for developments, particularly in rehabilitation or adaptive reuse developments. There has been some concern that in minimal rehabilitation deals developers are over-compensated for the work they are doing. This paper summarizes salient issues and makes a recommendation for making future decisions.

WHEDA Practice to Date

WHEDA allows a 15% developer's fee on the total development budget, excluding the development fee in the sum. WHEDA reduces the fee to 12% for developments of 25 or more units. Eligible fees are the same for new construction and rehabilitation/adaptive reuse developments. WHEDA currently uses the same standards for tax credits and tax-exempt bond-funded developments.

State practices vary, though most cap new construction and the rehabilitation portion of the developer's fees to 15%. Some states limit the acquisition fee – though most only to approximately 8% if at all. See the table attachment to this paper for further detail.

Concept of Developer's Fees

Developers and professionals representing developers have pointed out a major difference in compensation and incentive for a tax credit development from a conventional market rate development. In a conventional development, developers often package only small fees to assemble investment groups. Return is generated on the backend – developers earn a percentage of ownership for packaging the investment, then reap this return through management fees, ongoing depreciation and interest write-off, and, largest of all, a guaranteed percentage of ownership interest in the event the development is refinanced or sold.

Tax credit developers are limited in this respect. As the typical general partner in these deals, developers often hold a minimal interest in the property, 0.1 – 1.0%, and therefore have limited long term upside gain. In some circumstances, the developer may have first right of refusal on the property (though often behind a potential non-for-profit that WHEDA is supposed to find) to purchase the property at the end of the credit period (usually 15 years, though it may be 30 in some cases). The purchase price in most instances is the original equity contribution plus any outstanding mortgage balance and any necessary transaction fees. Equity in this case is therefore the difference between market value and that paid. As these properties season throughout the 15-year cycle, however, it is not unusual for developers to be replaced as general partner.

Tax credit developers have argued they have risks not inherent in conventional deals. Specifically, these developers must offer guarantees to the equity syndicators to entice the purchasing of tax credits for equity. These guarantees cover the risks of construction completion, latent property defects, lease-up, and tax credit compliance, particularly throughout the initial year of operation. Defects in any of these factors results in an erosion of the resources pledged to make the guarantees – in most cases developer's fees.

Based on the same standards, developer's fees in bond deals also often fill funding gaps. Bond deals, functioning via lower interest rates rather than increased equity, are often have larger gaps because the interest difference doesn't carry as much impact as large equity amounts. Developers often argue that bond deals carry large risk, entitling them to their fees.

Recent Concern with Rehabilitation and Adaptive Reuse

As noted in the summary, Members of the Board are concerned with the level of fees generated in rehabilitation deals. This is in most cases a 12% eligible fee, particularly when the developer offers a minimal level of rehabilitation.

For example, the following 86-unit development:

Building	\$5,000,000
Rehabilitation	\$750,000
Soft Costs	\$400,000

generates a \$738,000 fee, even though the rehabilitation amounts to only \$8,700 per unit and the acquisition cost is almost \$60,000 per unit. The Members feel these deals provide incentive to drive up acquisition costs, which are really transaction costs and not entitled to heavy compensation.

In response to this concern, WHEDA proposed a practice of allowing a 5% fee for acquisition and 12-15% (depending on size) fee for rehabilitation. Developers raised the following issues concerning this proposal:

- Cutting fees would reduce incentive to do this type of development, which has been one of WHEDA's stated goals.
- There are more inherent risks in rehabilitation than new construction – unknown condition of the existing structure, long-term implications of subsidies (Section 8, etc.), market concerns with an older product.
- WHEDA should only be concerned with what the developer takes out of the deal at the front end – deferred fees from cash flow either to the developer or limited partner, as negotiated – the developer fees are used mainly to push up basis and generate more equity.
- Cutting fees would reduce equity and create larger gaps.
- There is more effort involved, including relocation, HUD contract negotiations, and resyndication.

Developer's Fees with Respect to Eligible Basis

Eligible basis, essentially any depreciable component of a development, is used to calculate tax credits. States limit developer's fees that can be included in eligible basis, therefore limiting the amount of credit calculated. The tax credit program works on the premise that more equity results in less debt, freeing up NOI that can drive rents down. More equity is good; therefore, more basis is good, and developers do what they can to inflate that number.

Critics of the current calculation system have pointed out that eligible basis base is a poor base for credit calculation. They argue that construction cost and depreciable basis have no relationship to market conditions, operating expenses, or the operability of the development for moderate-income populations. Eligible basis is relatively consistent between markets. As a result of the current system, gaps are becoming more prevalent and must be plugged with soft financing sources or deferred developer's fees. The Internal Revenue Service has determined that developer's fees be reasonably repaid within 10 years to be included in eligible basis. This places an obvious limit on the amount of funds deferrable. Funds in excess of this repayable amount may be subject to credit recapture by the Service.

Policy – Updated – September 12, 2002

In reference to the issues raised above, we propose the following policy for use with both tax credits and tax-exempt bond-funded developments:

Total allowable fees for the acquisition portion of the fee would be calculated as follows:

Percentage of Rehabilitation: Hard Rehab Dollars Divided by Acquisition Cost	Eligible Acquisition Fee for Developments with 25 or more Units **	Eligible Acquisition Fee for Developments with 24 or Fewer Units, or for Developments Involving Negotiations with HUD.
10 – 19%	5%	8%
20 – 39%	6%	9%
40 – 59%	8%	11%
60 – 79%	10%	13%
80% and over	12%	15%

Rehabilitation fees would be calculated at the current 12% and 15% levels. Similarly, new construction would remain at the current 12% and 15% levels. Developers electing to have WHEDA negotiate with HUD on its behalf would pay WHEDA a three (3) percent fee, based on acquisition costs, for this service. The following represents an example of a 36-unit acquisition/rehabilitation deal with minimal rehabilitation and involving negotiations with HUD, comparing the present with proposed:

	Current	Proposed
Hard Costs	132,000	132,000
Soft Costs (Excluding Fee)	150,000	150,000
Building Acquisition	1,100,000	1,100,000
Land Acquisition	110,000	110,000
Total Eligible Fee (12%)	179,040	179,040
Percentage of Hard Cost vs. Building Acquisition	---	12%
Acquisition Fee (Proposed from Above Matrix)	12% = 145,200	8% = 96,800
Rehabilitation Fee (on Hard and Soft Costs)	12% = 33,840	12% = 33,840
Fees Allowed	179,040	130,640
Difference	---	48,400

The following represents a 36-unit adaptive reuse deal with major rehabilitation, comparing the present with proposed:

	Current	Proposed
Hard Costs	2,995,000	2,995,000
Soft Costs (Excluding Fee)	420,000	420,000
Building Acquisition	300,000	300,000
Land Acquisition	100,000	100,000
Total Eligible Fee (12%)	457,800	457,800
Percentage of Hard Cost vs. Building Acquisition	---	998%
Acquisition Fee (Proposed from Above Matrix)	12% = 48,000	12% = 48,000
Rehabilitation Fee (on Hard & Soft Costs)	12% = 409,800	12% = 409,800
Fees Allowed	457,800	457,800
Difference	---	---

August 30, 2002

ENERGY EFFICIENCY THRESHOLD REQUIREMENTS FOR
2003-04 AHTC APPLICATION

1. ENERGY EFFICIENCY THRESHOLD REQUIREMENTS

A. New and Adaptive Re-Use Construction Developments

- Each building envelope must exceed the State of Wisconsin Commerce Building Envelope Requirements by a minimum of 15%. Data output worksheets of calculation using MECheck will be acceptable to show compliance.
- All appliances and air conditioners shall meet the *ENERGY STAR* standard.
- Setback thermostats shall be provided in all family housing units. Setback thermostats in elderly units are optional.

Applicant to provide a certified letter signed by the project Architect or Engineer stating that the above requirements will be incorporated in the housing development. This certification shall be attached to the application.

Prior to issuance of the 8609, applicant shall provide the building envelope worksheet calculations. In addition, prior to the issuance of the 8609, the applicant and general contractor must provide a letter certifying that the systems have been installed and that the building(s) exceed the State of Wisconsin base building energy standards by a minimum of 15%.

B. Preservation Developments

- All appliances and window air conditioners that are being replaced as part of the proposed renovation shall meet the *ENERGY STAR* standard.
- Building components that are being upgraded as part of the proposed renovation shall meet the *ENERGY STAR* or equivalent building standards. Components include: windows, wall insulation, roof insulation or exterior doors.

Prior to issuance of the 8609, the applicant and general contractor must provide a letter certifying that the above energy efficiency items have been incorporated into the completed building.

2003 Scoring: Market Appeal and Services

SERVICES

MARKET APPEAL

The following will be considered for points:

24 Hour Staff - Resident Manager	24 Hour Secured Building w Intercom	Hobby Shop
Banking Services	Banking Services Area	Internet/Computer Kiosk Training
Beauty Salon/Barber Shop	Basement - Full or in Townhouse Unit	Internet-High Speed/Less than market rate/in a central room
Cleaning of apartment/3rd party contract	Beauty Salon on-site	Library
Fitness Center	Business Center - access to printer/copier	Microwave Oven
Grocery Delivery	Car Wash in Garage	Patio - Common w. Grill/Furniture
Laundry Service-Do Tenant Wash	Car Wash or Car Wash Equipment	Playground/Equipment On-site
Medication - administering	Community Space (Adjacent)	Pool (Fitness center combined - addl. Points)
Pharmacy Delivery	Community Space -Entertainment Room	Post Office Adjacent
Security Guard on site 24 hrs	Computer Lab/Learning Center/Room	Public Library Adjacent
Security Locked Building with Intercom	Computer/Internet - Community Use	Recreation Area - Undefined
	Craft Center	Sports Court
	Dining Room - Private	Technical College Adjacent
	Elevator added in the course of rehabilitation	Transportation
	Exercise Room and/or Fitness Center	Trash Disposal Chutes
	Fenced Yards	TV/VCR/Lounge Furniture
	Fireplaces - Gas Units in North Units	Walking Path
	Garden	Washer-dryer in unit
	Gazebo - Outdoor	Whirlpool Tub
	Green space - large with playground	YMCA (Full-service Connected to Building)
	Guest Lodging - short-term	

The following will receive no points:

Benefit Counseling - (Oakbrook apps)	Above-average size unit	Gymnasium
Car Wash Bay	Additional 1/2 bath - 3BR units	High Ceilings/Natural Wood/Beams/Exposed Brick in units
Church Services	Air conditioning	Kitchen - Community Room/full or otherwise
Computer Tutorials	Art work in common areas/hallways	Laundry
Congregate Dining	Arts/Crafts Activities	Nature Area - Large-linkages to walking path, vegetable gardens
Craft Supplies	Bath & 3/4 in 3 BR units	Option to purchase the units
Exercise/Fitness Classes	Blinds/mini-blinds or shades	Parking - Surface
Garden Plots	Cable TV	Restrooms - Public
Grab Bars in Bathroom	Canopy over entryway (porte cochere)	Storage Lockers - Individual
Grief Counseling	CATV	Television - Big Screen/other, VCR, Videos, Media Center
Handrails in hallways	Central Air	Washer-dryer Hookup only
Heath/fitness program	Childcare on-site	Washer-dryer w/o central laundry - insufficient project size
Internet Access-In computer lab	Dishwasher hookup or Dishwasher	
Milk/Dairy Delivery	Elevator (new construction)	
Power Door openers	Entrance Parlor - furnished	
Underground Parking	Garbage Disposal Only	