



# GHURA

Guam Housing and Urban Renewal Authority  
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## INSTRUCTIONS

1. Answer all questions in the Application and attach all supporting documents required.
2. Indicate “Not Applicable” for questions not pertaining to your Application.
3. Submit original Application and copies in separate binders.
4. Submit one original and four copies of the Application. A total of five binders will be submitted per Application.
5. Clearly label original Application.
6. Clearly label copies of Application.
7. Clearly mark pages with proprietary information “Confidential”.
8. Submit one thumb drive containing a scanned copy of the entire Application packet and Excel copies of the financial spreadsheets.
9. An Application Fee of **\$1,500.00 per Application** must be paid upon submission. Fee shall be paid via Cashier’s Check and made payable to Guam Housing and Urban Renewal Authority.
10. **The deadline to submit Applications is 5:00 p.m., Monday, October 11, 2021.**
11. Submit Applications to the address identified below no later than 5:00 p.m., Monday, October 11, 2021.
  - a. Guam Housing and Urban Renewal Authority  
c/o Procurement Office  
117 Bien Venida Avenue  
Sinajana, GU 96910
12. GHURA will reject any Application received after the deadline.
13. GHURA will reject any Application not received at the address listed in #11 above.
14. GHURA will not review Applications if “Section IX. Applicant’s Representations, Warranties, and Certification” is not signed.
15. For inquiries, please contact Katherine Taitano, GHURA Chief Planner, at 475-1322 or via email at [katherine@ghura.org](mailto:katherine@ghura.org).

**/s/ RAY S. TOPASNA**  
**Executive Director**

# Guam 2021 Low-Income Housing Tax Credit Qualified Allocation Plan

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Guam Housing and Urban Renewal Authority

GHURA developed this Qualified Allocation Plan (QAP) which sets forth (1) the criteria to evaluate and allocate tax credits to projects which best meet the housing needs of Guam, and (2) the procedure to monitor for compliance with the provisions of the Low-Income Housing Tax Credit Program.

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**GOVERNMENT OF GUAM**  
**LOW-INCOME HOUSING TAX CREDIT PROGRAM**  
**2021 QUALIFIED ALLOCATION PLAN**

**I. Introduction**

The Low-Income Housing Tax Credit (LIHTC) Program, created by the Tax Reform Act of 1986, is intended to encourage the construction or rehabilitation of low-income rental units. The regulations which govern this Program are contained in Section 42 of the Internal Revenue Code (the “Code” or IRC). The LIHTC Program provides Federal tax credits to qualified project owners who agree to maintain all or a portion of a project's units for low-income families. The Guam Housing and Urban Renewal Authority (GHURA) has been designated as the agency responsible for the administration of the LIHTC Program for Guam.

GHURA developed this Qualified Allocation Plan (QAP) which sets forth (1) the criteria to evaluate and allocate tax credits to projects which best meet the housing needs of Guam, and (2) the procedure to monitor for compliance with the provisions of the LIHTC Program.

**This allocation plan shall be effective for LIHTC reservations and awards in  
calendar year 2021. The QAP is subject to amendment by the GHURA  
Board of Commissioners.**

The QAP will utilize a point system to rank projects based upon the evaluation criteria established. The ranking of projects, along with all other relevant data, will determine the priorities to be followed by GHURA in allocating tax credits to the projects under consideration. The scores derived from the point system will be a component of the overall evaluation, and not the sole determining factor for the awarding of tax credits. In addition to the scores derived, GHURA will review all relevant data required in the application. GHURA retains the option to approve or reject applications based on GHURA’s assessment of Guam’s housing needs during the period covered by the QAP. Projects selected under this QAP shall be evaluated as to the minimum amount of tax credits required in order to make the project feasible.

Guam’s 2021 tax credit allocation total is \$6,660,957 (\$3,217,500 issued on November 18, 2019 under Rev. Proc. 2019-44 for the 2020 allocation period, \$3,245,625 issued on October 26, 2020 under Rev. Proc. 2020-45 for the 2021 allocation period plus remaining tax credits from 2019 allocation period in the amount of \$197,832). Applicants seeking housing credit allocations in excess of the 2021 total must demonstrate the financial capability to complete the project or show that the project can be scaled to fit the available 2021 funding. Although forward commitments of future allocation funds are permitted, those commitments are subject to approval by the GHURA Board of Commissioners and are not guaranteed. GHURA supports and encourages applicants to consider the merits of mixed financing in pursuit of sustainable affordable development.

## II. Application Process

Applications for the LIHTC are available at GHURA's website at [www.ghura.org](http://www.ghura.org) or by submitting a written request to GHURA at the address shown below.

Guam Housing and Urban Renewal Authority (GHURA)  
c/o Executive Director  
117 Bien Venida Avenue  
Sinajana, Guam 96910

Applications for tax credits should be submitted to GHURA by no later than **5:00 p.m., Monday October 11, 2021**. GHURA shall have the right to defer the consideration of any application if such deferral is deemed in the best interests of meeting housing needs.

GHURA reserves the right to reject any and all applications that fail to comply with the requirements of the QAP. GHURA further reserves the right to waive minor informalities and/or minor irregularities in any application at its discretion.

Application forms provided by GHURA must bear original signatures where signatures are required. Photocopies of supporting documents will be accepted. Applications should be computer-generated or typed. Handwritten applications are prohibited. Applications should have content, formatting and pagination identical to that of the 2021 Application Form provided by GHURA. It should have no missing information or any information that is erroneous, incomplete or inconsistent. All attachments and supporting documentation required must be included in the Application package.

GHURA shall review the application and supporting documents to ensure that it is complete and contains all required information. Complete applications shall then be evaluated in accordance with the QAP to determine the project's rank in relation to other projects under evaluation. Projects must meet a minimum score of 88 out of 126 to be evaluated to determine the minimum amount of tax credits required to make the project feasible. Projects with a score of 87 or less shall not be considered for award or reservation. The amount of tax credits reserved or allocated to a particular project will be limited to the amount GHURA, in its sole discretion, deems necessary to make the project feasible.

The QAP will utilize a point system to rank projects based upon the evaluation criteria established. In addition to the scores derived, GHURA will review all relevant data required in the application which include, but are not limited to, the applicant's financial statements, experience in producing low-income housing units, reasonableness of development and operating budgets, and an independent market study in awarding the tax credits. If GHURA determines clarification is required, applicant will be notified via written notice. Applicant will be given 5 business days from the date of the notice to provide the information to GHURA.

Projects selected under this allocation plan shall then be evaluated as to the minimum amount of tax credits required in order to make the project feasible.

### **III. Minimum Threshold**

It is GHURA's intent to maximize the use of the Territory's limited resources to address the substantial need for rental homes that are accessible and affordable to Guam's low-income households. Emphasis is placed on serving lower income people and on efficiently leveraging LIHTCs and other financing resources to increase and sustain the supply of affordable rentals in communities that are suitable for such development.

#### **A. 9% Credits Set Aside:**

- 1) Applicants are advised that the agency will administer 9% LIHTC credits only to be used for the following:
  - a. Construction of a New Building. The term "New Building", as defined by Section 42 of the IRC, is "a building the original use of which begins with the taxpayer." Rehabilitation of existing inventory but excluding acquisition costs of real estate, buildings, and depreciable assets from eligible basis (no acquisition LIHTC).
  - b. Rehabilitation of an Existing Building used for housing. The term "Existing Building", as defined by Section 42 of the IRC, is "any building which is not a new building". Acquisition LIHTC disallowed: Existing Buildings under this category must exclude acquisition costs of real estate, buildings, and depreciable assets from eligible basis. This category includes the conversion of Existing Buildings used for transient housing to a qualified low-income building. The conversion of Existing Buildings used for transient housing, as with all qualified low-income buildings, must: (i) meet minimum rehabilitation requirements; (ii) be suitable for occupancy; and (iii) be for use other than on a transient basis, as stipulated and defined by Section 42 of the IRC
  - c. Acquisition/Rehabilitation of an Existing Building not used for housing. To qualify under this category, housing use of the Existing Building, if applicable, cannot have occurred for a period of at least 10-years from the date of its acquisition by the taxpayer. Acquisition LIHTC allowed: Existing Buildings under this category may include acquisition costs of buildings and depreciable assets in eligible basis. The conversion of Existing Buildings not used for housing, as with all qualified low-income buildings, must: (i) meet minimum rehabilitation requirements; (ii) be suitable for occupancy; and (iii) be for use other than on a transient basis, as stipulated and defined by Section 42 of the IRC.
  - d. GHURA shall limit awards of 9% (volume cap) LIHTC to no more than one (1) project per calendar year under Section III (A) (1) (b) of the QAP.
- 2) Project owner/applicant must be established and registered to do business in the Territory of Guam.

#### **B. Income Averaging Set Aside**

The Consolidated Appropriations of 2018 established a new income averaging set aside for LIHTC developments. (Please refer to Appendix 1 for income average guidelines.)

### C. **Participation Elements**

Applicants must meet the following to receive consideration for an allocation or award of Low Income Housing Tax Credits.

- 1) **Market Study:** A comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project by a disinterested third party must be submitted as part of this application. The Market Study shall be completed at the Owner's expense. Any applicant failing to submit a Market Study or submits a Market Study with a date older than 6 months before the date of application submission will not be considered for an award of tax credits. (Market Study requirements are specified in Appendix 2.)
- 2) **Site Control and Zoning:** To receive consideration for an award of LIHTC, the applicant must have control of the site in a form acceptable to GHURA. Evidence of site control shall be submitted with the application for Low Income Housing Tax Credits. Site control shall be substantiated by providing evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other documentation acceptable to GHURA. Evidence of site control must be provided for all proposed sites. Applicant should have a site that is properly zoned and ready for development. Zoning should include the description, land use classification, whether your project will conform to existing zoning for the property and documentation.

**All lease terms must extend a minimum of five (5) years past the minimum affordability period.**

- 3) **Capital Needs Assessment** (For projects acquiring an existing property. All Units need to be reviewed.)

To ensure that the proposed rehabilitation of the project is adequate and that the property will have a useful life that exceeds the compliance and additional use period (collectively the Extended Use Period). A capital needs assessment of the property by a competent third party shall be submitted with the application. A capital needs assessment is a qualified professional's opinion of a property's current physical condition. It identifies deferred maintenance, physical needs and deficiencies, and material building code violations that affect the property's use, structural and mechanical integrity, and future physical and financial needs. The Capital Needs Assessment shall identify any work that must be completed immediately to address health and safety issues, violation of Federal or local law, violation of local code, or any work necessary to ensure that the building can continue to operate as affordable housing.

- 4) **Public Housing Waitlist/Homeless Services Programs**

Applicant shall certify that all low-income units will be made available to people on the waiting list for public housing, and/or acceptable homeless service programs. The following shall be submitted with the application:

- a) Copy of the letter submitted to the local public housing authority which administers the public housing waiting lists that units will be available.
  - b) Copy of the letter submitted to the Guam Homeless Coalition that provides services and programs to participating homeless services providers that units will be available.
- 5) **Smoke Free**  
All projects will be smoke free. Owners must prohibit smoking in all indoor common areas, individual living areas (including balconies and car ports), and within 20 feet of building entries or ventilation intakes. A non-smoking clause must be included in the lease for each household.
- 6) **Debt Service Ratio**
- a) Hard Debt Service:
    - i) Defined as scheduled regular and periodic principal and/or interest payments of project loan obligations made for its direct benefit, as evidenced by a note and loan agreement.
    - ii) The Applicant is required to support all hard debt service loans and terms with executed lenders' commitment letters, letters of interest, or term sheets on the Application.
  - b) Underwriting Criteria:
    - i) The Project shall evidence compliance with this section through the operating Proforma on the application.
- 7) **Phase I Environmental Assessment**  
Required for all applications.  
For acquisition/rehabilitation projects (if applicable), the Phase I Environmental Assessment should address lead based paint and asbestos.
- 8) **Proof of Non-Profit Status**  
If applying under the Federal non-profit set aside, submit the following:
- a. Articles of Incorporation
  - b. Copy of current 501(c)(3) IRS Tax Exemption Letter
- 9) **Minimum Affordability Period**
- a) Applicants requesting an award of 9% LIHTC must commit to a minimum affordability period of 45 years

#### IV. Selection Criteria Point System

Each application will be evaluated and awarded points in accordance with the following criteria. Unless otherwise indicated, all references to low-income unit(s) or low-income rental unit(s) shall mean low-income housing tax credit unit(s).

Application must have a **minimum score of 88 out of 126 points to be considered for award.**

|    | <b>CRITERIA</b>  | <b>POINTS</b> |
|----|--|---------------|
| 1  | Project will provide low-income units for a longer period than is required under Section 42 of the Internal Revenue Code.              | 0 to 6        |
| 2  | Project will provide a greater percentage of low-income units than required under Section 42 of the Internal Revenue Code.             | 2 to 8        |
| 3  | Project's federal tax credit/low-income rental unit ratio for LIHTC Resource Efficiency Use  | 0 to 7        |
| 4  | Project will serve tenant populations of individuals with children.  | 0 or 3        |
| 5  | Project will serve tenant populations with special housing needs.  | 0 or 10       |
| 6  | Qualified Non-Profit Organization  | 0 to 4        |
| 7  | Project location and housing needs characteristics   | 0 to 20       |
| 8  | Developer experience   | 0 to 8        |
| 9  | Project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan | 0 to 2        |
| 10 | Replacement of existing public housing units   | 0 to 1        |
| 11 | Total Project Cost Percentage  | 0 to 10       |
| 12 | Project will receive project-based rental assistance   | 0 to 5        |
| 13 | Local/Federal Government Support   | 0 to 2        |
| 14 | Projects intended for eventual tenant ownership  | 0 to 2        |
| 15 | Green Building / Energy Efficiency   | 2 to 12       |
| 16 | Historic nature of the project   | 0 to 1        |
| 17 | Project Reasonableness   | 0 to 18       |
| 18 | Developer Fee  | 0 to 7        |

**Criteria 1.** (0-6 Points)

Project will provide low-income units for a longer period than is required under Section 42 of the Internal Revenue Code.

Applicants electing to commit to an Extended Use Period inclusion of the 15-year LIHTC compliance period will be awarded points based on the table below. By making this election, the applicant elects to waive its right to exercise a request for a qualified contract pursuant to Section 42(h)(6)(E)(i)(II). The elections will be recorded in the Restrictive Covenant Document. Points will be awarded based on the following:

| <b>Extended Use Period</b>                      | <b>Points Available</b> |
|---|-------------------------|
| 15 year compliance period plus 46 years or more | 6 Points                |
| 15 year compliance period plus 30 to 45 years   | 4 Points                |
| 15 year compliance period plus 16 to 29 years   | 2 Points                |
| 15 year compliance period plus 0 to 15 years    | 0 Point                 |

**Criteria 2.** (2-8 Points)

Project will provide a greater percentage of low-income units than required under Section 42 of the Internal Revenue Code.

With respect to the set-aside affordability, if project provides:

| <b>Description</b>   | <b>Points Available</b> |
|--|-------------------------|
| 40% of the project to households earning 60% or less of AMGI, and 60% of the project to households earning 50% or less of AMGI | 2 Points                |
| 60% of the project to households earning 60% or less of AMGI, or 80% of the project to households earning 50% of less of AMGI. | 4 Points                |
| 100% of the project to households earning 60% or less of AMGI  | 8 Points                |

**Criteria 3.** (0-7 Points)

Project's federal tax credit/low-income rental unit ratio for LIHTC Resource Efficiency

The ratio is derived as: "Total Federal Tax Credits Requested (Annual)/Total Number of Proposed Low-Income Rental Units".

| <b>Greater than</b> | <b>Less than</b> | <b>Points Available</b> |
|---------------------|------------------|-------------------------|
| \$45,999.00         |                  | 0                       |
| \$41,999.00         | \$45,999.00      | 1                       |
| \$37,999.00         | \$41,999.00      | 3                       |
| \$33,999.00         | \$37,999.00      | 4                       |
| \$29,999.00         | \$33,999.00      | 6                       |
|                     | \$29,999.00      | 7                       |

**Criteria 4.** (0 or 3 points)

Project will serve tenant populations of individuals with children.

The Project will serve tenant populations of individuals with children for at least 60% of all low-income housing units. The Project should provide evidence through the service of programs for children.

|                                      | <b>Points Available</b> |
|--------------------------------------|-------------------------|
| If the answer to the question is NO  | 0 Points                |
| If the answer to the question is YES | 3 Points                |

**Criteria 5.** (0 or 10 points)

Project will serve tenant populations with special housing needs.

|  | <b>Points Available</b> |
|--|-------------------------|
| Special needs. Special needs groups are "persons for whom social problems [including homelessness], age or physical or mental disabilities impair their ability to live independently and for whom such ability can be improved by more suitable housing conditions."<br><br>Projects may receive 10 points for this criterion if it commits to the following:<br><br>The project will set-aside at least 20% of all units for tenant populations with special housing needs. Persons with special housing needs may include the physically and mentally disabled. Units intended to serve the homeless must be used as permanent supportive housing, as regulation forbids the use of LIHTC projects as transient homeless shelters. To receive consideration for this criterion: | 10 Points               |

|   |  |
|---|--|
| <p>i) <i>The project must commit to provide case management or services specific to this population or special facilities to accommodate the physically disabled. (Please provide details of the services and/or special facilities i.e. what ADA standards and designs will be incorporated in unit construction or facilities? How many units will meet ADA standards, if any?</i></p> <p>ii) <i>The Market Study shall specifically address the housing needs for the special needs group.</i></p> |  |
|---|--|

**Criteria 6.** (0-4 Points)

Qualified Non-profit Organization

An interest in the Project is owned by a qualified non-profit organization as defined in Section 42(h)(5)(B), (C) of the Internal Revenue Code.

|   | <b>Points Available</b> |
|---|-------------------------|
| If the answer to the question is NO   | 0 Points                |
| <p>If the answer to the question is YES, the organization must be a qualified non-profit organization at time of application submission. Organization must exist in and be qualified to do business in Guam. According to IRC Section 42(h)(5)(C), qualified non-profit organization:</p> <ul style="list-style-type: none"> <li>a) must "...own an interest in the project (directly or through a partnership) and materially participate (within the meaning of section 469(h)) in the development and operation of the project throughout the compliance period";</li> <li>b) "...is described in paragraph (3) and (4) of section 501(c) and is exempt from tax under section 501(a)";</li> <li>c) "...is determined by the State housing credit agency not to be affiliated with or controlled by a for-profit organization"; and</li> <li>d) "one of the exempt purposes of such organization includes the fostering of low-income housing."</li> </ul> <p>Documents to show proof of qualified non-profit organization should be submitted with application.</p> | 4 Points                |

**Criteria 7.** (0-20 Points)

Project location and housing needs characteristics

Application must include a comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project. It must be conducted by a disinterested party. The Market Study must be completed at the Owner's expense. Any application which fails to submit a Market Study or submits a Market Study dated over 6

months from the time of application submission shall be returned to the applicant and will not receive further consideration.

Market Study requirements are specified in Appendix 2.

The points awarded will be based on GHURA's evaluation of following factors:

| Description   | Points Available |
|---|------------------|
| Employment opportunities, schools, medical facilities located in the immediate vicinity of the project site | 2 Points         |
| Recreational facilities, shopping facilities, located in the immediate vicinity of the project site         | 2 Points         |
| Documented/supported market demand.   | 2 Points         |
| Proposed rental rates are below market rents for the immediate surrounding area.                            | 2 Points         |
| Housing characteristics (e.g., design, density) appropriate for neighborhood.                               | 2 Points         |
| Impact to the existing public systems of education, public safety, and utilities infrastructure.            | 2 Points         |
| Neighborhood conducive to family use.   | 2 Points         |

Additional points will be awarded to projects located in the following areas:

| Project Location   | Points Available |
|--|------------------|
| Northern Region: Dededo, Tamuning, or Yigo   | 1 Points         |
| Central Region: Agana Heights, Asan, Barrigada, Chalan Pago/Ordot, Hagåtña, Mangilao, Mongmong/Toto/Maite, Piti, or Sinajana | 3 Points         |
| Southern Region: Agat, Inarajan, Merizo, Santa Rita, Talofofo, or Umatac   | 6 Points         |

**Criteria 8.** (0 to 8 Points)

Developer experience

The points awarded will be based on GHURA's evaluation of the following factors:

| Description   | Points Available |
|---|------------------|
| Developer (or any member/staff of the development team) has a record of successfully completing LIHTC projects or projects on a scale equal to or greater than that of the proposed project and in accordance with the original project schedule. | 8 Points         |

|  |          |
|--|----------|
| Developer (or any member/staff of the development team) has a record of successfully completing LIHTC projects or similar projects but on a scale smaller than the proposed project.   | 5 Points |
| Developer (including general partners, affiliates, and members/staff of development team) has a history of chronic and/or substantive noncompliance and/or failed to meet the requirements of the Low Income Housing Tax Credits Program for previous projects or failed in meeting the objectives of the program on past proposals. | 0 Points |
| Developer has no experience in completing LIHTC projects or projects on a similar or lesser scale than the proposed project.   | 0 Points |

**Criteria 9.** (0-2 Points)

Project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan

Project is located in Qualified Census Tract. The project will redevelop existing housing, which contributes to a concerted community revitalization plan as determined by GHURA.

| Description  | Points Available |
|--|------------------|
| The project is located in a Qualified Census Tract.  | 1 Point          |
| The project will contribute to a community revitalization plan. (Copy of the plan to be submitted with the completed Application for GHURA’s review to claim the point.) | 1 Point          |
| The project is neither located in a Qualified Census Tract nor contributing to a community revitalization plan.  | 0 Points         |

To receive consideration for this criterion, applicant must provide an explanation on how this project is in compliance with such plan and its benefit to the overall community. The applicant must provide a letter of interest or a binding agreement with the government agency administering the community revitalization plan.

**Criteria 10.** (0-1 Point)

Replacement of existing public housing units

Project includes the development of new housing to replace existing public housing units.

|                                      | Points Available |
|--------------------------------------|------------------|
| If the answer to the question is NO  | 0 Points         |
| If the answer to the question is YES | 1 Point          |

To receive consideration for this criterion, the applicant must provide a letter of interest or a binding agreement from the local administering Public Housing Authority to participate in a HUD-approved activity.

**Criteria 11.** (0 to 10 Points)  
 Total Project Cost Percentage

If total federal tax credit requested (gross) as a percentage of total project cost is:

| Description                            | Points Available |
|--|------------------|
| Greater than 80% of total project cost | 0 Points         |
| 71 % through 80% of total project cost | 1 Point          |
| 61 % through 70% of total project cost | 2 Points         |
| 51 % through 60% of total project cost | 4 Points         |
| 41 % through 50% of total project cost | 6 Points         |
| 40% or less of total project cost      | 10 Points        |

**Criteria 12.** (0-5 Points)

Project will receive project-based rental assistance.

Project will be receiving project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs shall include, but not be limited to, the Rural Development 515 Loan Program and HUD Housing Choice Voucher/Section 8 Project-Based Rental Assistance Program.

|  | Points Available |
|--|------------------|
| If the answer to the question is NO  | 0 Points         |
| If the answer to the question is YES<br><br>If the whole project has a secured authorization for project-based subsidies then 5 points are awarded. If only a portion of a project has project based subsidies, then the scoring will be adjusted based upon the percentage of units subsidized. The percentage is derived as "Number of Subsidized Units / Tax credit and non-tax credit subsidized units," provided they are developed simultaneously. | 5 Points         |

**Criteria 13.** (0-2 Points)

Local/Federal Government Support

The project will receive a below market loan or grant from a federal agency or Government of Guam agency other than GHURA which, in total amounts to 10% or more of the total development cost.

| Description   | Points Available |
|---|------------------|
| (i) The project has not applied for a below market loan or grant from a federal agency or Government of Guam agency, or if the total amount applied for is less than 10% of total development costs.        | 0 Points         |
| (ii) The project has applied for a below market loan or grant from a federal agency or Government of Guam agency. Documentation must provide evidence that an application for financing has been submitted. | 1 Point          |
| (iii) The project has received a commitment from a federal agency or Government of Guam agency. A copy of a commitment letter or contractual agreement must be included in the application.                 | 2 Points         |

**Criteria 14.** (0-2 Points)

Projects intended for eventual tenant ownership

Developer will sell the units with a preference towards selling to current residents after 15 years.

|                                      | Points Available |
|--------------------------------------|------------------|
| If the answer to the question is NO  | 0 Points         |
| If the answer to the question is YES | 2 Points         |

Projects will offer tenants the opportunity for home ownership. The applicant will offer tenants a Right of First Refusal to acquire the property in accordance with Section 42(i)(7) of the Internal Revenue Code. **The applicant must provide a plan discussing how the project will offer the units for homeownership to tenants.**

**Criteria 15.** (2-12 Points)

Green Building / Energy Efficiency

Projects should use energy-efficient practices that promote resource conservation. In addition, all project units **must be individually metered.**

|   | <b>Points Available</b> |
|---|-------------------------|
| Projects that elect to be LEED certified and include all (8) eight of the features listed below | 12 Points               |
| Projects that elect to be LEED certified only   | 10 Points               |
| Projects that elect to include all eight of the features listed below                           | 8 Points                |
| Projects that elect to include fewer than eight of the features listed below                    | 6 Points                |
| Projects that elect to include fewer than six of the features listed below                      | 4 Points                |
| Projects that elect fewer than four of the features listed below                                | 2 Points                |

Minimum Required features:

1. Installation of solar thermal, tank less, or tank-type water heaters that meet ENERGY STAR standards.
2. Installation of water conserving plumbing fixtures: water sense high efficiency toilets (less than 1.28 gallons per flush), showerheads with rated flow less than 1.75 gallons per minute (gpm), kitchen aerators with rated flow less than 1.5 gpm, and bathroom aerators with rated flow less than 1.0 gpm.
3. Installation of five or more ENERGY STAR qualified light fixtures, ceiling fans equipped with lighting fixtures, and/or ventilation fans in each unit.
4. Installation of photo sensors or timers on all outdoor lighting and ENERGY STAR or high-efficiency commercial grade lighting fixtures (T8) in all common areas.
5. Installation of ENERGY STAR appliances including refrigerators, dishwashers, and clothes washers (horizontal axis) in each unit.
6. Reducing heat effects by using ENERGY STAR low emissive roofing products for at least 50 percent of the roof area; or a combination of high-albedo and vegetated roof covering 75 percent of the roof area. Reduce asphalt surface areas and use low emissive pavement coatings and materials for at least 25% of paved surfaces.
7. Provide an easily accessible area dedicated to recycling (at a minimum) newspaper, corrugated cardboard, glass bottles and jars, aluminum cans, and plastic containers (#1 and #2).
8. Equip with “Grid-tied Solar Power System” panels that are to be under warranty for no less than 12 years.

Upon completion of the project, a certification from a third party LEED AP certified architect, or engineer verifying the green building practices listed above have been used to construct or rehabilitate the building shall be submitted. Failure to provide the certification by six months after the issuance of the IRS Form 8609 will result in forfeiture of the good faith deposit. (Reference Section VI. Fees – Good Faith Deposit)

**Criteria 16.** (0-1 Points)

Historic Nature of the Project

The proposed project will preserve the historic nature of an existing building.

The proposed project involves the preservation of a building(s) on a national or state historic registry.

|                                      | <b>Points Available</b> |
|--------------------------------------|-------------------------|
| If the answer to the question is NO  | 0 Points                |
| If the answer to the question is YES | 1 Point                 |

**Criteria 17.** (0 to 18 Points)

Project Reasonableness

The points awarded will be based on GHURA’s evaluation of any and all factors that could impact project reasonableness, such as, but not limited to:

| <b>Description</b>  | <b>Points Available</b> |
|---|-------------------------|
| Reasonableness of development costs & Feasibility of financing structure  | 0-5 Points              |
| Operational feasibility (for example, unreasonable operating expenses)  | 0-5 Points              |
| Adequacy of Reserves including but not limited to Operating Reserve and Repair and Replacement Reserve  | 0-3 Points              |
| Services and amenities provided to tenants that will enhance the livability of the project. (Please cite and narrate the services to be provided and the partners involved within the project.) | 0-3 Points              |
| Adequacy of project contingencies in the development budget   | 0-2 Points              |

**Criteria 18.** (0 to 7 Points)

Developer Fee

The applicant elects to limit the total Developer Fee as a percentage of the total development cost (excluding developer fee and reserves) as presented in the application. The Developer Fee includes total fees paid to the Developer, including, but is not limited to, consulting fees,

project\_management fees, developer overhead, and developer fees. Architectural, Engineering, Accounting, and Legal fees are not included as the Developer Fee.

Applicants receive scores for this criterion based on the table below. Please note the different categories for New Construction vs. Acquisition / Rehabilitation applications.

| New Construction |        | Acquisition / Rehabilitation |        |                       |        |
|------------------|--------|------------------------------|--------|-----------------------|--------|
|                  |        | Fee on Acquisition           |        | Fee on Rehabilitation |        |
| Fee              | Points | Fee                          | Points | Fee                   | Points |
| 18% > Fee ≥ 16%  | 0      | 13% > Fee ≥ 11%              | 0      | 18% > Fee ≥ 16%       | 0      |
| 16% > Fee ≥ 14%  | 1      | 11% > Fee ≥ 9%               | 1      | 16% > Fee ≥ 14%       | 1      |
| 14% > Fee ≥ 12%  | 2      | Fee < 9%                     | 3      | 14% > Fee ≥ 12%       | 2      |
| 12% > Fee ≥ 10%  | 3      |                              |        | Fee < 9%              | 4      |
| 10% > Fee ≥ 8%   | 5      |                              |        |                       |        |
| Fee < 8%         | 7      |                              |        |                       |        |

## V. Rights of GHURA

The awarding of tax credits rests solely with the GHURA Board of Commissioners. Further, GHURA retains its discretionary authority to approve or disapprove any post-award modifications to the project.

GHURA reserves the right to disapprove any application or project for any tax credit reservation or allocation, regardless of ranking under the criteria and point system as contained in Sections III and IV of this QAP. GHURA shall have the authority to defer consideration of any application if such deferral is deemed in the best interest of meeting housing needs.

GHURA reserves the right, in its sole discretion, to do the following:

- (i) Hold back a portion of the annual federal housing credit ceiling for use during later reservation cycles,
- (ii) Carryover a portion of the current year's housing credit ceiling for allocation to a project which has not yet been Placed in Service, and
- (iii) Issue a reservation for the next year's housing credit ceiling.

GHURA is required under the IRC of 1986, as amended, to allocate the minimum amount of tax credits required to make a project feasible. The determination of the amount of tax credits to be reserved or allocated to a project shall be made solely at the discretion of GHURA. GHURA may, at the time of issuance of the IRS Form(s) 8609 for the project, decrease the amount of tax credits allocated to a project based on the actual cost and financing of the project.

GHURA may, at its sole discretion, conduct a special round after the final scheduled round for a year for projects (i) where the applicant's tax counsel has attested to an itemization of how the ten percent test prescribed by Internal Revenue Code Section 42(h)(1)(E) will be met; (ii) which have no deficient application items; and (iii) for which all exhibits have been submitted ("Year-

End Round"). Year-End Round projects will receive a Carryover Allocation, not a reservation of LIHTCs, which may contain certain conditions and time periods for satisfying them. The circumstances for conducting a Year-End Round are (1) availability of LIHTCs and (2) potential loss of LIHTCs to the national pool. When a Year-End Round is being conducted, applicants need to satisfy the above requirements in order to receive a Carryover Allocation; and LIHTCs will be processed on a first-come-first-served basis and allocated to the extent available and to the extent applications can be processed.

GHURA in no way represents or warrants to any interested party which may include, but is not limited to, any developer, project owner, investor or lender that the project is, in fact, feasible or viable.

No GHURA member, officer, agent or employee shall be personally liable concerning any matters arising out of, or in relation to, the reservation or allocation of Low-Income Housing Tax Credits.

## **VI. Fees**

The following fees are associated with the Low Income Housing Tax Credit program. GHURA reserves the right to adjust the fees due to changing circumstances annually each January 1. All fees shall be paid via Cashier's Check and made payable to **Guam Housing and Urban Renewal Authority**.

### **Application Fee**

An Application Fee of **\$1,500 per application** shall be payable at the time of submission of the application. The fee shall be the same for all applicants.

### **Good Faith Deposit**

A good faith deposit of ten percent (10%) of the first year's federal tax credits reserved shall be payable at the time the executed binding agreement is submitted to GHURA. Upon allocation and issuance of the IRS Form 8609, sixty percent (60%) of the good faith deposit shall be retained by GHURA as an administrative fee. The remainder of the good faith deposit may be refunded to the applicant in the sole discretion of GHURA. Failure to meet any of the elections made in the scoring criteria, participation elements, or requests for additional credits at the time of application may result in the retention of the entire good faith deposit by GHURA.

### **Compliance Monitoring Fee**

Please refer to Section 'VII. Compliance Monitoring Plan' for more details regarding the Compliance Monitoring Fee.

### **Qualified Contract Processing Fee**

Qualified Contract Fee of \$150 per unit for all units

### **Attorney's Fees and Costs:**

In the event of a dispute or litigation regarding a QAP Agreement, the prevailing party shall be entitled to collect reasonable attorney's fees, costs, and expenses.

## **VII. Compliance Monitoring Plan**

### **A. Summary**

GHURA shall monitor compliance with all applicable Federal Program requirements for the period a project is committed to providing low-income rental units. GHURA will require that all qualified tenants of a project be certified upon occupancy and be re-certified annually to ensure compliance. Projects shall be required to maintain copies of the income certification for each tenant on forms approved by GHURA. Projects will also be required to maintain records regarding number of rental units (including number of bedrooms and size of square footage of each bedroom); percentage of total rental units that are low-income units; rent charged on each rental unit including utility allowances; number of occupants in each low-income unit for those buildings receiving tax credits prior to 1990; documentation regarding vacancies in the building; eligible and qualified basis of the building at the end of the first year of the credit period, and at the end of each year until required set-asides are met; and character and use of the nonresidential portion of the building that is included in the building's eligible basis, all in accordance with the rules published by the Internal Revenue Service. GHURA may perform an audit annually but at a minimum, once every three years, and shall have access to all books and records upon notice to the project owner.

Annually, owners of low-income housing tax credit projects will be required to certify to GHURA that for the previous year,

- the minimum set-aside requirement was met;
- there was no change in the applicable fraction, or an explanation if there was a change; appropriate income certifications and documentation have been received for each low-income tenant;
- each low-income unit was rent-restricted in accordance with the Code;
- all units were for use by the general public and used on a no transient basis (except for transitional housing for the homeless as provided for in the Code);
- each building was suitable for occupancy, taking into account local health, safety and building codes;
- there was no change in the eligible basis in the project, or an explanation if there was a change;
- all tenant facilities included in the eligible basis were provided on a comparable basis without charge;
- rentals of vacancies were done in accordance with the Code;
- rentals of units were done in accordance with the Code if any tenant's income increased above the limit allowed by the Code;
- a Restrictive Covenant document was in effect for the project, for those buildings receiving credits after 1989, all in accordance with the rules published by the Internal Revenue Service.

If GHURA becomes aware of non-compliance, the Internal Revenue Service shall be notified in accordance with the rules published by the Internal Revenue Service.

Please consult with your tax attorney and/or LIHTC consultant regarding Internal Revenue Code regulations. Owners are responsible for keeping abreast of current LIHTC Program requirements.

The guidelines outlined below in sections B through K pertain to projects allocated Low Income-Housing Tax Credits in Guam.

## **B. Compliance**

### **Owner/Manager Training**

Owners, managing agents, and on-site managers should attend or document that they have recently attended training on management and compliance prior to leasing any units, but no later than receipt of IRS Form 8609, which certifies an allocation of tax credits. Training may be required following significant or repeated noncompliance events. At minimum, such training should cover key compliance terms, qualified basis rules, determination of rents, tenant eligibility, file documentation, next available unit procedures and unit vacancy rules, agency reporting requirements, record retention requirements, and site visits.

### **Set Aside**

The project must comply with the low-income set-aside requirements of Section 42 of the Internal Revenue Code- as chosen by the owner at the time of receiving the credits. The minimum requirements are either:

1. 20 percent or more of the units are occupied by tenants having a household income of 50 percent or less of the area median gross income (the "20-50 requirement"), or
2. 40 percent or more of the units in the project are occupied by tenants having a household income of 60 percent or less of the area median gross income (the "40-60 requirement").
3. Election of income averaging for new LIHTC developments where LIHTC Qualified Units (Units) may serve households earning up to 80% of the Area Median Income (AMI) so long as the average income limit of the Qualified Units is 60% or less of AMI. Designated income levels for Qualified Units may be set at 10% increments between 20% and 80% of AMI. See Appendix 1 for further guidance.

Tenant income is calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937, as directed by the Internal Revenue Code. Area median incomes are determined annually by the U.S. Department of Housing & Urban Development (HUD), and are available from GHURA.

### **Rent**

Units in the project must be rent-restricted to thirty (30) percent of the imputed income limitations based on unit size as provided in Code Section 42(g)(1). This rent restriction must be maintained throughout the Term of the Compliance and Extended-use period. See 'D. Rent Restrictions' in this section for further information.

**Term of Compliance**

Projects receiving a LIHTC allocation after January 1, 1990, must comply with eligibility requirements for the extended use period [initial 15-year period (compliance period), in addition to the 15 or more years (extended use period)] determined by elections indicated in the Restrictive Covenant Document. The Restrictive Covenant Document must be recorded before credits are allocated.

**Annual Certification**

These and other compliance requirements as listed in Section 'A. Summary' must be certified annually by the owner through the submission of the Annual Report. The Annual Report includes the Owner's Certificate of Continuing Program Compliance and shall be submitted by February 1 of each year throughout the compliance/extended-use period.

**Records Retention**

The Annual Report and the supporting documentation verifying the information on the Annual Report must be kept for a minimum of six (6) years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period, however, must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building, in accordance with published IRS guidelines.

**IRS Form 8609**

Owner shall complete Part II of IRS Form 8609 and submit with subsequent Annual Reports.

**Qualified Basis Tracking Sheet (QBTS)**

This form shall be submitted annually until the required set-asides are established. Documents will provide information on original tenants qualifying each building for tax credits minimum set-asides, and other set-asides.

**Status Reports**

This report is to be submitted annually by owners in such format as required by GHURA or its Authorized Delegate to document and track the continuous compliance of tax credit units. The documents report data that tenants are income eligible at move-in, that the occupants of LIHTC units are re-certified at least on an annual basis and that the unit rents are restricted. Documentation will also indicate compliance with the vacant unit rule and 140% rule. The tracking of tax credit units substantiates the maintenance, increase or reduction of each BIN's qualified basis.

**C. Qualifying Households**

Applicants for low-income units should be advised early in their initial visit to the project that there are maximum income limits which apply to these tax credit qualified units. Management should explain to the tenants that the anticipated income of all persons expecting to occupy the unit must be verified and included on a Tenant Income

Certification (TIC) prior to occupancy, and re-certified on an annual basis. Applicants should be informed of other Internal Revenue Service requirements such as the Student Rule and Recertification.

### **Unborn Children**

In accordance with the HUD Handbook 4350.3, owner shall include unborn children in determining household size and applicable income limits. If permitted by state laws, owner shall require documentation of pregnancy in such circumstances.

### **Student Households**

In accordance with the Internal Revenue Code, a household comprised entirely of full-time students may not be counted as a qualified household, unless the household meets at least one exception. Refer to the Internal Revenue Code for additional guidelines on the exceptions. Owner shall utilize a lease provision requiring tenants to notify managing agent of any change in student status.

### **Calculating Anticipated Tenant Income**

Owner shall qualify tenants by calculating household income using the gross income the household anticipates it will receive in the 12-month period following the effective date of the income verification or Recertification. Anticipated income should be documented in the tenant file by third party verification whenever possible, or by an acceptable alternate method of verification with documentation as to why third party verification was not available. Owner shall use current circumstances to project income, unless verification forms or other verifiable documentation indicate that an imminent change will occur. Owner shall refer to HUD Handbook 4350.3 for guidance on the proper calculation and verification of income and assets per IRC regulations.

### **Certification**

Upon acceptance of an applicant to the project, a TIC must be completed for the applicant and certified to by the applicant and the owner. The form is a legal document which, when fully executed, qualifies the applicants to live in the set-aside units in the project.

The TIC must be executed along with the lease prior to move-in. No one may live in a unit in the project unless certified and under lease.

The original copy of the executed TIC form is to be retained in the applicant's file. The TIC and the supporting documentation verifying the TIC must be kept for a minimum of six (6) years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period, however, must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building, in accordance with published IRS guidelines.

### **Recertification**

For 100% LIHTC set-aside projects, annual recertifications are not required after January 1, 2014. However, Owners **must recertify** households **at least once** on the first anniversary of their initial tenancy.

For projects with less than 100% set-aside:

To ensure each unit is complying with the LIHTC income restrictions, GHURA requires (a) the owner to annually recertify each tenant's income and household composition and (b) each tenant is to report certain changes in income and household composition which occur between regularly scheduled recertification.

If the income of the tenants in a unit who have been previously verified increases above 140 percent of the applicable income limitation, the unit may continue to be counted as a low-income unit as long as the next available unit of comparable or smaller size is occupied by a qualified low-income tenant, and the rent continues to be restricted for the initial unit.

Each tenant's annual recertification is to be completed within one year of last recertification. The request for recertification shall be made between 60 and 90 days before the effective date, and it must clearly state that the tenant has ten (10) calendar days in which to contact the owner to begin recertification processing. The notice must also state the days and hours available for the interview, the information the tenant should bring to the interview, and how and whom to contact to schedule the interview.

Upon re-verification of the tenant's income, the owner shall complete a new TIC, which shall be certified to by the owner or owner's designee.

#### **Past-Due Recertification**

A recertification is considered past due if the TIC form for the tenant is not certified by tenant and owner within twelve months of the last recertification.

#### **D. Rent Restrictions**

Projects receiving Low-Income Housing Tax Credits after January 1, 1990 must comply with the following procedures:

- Units in the project must be rent-restricted to 30% of the imputed income limitations for each unit, based upon HUD area median incomes and size of units. Rents are imputed by bedroom size in the following manner: a unit which does not have a separate bedroom - 1 individual; and a unit with 1 or more separate bedrooms - 1.5 individuals per bedroom.
- Gross rent does not include any payment for various rental assistance programs and supportive service assistance as outlined in Section 42 of the Code. Gross rent must include any allowance for utilities.

HUD publishes the area median incomes for each state and territory annually. Updated income limits must be implemented pursuant to IRS Revenue Ruling 94-57, "Taxpayers may rely on a list of income limits released by HUD until 45 days after HUD releases a

new list of income limits, or until HUD's effective date for the new list, whichever is later." Rents may be increased accordingly as the area median income increases.

If the income of the tenants in a unit who have been previously verified increases above 140 percent of the applicable income limitation, the unit may continue to be counted as a low-income unit as long as the next unit of comparable or smaller size is occupied by a qualified low-income tenant, and the rent continues to be restricted for the initial unit.

#### **E. Eviction of Tenants**

Once an eligible tenant has been certified and admitted to the project, the tenant may not be displaced solely due to an increase in the tenant's household income beyond the restricted limit.

#### **F. Audits**

The project may be subject to a management audit by GHURA or its Authorized Delegate annually but, at a minimum, once every three years. Notification of an audit shall be given to the owner at least 30 days prior to such audit. The results of the management audit and the recommendations for corrective action to protect and maintain the project shall be transmitted to the owner within thirty (30) days following the completion of the audit.

The purpose of the audit will be to conduct a physical inspection of the building and/or project, and, for at least 20 percent of the project's low-income units, to inspect the units and review the low-income certifications, documentation supporting the certifications, and rent records for the tenants in those units. The audit may also consist of a review of first year tenant records, a review of the documentation supporting the Annual Report, and any other documentation necessary for GHURA to make a determination as to whether the project is not in compliance with the Code.

When conducting tenant file reviews, GHURA's and its Authorized Delegate's reviews shall include, but not be limited to:

- completed rental application, including certification of assets and disposal of assets, if applicable;
- tenant income certification completed for move-in and current year, including all required signatures and dates;
- income verification(s) completed and documented;
- assets verified in accordance with IRC regulations;
- student eligibility documentation;
- lease and lease addendums completed at move-in;
- utility allowance on file;
- review of first year tenant records which qualified the project initially for tax credits

The owner shall have a period of thirty (30) days in which to respond to the findings of the management audit. GHURA shall review the owner's response to determine the extent to which the issues raised in the management audit letter are addressed. Findings, whether corrected or not, will be reported to the IRS.

See Section 'J. Non-compliance Penalties' for information on notification to the IRS of any non-compliance found in the management audit.

## **G. Rural Housing Service (RHS) and Tax-exempt Bond Issue Projects**

In accordance with the published IRS guidelines on compliance monitoring, an exception may be granted to RHS projects under its section 515 program and buildings or projects of which 50 percent or more of the aggregate basis is financed with the proceeds of tax-exempt bonds.

The IRC regulations allow for exception of a building from the inspection requirement if the building is financed by RHS under the section 515 program, the RHS inspects the building [under 7 CFR part 1930(C)], and the RHS and the allocating agency enter into a memorandum of understanding, or other similar arrangement, under which the RHS agrees to notify the allocating agency of the inspection results. Irrespective of the physical inspection standard selected by the allocating agency, a low-income housing project under section 42 of the Internal Revenue Code must continue to satisfy local health, safety and building codes. A memorandum of understanding has not been executed between GHURA and RHS.

Annual Reports, QBTS, Compliance Monitoring Status Reports and other reports are still required of RHS projects. Although GHURA has allowed the use of the RD 1944-8, the form does not determine eligibility for specific LIHTC requirements. Owners need to determine whether the TIC will be used or a worksheet will be attached to RD 1944-8 to determine eligibility under the IRC. Management audits will still be conducted as indicated herein.

An owner who for some reason is not able to make any of the required certifications stated on the Annual Report or other requirements must inform the Agency immediately of such inability, as well as explain the reason for said inability.

## **H. Reporting Requirements**

- a. The LIHTC Annual Report must be submitted annually by February 1 of each year throughout the compliance/extended use period.
- b. Part II of the IRS Form 8609 must be completed by the owner and submitted with initial Annual Report.
- c. Qualified Basis Tracking Sheets (QBTS) are submitted at a minimum annually with LIHTC Annual Report until all set-asides are established.

- d. Status Reports are submitted annually by owners with Annual Report to document and track the continuance compliance of tax credit units throughout the compliance/extended-use period.

These forms must be sent in to GHURA or its Authorized Delegate at the address shown in Section II.

The Certification of Eligibility and LIHTC forms listed above are available from GHURA. Additionally, GHURA has data regarding HUD area median incomes, maximum rental rates, income verification information and third party verification forms.

#### **I. Fees**

A compliance monitoring fee of up to \$100 per unit for all units within each project shall be charged annually for administrative expenses. This fee shall be submitted with the LIHTC Annual Report for each year of the compliance/extended-use period. GHURA reserves the right to adjust fees due to changing circumstances annually each January 1. It will be the responsibility of GHURA to inform the owner of any changes in the annual compliance fee prior to the submission of fees. The compliance monitoring fee will be effective as of the Placed in Service date for the first building.

#### **J. Non-compliance Penalties**

The penalty for non-compliance with the LIHTC Program is the potential recapture of the credits awarded and interest on the amount recaptured. The Internal Revenue Service shall determine penalties for non-compliance.

Upon determination by GHURA of non-compliance with the LIHTC Program, the owner shall be notified and given thirty (30) days to correct any discovered violations. In accordance with the Internal Revenue Service's published guidelines on compliance monitoring, GHURA will be required to notify the IRS within forty-five (45) days after the end of the thirty day correction period, whether or not the non-compliance is corrected. GHURA will be given the opportunity on the IRS form to indicate whether the owner has corrected the non-compliance. GHURA may extend the correction period, up to a total of six (6) months, if it is determined by GHURA that good cause exists for granting such an extension. In such case, the IRS will not be notified until the end of the extended correction period.

#### **K. Extended Use Period**

After the initial 15-year compliance period is the Extended Use Period, GHURA is no longer required to report instances of non-compliance to the IRS. Compliance during the Extended Use Period (EU Compliance Policy) will concentrate on enforcing the requirements of the LIHTC program through the term of the Declaration of Restrictive Covenants for Low Income Housing Credit recorded on the property. The EU Compliance Policy is largely based on the procedures of the initial compliance period.

Unless noted below, the policy and procedure for compliance during the initial compliance period shall continue to apply to the extended use period.

### **Effective Date**

The EU Compliance Policy shall be effective on the first day after the expiration of the initial 15-year compliance period for the last building placed in service in the project. Generally, the extended use compliance period will begin on January 1 of the year after the expiration of the initial 15 year compliance period of the last building placed in service and be in effect until the end of the extended use period.

### **Income and Rent Set Aside**

Owners are subject to the Section 42 occupancy and rent restrictions required in the Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits.

### **Student Households**

As GHURA wants to ensure that properties in the extended use period are not used as dormitory housing, a modified student eligibility requirement will be enforced. During the extended use period, a household comprised entirely of full time students will qualify as long as at least one member of the household is an independent student or is a student in grades Kindergarten through 12 (including home schooled minors studying course material within these grades). An independent student is defined as one who is not claimed as a dependent on his/her parent's tax return (proof required).

### **Available Unit Rule / 140% Rule**

For projects which include market rate units, the Available Unit Rule and the 140% Rule do not apply during the extended use period. The percentage of tax credit units as specified in the Declaration of Restrictive Covenants for Low Income Housing Credits must be maintained throughout the extended use period.

### **Certification and Recertification**

Certification of tenants at the time of move-in shall be required during the extended use period according to the same procedure as the compliance period. Recertification of tenants will not be required during the extended use period. However, if any adults are added to the household, then the household must be re-certified.

### **Unit Transfers**

During the extended use period, unit transfers are allowed without a new income qualification. Documentation of all unit transfers that occur shall be submitted as part of the Reporting Requirements.

### **Reporting Requirements**

1. The **LIHTC Annual Report** must be submitted annually by February 1 of each year throughout the extended use period.
2. **Status Reports** are submitted annually by owners with the Annual Report to document and track the continuing compliance of tax credit units throughout the extended use period.

**Site Audits**

Commencing within three years after the expiration of the Compliance Period, site audits for projects may be conducted at least once every **five** years. Projects that have substantial outstanding non-compliance beyond the correction period based on the findings of the most recent site audit may be subject to more frequent site audits.

**Owner Inspection**

Owners shall conduct an annual physical inspection of each unit and common areas in the project.

**Correction Period and Non-compliance Penalties**

Upon determination by GHURA of non-compliance with the LIHTC Program during the extended use period, the owner shall be notified and given thirty (30) days to correct any discovered violations. GHURA may extend the correction period on a case-by-case basis, up to a total of six (6) months, if it is determined by GHURA that good cause exists for granting such an extension. Owners may request GHURA to review all outstanding non-compliance issues for a property once per calendar year after the initial correction period. Any owner and constituent entities involved in management and ownership of a project with an unresolved finding of non-compliance beyond the initial correction period may be deemed to be Not in Good Standing by GHURA's Fiscal Department. Owners must clear all outstanding non-compliance issues to be deemed in Good Standing with GHURA.

**VIII. Appeal**

All appeals shall be resolved in accordance with GHURA's Appeals and Process Procedure, copies of which are maintained at GHURA's office.

**IX. Other**

High Cost Area Designation. Newly constructed buildings located outside of designated Difficult to Develop Areas or Qualified Census Tracts qualify as a high cost area. The additional LIHTC available from the "basis boost" will be used to offset the high cost of construction and land throughout the island.

## **Appendix 1**

### **Income Averaging Guidelines**

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#### **GHURA Guidelines for Utilizing the Income Averaging Minimum Set-Aside for Applications under Consideration or Already Approved**

The Consolidated Appropriations Act of 2018 establishes income averaging as a new minimum set-aside election for new LIHTC developments. It allows LIHTC Qualified Units to serve households earning as much as 80% of Area Median Income (AMI) so long as the average income limit of the Qualified Units is 60% or less of AMI. Designated income levels for Qualified Units may be set at 10% increments between 20% and 80% of AMI. GHURA will accept proposals for utilizing income averaging in application that are under consideration, have already been approved or have already initially closed, subject to the requirements outlined below.

#### **General Requirements for All Income Averaging Proposals:**

- Utilization of income averaging requires GHURA consent
- Proposals will not be accepted without evidence of approval by the syndicator/investor
- Changes in the AMI bands must be supported by a market study
- Proposals must maintain the requirements of any GHURA funding award
- A revised application and associated exhibits may be required
- If the use of income averaging triggers higher fees for compliance monitoring, the increase will need to be incorporated in the project budget

#### **Additional Requirements for Developments that have already initially closed:**

- Proposals will only be considered for Developments that have not yet executed Form 8609
- The proposal must continue to meet the requirements of the Section 42 of the Internal Revenue Code
- Set-aside elections made in the Extended Housing Commitment executed at initial closing and recorded at the Recorder's Office may need to be amended

## **Appendix 2**

### **Market Study**

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In accordance with Section 42(m)(1)(A)(iii) of the Internal Revenue Code, GHURA requires a comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project. The Market Study is to be conducted by a disinterested party approved by GHURA and must be submitted as part of the application. The Market Study shall be completed at the Owner's expense. Any applicant that fails to submit a Market Study, or submits a Market Study dated more than 6 months earlier than the date of application shall be returned to the applicant and the application will not receive further consideration.

The Market Study shall address the following information:

- A statement of the competence of the market analyst.
- A description of the proposed site.
- Demographic analysis of the number of households in the market area which are income eligible and can afford to pay the rent. Estimate of capture rates for the market areas.
- Geographic definition and analysis of the market area.
- Identification of the project including location, unit counts, income levels and target population. Market Study must be consistent with the proposed project.
- Analysis of household sizes and types in the market.
- A description of comparable developments in the market area.
- Analysis of practically available rents, vacancy rates, operating expenses and turnover rates of comparable properties in the market area.
- Analysis of practically available rents, vacancy rates and turnover rates of market rate properties in the market area. Projected operating funds and expenses, when available at the time of the study.
- Expected market absorption of the proposed rental housing, including a description of the effect of the market area.
- Identification and commentary of proposed projects in the market areas.
- Analysis of market demand for tenants with special housing needs when applicable.
- Analysis of impacts of development to the area's existing education, public safety, and utilities infrastructure.

Projects that are requesting credits from eligible basis generated from a Community Service Facility as defined in Section 42(d)(4)(C)(iii) must provide a market study that addresses the following:

- A description of Services provided that improve the quality of life for community residents.
- The market area and demand for services provided.
- The applicability of service provided to the community.
- The affordability of the services provided to persons of 60% AMGI or less.

# Guam Low Income Housing Tax Credit (LIHTC) Program 2021 Application

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Guam Housing and Urban Renewal Authority

# NOTICE TO THE PUBLIC

## 2021 LIHTC QAP and Application

The Guam Housing and Urban Renewal Authority's (GHURA's) 2021 Low Income Housing Tax Credit (LIHTC) Program Qualified Allocation Plan (QAP) and Application are now available. The QAP describes the basis that GHURA will use to allocate LIHTC Program credits. A total of \$6,660,957 (\$3,217,500 issued on November 18, 2019 under Rev. Proc. 2019-44 for the 2020 allocation period, \$3,245,625 issued on October 26, 2020 under Rev. Proc. 2020-45 for the 2021 allocation period plus remaining tax credits from 2019 allocation period in the amount of \$197,832) is available for the 2021 program year.

GHURA is the recognized state housing credit agency authorized to allocate LIHTC Program credits in Guam. The United States 1986 Tax Reform Act created the federal low-income housing tax credit under Section 42 of the Internal Revenue Code (the Code). The LIHTC Program assists in the development of low-income rental housing by providing qualified owners with tax credits to offset their federal tax obligations. LIHTC Program credits are available to owners of qualifying buildings and projects that meet certain low-income occupancy rent restrictions.

Section 42 of the Code provides that Guam prepare a QAP to determine housing priorities and to give preference to projects serving the lowest income tenants and projects obligated to serve qualified tenants for the longest periods. The QAP must incorporate selection criteria which include project location, housing need characteristics, sponsor characteristics, and tenant populations with special needs.

### Application

Applications are available beginning Saturday, July 24, 2021 from GHURA's website at [www.ghura.org](http://www.ghura.org). Applications are due on Monday October 11, 2021. There is a **\$1,500.00 Application Fee** due upon submission. Applications must be received by **GHURA's Main Office** in Sinajana at 117 Bien Venida Avenue, Sinajana, GU 96910 by no later than **5:00 pm.**

For more information on the 2021 QAP, please contact GHURA's Chief Planner, Katherine Taitano at 671-475-1322, via email at [katherine@ghura.org](mailto:katherine@ghura.org), or visit our office on the 2<sup>nd</sup> floor of the GHURA Main Office located at 117 Bien Venida Avenue, Sinajana, Guam weekdays between the hours of 8am and 5pm.

## Selection Criteria Score Sheet

Please indicate the points requested below for each selection criteria with a brief justification and a reference (including page number) to where more details can be found within this application.

1. Does the Project provide low-income units for a longer period than is required under Section 42 of the Internal Revenue Code? Indicate the number of years after the 15 year credit period (0-6 Points)

Points Requested:

Justification:

2. Does the Project provide a greater percentage of low-income units than required under Section 42 of the Internal Revenue Code (2 to 8 Points)?

Points Requested:

Justification:

3. What is the federal tax credit/low-income unit ratio (0 to 7 Points)?

Points Requested:

Justification:

4. Does the project serve tenant populations of individuals with children? If there are any programs for these tenant populations, please explain (0 or 3 Points).

Points Requested:

Justification:

5. Does the project serve tenant populations with special needs? If any, identify programs and facilities involved in serving these tenant populations (0 or 10 Points).

Points Requested:

Justification:

6. Is the project owned by a qualified non-profit organization as defined in Section 42(h)(5)(B), (C) of the Internal Revenue Code (0 to 4 Points)?

Points Requested:

Justification:

7. What housing needs characteristics are being met in relation to this project and identify where the project will be located (0 to 20 Points).

Points Requested:

Justification:

8. What level of LIHTC experience does the developer have? If any, identify all successful projects and explain if there were any project failures (0 to 8 Points).

Points Requested:

Justification:

9. Do the project characteristics include using existing housing as part of a community revitalization plan or is the project located in a qualified census tract (0 to 2 Points)?

Points Requested:

Justification:

10. Does the project include the development of new housing to replace existing public housing units (0 to 1 Point)?

Points Requested:

Justification:

11. What is the total project cost percentage (0 to 10 Points)?

Points Requested:

Justification:

12. Does the project receive project-based rental assistance (0 to 5 Points)?

Points Requested:

Justification:

13. Will the project receive a below market loan or grant from a federal agency or Government of Guam agency other than GHURA that will amount to 10% or more of the total development cost? Identify agency and figures (0 to 2 Points).

Points Requested:

Justification:

14. Does the project developer intend to offer the units towards the current residents after 15 years? Provide the overall step-by-step process for tenant ownership (0 to 2 Points).

Points Requested:

Justification:

15. Will the Project enforce energy-efficient practices and resource conservation? Will it be LEED certified and what level? Identify all energy-efficient practices or systems of the Project (2 to 12 Points).

Points Requested:

Justification:

16. Will the project preserve the historic nature of an existing building? If yes, please explain (0 to 1 Point)

Points Requested:

Justification:

17. Is the Project Reasonable to develop? Are there any unreasonable operating expenses? Does the project have an adequacy of Reserves? Will the Project offer services and amenities to tenants that will enhance the livability of the Project? Is there a contingency to the development budget? Please explain all (0 to 18 Points).

Points Requested:

Justification:

18. Is the Developer Fee reasonable, what percentage of New Construction does it fall between (0 to 7 Points)?

Points Requested:

Justification:

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY  
LOW-INCOME HOUSING TAX CREDIT PROGRAM**

**2021 APPLICATION**

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# 2021 APPLICATION

TC or OID Number

Date and time received

AGENCY USE ONLY (Do not fill in shaded area)

## PROJECT NAME:

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

City : \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

## I. APPLICANT INFORMATION

Legal Name of Applicant: \_\_\_\_\_

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

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Contact for Legal Notices<sup>1</sup>: \_\_\_\_\_

Title and Entity: \_\_\_\_\_

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

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Contact for Project<sup>1</sup>: \_\_\_\_\_

Title and Entity: \_\_\_\_\_

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

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

<sup>1</sup> List only one name for each contact person.

The taxable year of the Applicant is:

- (Check One)  the calendar year  
 the fiscal year ending: \_\_\_\_\_

Applicant's federal identification number: \_\_\_\_\_  
 SSN if applicant is an individual. EIN if applicant is an entity. Attach copy of IRS document showing number.

In which state is the Applicant incorporated or organized? \_\_\_\_\_

The Applicant is what type of entity:

- (Check One)  Corporation  
 Limited Partnership  
 Limited Liability Company  
 General Partnership  
 Individual

**PARTNERSHIP, OR LIMITED LIABILITY COMPANY INFORMATION<sup>2</sup>**

| Name | Address | Phone | Entity Type <sup>3</sup> | Federal ID Number | Ownership Percentage |
|------|---------|-------|--------------------------|-------------------|----------------------|
|      |         |       |                          |                   |                      |
|      |         |       |                          |                   |                      |
|      |         |       |                          |                   |                      |
|      |         |       |                          |                   |                      |
|      |         |       |                          |                   |                      |

**Applicant Experience. Check the appropriate box<sup>4</sup>:**

- Applicant has no prior experience in developing or owning affordable rental housing.  
 Applicant has prior experience in developing or owning affordable rental housing.

<sup>2</sup> If the Applicant is a Partnership, provide the information requested for each General Partner.  
 If the Applicant is a Limited Liability Company that has one or more Managing Members, provide the information requested for each Company Manager (including each Managing Member).  
 If the Applicant is a Limited Liability Company that has no Managing Members, provide the information requested for each Company Member and any Company Manager.  
<sup>3</sup> If the Applicant is a Limited Liability Company, also indicate whether the party is a Managing Member, Company Member, or Company Manager.  
<sup>4</sup> If the Applicant/Developer has experience in developing or owning affordable housing, provide listing of experience of the Applicant/Developer as developer and owner of affordable housing projects.



## **DEVELOPMENT TEAM INFORMATION**<sup>5</sup>

Developer: \_\_\_\_\_  
Contact Person and Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Responsibilities: \_\_\_\_\_

Project Management Consultant: \_\_\_\_\_  
Contact Person and Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Responsibilities: \_\_\_\_\_

Property Management Company: \_\_\_\_\_  
Contact Person and Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Responsibilities: \_\_\_\_\_

Architect: \_\_\_\_\_  
Contact Person and Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_

<sup>5</sup> If the Project has more than one Developer, Project Management Consultant, Property Management Consultant, or Architect, attach information on each. Enter "none" if a selection has not been made.

**LEGAL COUNSEL & PROFESSIONAL REPRESENTATIVES INFORMATION<sup>6</sup>**

Legal Counsel: \_\_\_\_\_  
Contact Person and Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Responsibilities: \_\_\_\_\_

Tax Advisor: \_\_\_\_\_  
Contact Person and Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Responsibilities: \_\_\_\_\_

Accountant: \_\_\_\_\_  
Contact Person and Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Responsibilities: \_\_\_\_\_

Is the accountant an Independent Certified Public Accountant?  Yes  No

Syndicator: \_\_\_\_\_  
Contact Person and Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Responsibilities: \_\_\_\_\_

<sup>6</sup> If the Project has more than one professional representative in a category, attach information on each.

## **II. PROJECT NARRATIVE INFORMATION**

### **PROJECT DESCRIPTION**

Please provide a brief narrative summary of the proposed project. Please include location in the community, project type (new v. rehab), target population, any unique project characteristics, etc.

Construction Type:

Occupancy Type:

Target Income Group:

Unit Mix:

Unit Amenities:

Community Amenities:

Energy Efficiency and Green Building Practices:

### **LENGTH OF AFFORDABILITY COMMITMENT**

How long will your project commit to affordability restrictions and program compliance? \_\_\_\_\_ Years

### **EXTENDED USE AGREEMENT ELECTION**

By way of signature below,

- The applicant hereby agrees that if it is allocated the low-income housing tax credits applied for herein to an extended use period of: \_\_\_\_ years, collectively consisting of a compliance period of 15 years and an additional use period of \_\_\_\_ years.
- The applicant hereby agrees that if it is allocated the low-income housing tax credits applied for herein waive its right to exercise a request for a qualified contract pursuant to Section 42(h)(6)(E)(i)(II).

### III. PROJECT INFORMATION

#### SITE INFORMATION

Site Control is in the form of:

- |  |  |
|--|--|
| <input type="checkbox"/> Deed              | <input type="checkbox"/> Purchase Option |
| <input type="checkbox"/> Purchase Contract | <input type="checkbox"/> Lease Option    |
| <input type="checkbox"/> Lease             | <input type="checkbox"/> Other: _____    |

Complete Exhibit 4 Site Control Form and attach copies of supporting documents.

Number of Existing Buildings on the Project site: \_\_\_\_\_

Total cost of Land and Existing Buildings for the Project:<sup>7</sup> \$ \_\_\_\_\_

Are there any anticipated changes to the Project's legal description?<sup>8</sup>  Yes  No

Is the Project located in a Difficult to Develop Area (DDA)?  Yes  No

#### SELLER/LESSOR INFORMATION<sup>9</sup>

Legal Name of Seller/Lessor: \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Is the Seller/Lessor a Related Party to the Applicant?  Yes  No

Has the Applicant or a Related Party previously owned any Building in the Project?  Yes  No

<sup>7</sup> If the Site Control document includes Land and/or a Building(s) in addition to that which will be used for the Project, include a narrative description and supporting documentation describing how the total cost of Land and any Buildings for the Project was established.

<sup>8</sup> If changes are expected, include a narrative description and drawings with Site Control documentation.

<sup>9</sup> If the Project has more than one seller/lessor, attach information on each.

## TYPE OF TAX CREDIT REQUESTED

- (Check One)
- |   |   |
|---|---|
| <input type="checkbox"/> New Construction without Federal Subsidies ("9%")              | <input type="checkbox"/> New Construction with Federal Subsidies ("4%")           |
| <input type="checkbox"/> Rehabilitation without Federal Subsidies ("9%")                | <input type="checkbox"/> Rehabilitation with Federal Subsidies ("4%")             |
| <input type="checkbox"/> Acquisition/Rehabilitation without Federal Subsidies ("4%/9%") | <input type="checkbox"/> Acquisition/Rehabilitation with Federal Subsidies ("4%") |
| <input type="checkbox"/> Average Income Set Aside without Federal Subsidies             | <input type="checkbox"/> Average Income Set Aside with Federal Subsidies          |

## MINIMUM LOW-INCOME HOUSING SET-ASIDE ELECTION

- (Check One)
- A minimum of **40%** of the Total Housing Units will be rented to Residents with incomes at or below **60%** of the Area Median Gross Income (AMGI)
- A minimum of **20%** of the Total Housing Units will be rented to Residents with incomes at or below **50%** of the Area Median Gross Income (AMGI)
- An **Average Income** election wherein LIHTC Qualifying units can earn as much as 80% of the Area Median Gross Income (AMGI) so long as the average of the Total Housing Units will be rented to Residents with incomes at or below 60% of the Area Median Gross Income (AMGI)

## TYPE OF ALLOCATION

- (Check One)
- The Applicant requests an Allocation of Credit for 20\_\_ (project will PIS in 20\_\_)
- The Applicant requests a Carryover Allocation of Credit (project will PIS after 20\_\_) the applicant is also requesting an allocation of 20\_\_ Credits

## TAX CREDIT FACTOR

**Note: This Tax Credit Factor selection establishes the absolute minimum Tax Credit Factor for the project.**

The Applicant selects the following Tax Credit Factor: \_\_\_\_\_

Three decimal points only (i.e., 0.775).

## QUALIFICATION FOR CREDIT

Is there any aspect of the Project which might disqualify it in whole or in part for the Credit such as all student or transient housing or HUD Section 8 Moderate Rehabilitation assistance?

Yes  No

Is any Building in the Project intended to be occupied by the Applicant or a related person (within the meaning of Section 42(i)(3)(C) of the Code)?

Yes  No

If the answer to either question is yes, attach an explanation.

## HISTORIC REHABILITATION TAX CREDITS

|   |             |
|---|-------------|
| <b>A. Residential Qualified Rehabilitation Expenditures:</b>  | \$ _____    |
| <b>B. Commercial and other Non-Residential Qualified Rehabilitation Expenditures:</b>                                       | \$ _____    |
| <b>C. Total Qualified Rehabilitation Expenditures:</b>  | \$ _____    |
| <b>D. Historic Rehabilitation Tax Credit Percentage:</b>  | _____ x .20 |
| <b>E. Total Historic Rehabilitation Tax Credits (multiply C by D):</b>  | \$ _____    |
| <b>F. Tax Credit Factor for the Historic Rehabilitation Tax Credits:</b>  | \$ _____    |
| <b>G. Net Historic Rehabilitation Tax Credit Proceeds (multiply E by F):</b>  | \$ _____    |
| <b>H. Net Historic Rehabilitation Tax Credit Proceeds - residential portion only (multiply A by D, then multiply by F):</b> | \$ _____    |
| (Include on page 33 to determine total sources of the Project.)   |             |
| <b>I. Historic Rehabilitation Tax Credit - residential portion only (multiply A by D):</b>                                  | \$ _____    |
| (Include on page 33 to determine maximum annual Credit.)  |             |

## UNIT INFORMATION

|   |         |
|---|---------|
| <b>A. Low Income Units</b>                                    | _____   |
| <b>B. Market Rate Units</b>                                   | _____   |
| <b>C. Common Area Units</b>                                   | _____   |
| (Units occupied by resident manager or maintenance personnel) | _____   |
| <b>D. Total Units in the project (A+B+C):</b>                 | _____   |
| <b>E. Total housing units in the project (A+B):</b>           | _____   |
| <b>F. Floor Space Fraction for Low-Income Units:</b>          | _____ % |
| <b>G. Unit Fraction for Low-Income Units:</b>                 | _____ % |

## BUILDING INFORMATION

Attach building specifications, schematic drawings, site plan and evidence of utilities and site access, if available.

|  | <u>Number</u> | <u>Floor Area</u><br><u>(Square Feet)</u> |
|--|---------------|---|
| <b>Residential Buildings in the Project:</b> | _____         | <b>Square Feet:</b> _____                 |
| <b>Accessory Buildings in the Project:</b>   | _____         | <b>Square Feet:</b> _____                 |
| <b>Commercial Space:</b>                     | _____         | <b>Square Feet:</b> _____                 |
| <b>Common Area</b>                           | _____         | <b>Square Feet</b> _____                  |
| <b>TOTAL:</b>                                | _____         | <b>Square Feet:</b> _____                 |





**BUILDING ACQUISITION INFORMATION**<sup>10</sup>

| Address of Building or Building Number | Placed-In-Service Date of Building by the Most Current Owner <sup>11</sup> | Actual/Proposed Date of Acquisition by Applicant | Number of Years Between Last Placed-In-Service & Acquisition <sup>12</sup> |
|--|--|--|--|
|--|--|--|--|

Are there any tenants covered by the Landlord/Tenant Act living in any Building on the Project site at the time of the Application?  Yes  No

If yes, how many Units are currently occupied? \_\_\_\_\_

<sup>10</sup> If the Applicant has acquired or plans to acquire an Existing Building, complete the table for each Building.

<sup>11</sup> Enter date of the most recent Non-qualified Substantial Improvement made by the most current Owner (or the former Owner if the Applicant is the current Owner), if the Non-qualified Substantial Improvement is more recent than the Placed-In-Service date.

<sup>12</sup> If less than 10 years and the Applicant is requesting an acquisition Credit, include an explanation immediately following this page.

## **IV. CREDIT SET-ASIDES AND ALLOCATION CRITERIA**

### **CREDIT SET-ASIDES**

**THIS IS AN IRREVOCABLE ELECTION**

- A. Qualified Nonprofit Organizations Credit Set-Aside
- B. No Credit Set-Aside selected
- C. Tax-Exempt Bond financed

### **NONPROFIT ORGANIZATION INFORMATION**

**The entity which qualifies the Project for Credit Set-Aside category A above is a:**

(Check One)

- |   |   |
|---|---|
| <input type="checkbox"/> 501(c)(3) Organization                               | <input type="checkbox"/> 501(c)(4) Organization       |
| <input type="checkbox"/> Public Housing Authority                             | <input type="checkbox"/> Public Development Authority |
| <input type="checkbox"/> Exempt from taxation under Section 501(a) (specify): | _____   |

**The entity which qualifies the Project for Credit Set-Aside Category A above:**

is incorporated in \_\_\_\_\_ state, and  
has its principal office in \_\_\_\_\_ state.<sup>13</sup>

**Do the articles of incorporation include a stated exempt purpose of the “fostering of low-income housing?”<sup>14</sup>**

Yes  No

<sup>13</sup> The principal office will typically be the entity's headquarters from which it directs the operations of the organization.

<sup>14</sup> This is a requirement to meet the definition of a Qualified Nonprofit Organization.

## **ALLOCATION CRITERIA**

For each Allocation Criterion selected, enter the number of points requested in the right margin. By making a selection, the Applicant agrees that, if it receives an Allocation of Credit, it will comply with all the requirements related to the selected Allocation Criteria as set forth in the *Guam 2021 Qualified Allocation Plan*. The Applicant is responsible for demonstrating that the Project qualifies for all selected Allocation Criteria and ensuring that all appropriate attachments are submitted. GHURA will determine if a Project qualifies to receive Allocation Criteria Points.

The commitments made may seriously affect the project's marketing strategies and its long-term financial viability. GHURA encourages the applicant to carefully review and evaluate the reasonableness of the project's low-income housing and special-needs housing commitments prior to completing the application.

### **Selection Criteria Point System**

Each application will be evaluated and awarded points in accordance with the following criteria. Unless otherwise indicated, all references to low-income unit(s) or low-income rental unit(s) shall mean low-income housing tax credit unit(s).

Application must have a **minimum score of 88 out of 126 points to be considered for award.**

|    | <b>CRITERIA</b>  | <b>POINTS</b> |
|----|--|---------------|
| 1  | Project will provide low-income units for a longer period than is required under Section 42 of the Internal Revenue Code.              | 0 to 6        |
| 2  | Project will provide a greater percentage of low-income units than required under Section 42 of the Internal Revenue Code.             | 2 to 8        |
| 3  | Project's federal tax credit/low-income rental unit ratio.   | 0 to 7        |
| 4  | Project will serve tenant populations of individuals with children.  | 0 to 3        |
| 5  | Project will serve tenant populations with special housing needs   | 0 or 10       |
| 6  | Qualified Non-Profit Organization  | 0 to 4        |
| 7  | Project location and housing needs characteristics   | 0 to 20       |
| 8  | Developer experience   | 0 to 8        |
| 9  | Project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan | 0 to 2        |
| 10 | Replacement of existing public housing units   | 0 to 1        |
| 11 | Total Project Cost Percentage  | 0 to 10       |
| 12 | Project will receive project-based rental assistance   | 0 to 5        |
| 13 | Local/Federal Government support   | 0 to 2        |
| 14 | Projects intended for eventual tenant ownership  | 0 to 2        |
| 15 | Green building / Energy efficiency   | 2 to 12       |
| 16 | Historic nature of the project   | 0 to 1        |
| 17 | Project Reasonableness   | 0 to 18       |
| 18 | Developer Fee  | 0 to 7        |

**Criteria 1.** (0-6 Points)

Project will provide low-income units for a longer period than is required under Section 42 of the Internal Revenue Code.

Applicants electing to commit to an Extended Use Period beyond the 15-year LIHTC compliance period will be awarded points based on the table below. By making this election, the applicant elects to waive its right to exercise a request for a qualified contract pursuant to Section 42(h)(6)(E)(i)(II). The elections will be recorded in the Restrictive Covenant Document. Points will be awarded based on the following:

| <b>Extended Use Period</b>                      | <b>Points Available</b> |
|---|-------------------------|
| 15 year compliance period plus 46 years or more | 6 Points                |
| 15 year compliance period plus 30 to 45 years   | 4 Points                |
| 15 year compliance period plus 16 to 29 years   | 2 Points                |
| 15 year compliance period plus 0 to 15 years    | 0 Point                 |

**Criteria 2.** (2-8 Points)

Project will provide a greater percentage of low-income units than required under Section 42 of the Internal Revenue Code.

With respect to the set-aside affordability, if project provides:

| <b>Description</b>  | <b>Points Available</b> | <b>Points Requested</b> |
|---|-------------------------|-------------------------|
| 40% of the project to households earning 60% or less of AMGI, and 60% of the project to households earning 50% or less of AMGI. | 2 Points                |                         |
| 60% of the project to households earning 60% or less of AMGI, or 80% of the project to households earning 50% or less of AMGI   | 4 Points                |                         |
| 100% of the project to households earning 50% or less of AMGI   | 8 Points                |                         |

**Criteria 3.** (0-7 Points)

Project’s federal tax credit/low-income rental unit ratio

The ratio is derived as: “Total Federal Tax Credits Requested (Annual)/Total Number of Proposed Low-Income Rental Units”.

| Greater than | Less than   | Points Available |
|--------------|-------------|------------------|
| \$45,999.00  |             | 0                |
| \$41,999.00  | \$45,999.00 | 1                |
| \$37,999.00  | \$41,999.00 | 3                |
| \$33,999.00  | \$37,999.00 | 4                |
| \$29,999.00  | \$33,999.00 | 6                |
|              | \$29,999.00 | 7                |

**Criteria 4.** (0-3 Points)

Project will serve tenant populations of individuals with children.

The Project will serve tenant populations of individuals with children and provide units for at least 60% of all low-income housing units

|                                      | Points Available | Points Requested |
|--------------------------------------|------------------|------------------|
| If the answer to the question is NO  | 0 Points         |                  |
| If the answer to the question is YES | 3 Points         |                  |

**Criteria 5.** (0 or 10 Point)

Project will serve tenant populations with special housing needs

|  | Points Available | Points Requested |
|--|------------------|------------------|
| <p>Special needs. Special needs groups are "persons for whom social problems [including homelessness], age or physical or mental disabilities impair their ability to live independently and for whom such ability can be improved by more suitable housing conditions."</p> <p>Projects may receive 10 points for this criterion if it commits to the following:</p> <p>The projects will set-aside at least 20% of all units for tenant populations with special housing needs. Persons with special housing needs may include the physically and mentally disabled. Units intended to serve the homeless must be used as permanent supportive housing, as regulation forbids the use of LIHTC projects as transient homeless shelters. To receive consideration for this criterion:</p> | 10 Points        |                  |

|  |  |  |
|--|--|--|
| <ul style="list-style-type: none"> <li>○ The project must commit to provide case management or services specific to this population or special facilities to accommodate the physically disabled. (Please provide details of the services and/or special facilities i.e. what ADA standards and designs will be incorporated in unit construction or facilities? How many units will meet ADA standards, if any?)</li> <li>○ The Market Study shall specifically address the housing needs for the special needs group.</li> </ul> |  |  |
|--|--|--|

**Criteria 6.** (0-4 Points)

**Qualified Non-profit Organization**

An interest in the Project is owned by a qualified non-profit organization as defined in Section 42(h)(5)(B), (C) of the Internal Revenue Code.

|   | <b>Points Available</b> | <b>Points Requested</b> |
|---|-------------------------|-------------------------|
| If the answer to the question is NO   | 0 Points                |                         |
| <p>If the answer to the question is YES, the organization must be a qualified non-profit organization at time of application submission. Organization must exist in and be qualified to do business in Guam. According to IRC Section 42(h)(5)(C), qualified non-profit organization:</p> <ul style="list-style-type: none"> <li>a) must "...own an interest in the project (directly or through a partnership) and materially participate (within the meaning of section 469(h)) in the development and operation of the project throughout the compliance period";</li> <li>b) "...is described in paragraph (3) and (4) of section 501(c) and is exempt from tax under section 501(a)";</li> <li>c) "...is determined by the State housing credit agency not to be affiliated with or controlled by a for-profit organization"; and</li> <li>d) "one of the exempt purposes of such organization includes the fostering of low-income housing."</li> </ul> <p>Documents to show proof of qualified non-profit organization should be submitted with application.</p> | 4 Points                |                         |

**Criteria 7.** (0-16 Points)

**Project location and housing needs characteristics**

Application must include a comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project. It must be conducted by a disinterested party. The Market Study must be completed at the Owner's expense. Any

application which fails to submit a Market Study or submits a Market Study dated over 6 months from the time of application submission shall be returned to the applicant and will not receive further consideration.

Market Study requirements are specified in Exhibit 3.

The points awarded will be based on GHURA's evaluation of following factors:

| Description  | Points Available | Points Requested |
|--|------------------|------------------|
| Documented/supported market demand.  | 2 Points         |                  |
| Proposed rental rates are below market rents for the immediate surrounding area.                 | 2 Points         |                  |
| Housing characteristics (e.g., design, density) appropriate for neighborhood.                    | 2 Points         |                  |
| Impact to the existing public systems of education, public safety, and utilities infrastructure. | 2 Points         |                  |
| Neighborhood conducive to family use.  | 2 Points         |                  |

Additional points will be awarded to projects located in the following areas:

| Project Location   | Points Available | Points Requested |
|--|------------------|------------------|
| Northern Region: Dededo, Tamuning, or Yigo   | 1 Points         |                  |
| Central Region: Agana Heights, Asan, Barrigada, Chalan Pago/Ordot, Hagatna, Mangilao, Mongmong/Toto/Maite, Piti, or Sinajana | 3 Points         |                  |
| Southern Region: Agat, Inarajan, Merizo, Santa Rita, Talofofo, or Umatac   | 6 Points         |                  |

**Criteria 8.** (0 to 8 Points)

Developer experience

The points awarded will be based on GHURA's evaluation of the following factors:

| Description   | Points Available | Points Requested |
|---|------------------|------------------|
| Developer (or any member/staff of the development team) has a record of successfully completing LIHTC projects or projects on a scale equal to or greater than that of the proposed project and in accordance with the original project schedule. | 8 Points         |                  |

|  |          |  |
|--|----------|--|
| Developer (or any member/staff of the development team) has a record of successfully completing projects but at a scale smaller than the proposed project.   | 5 Points |  |
| Developer (including general partners, affiliates, and members/staff of development team) has a history of chronic and/or substantive noncompliance and/or failed to meet the requirements of the Low Income Housing Tax Credits Program for previous projects or failed in meeting the objectives of the program on past proposals. | 0 Point  |  |
| Developer has no experience in completing LIHTC projects or projects on a similar or lesser scale than the proposed project.   | 0 Points |  |

**Criteria 9.**(0-2 Points)

Project characteristics, including whether the project includes the use of existing housing as part of a community Revitalization plan

Project is located in a Qualified Census Tract. The project will redevelop existing housing, which contributes to a concerted community revitalization plan as determined by GHURA

| Description  | Points Available | Points Requested |
|--|------------------|------------------|
| The project is located in a Qualified Census Tract.  | 1 Point          |                  |
| The project will contribute to a community revitalization plan. (Copy of the plan to be submitted with the completed Application for GHURA’s review to claim the point.) | 1 Point          |                  |
| The project is neither located in a Qualified Census Tract nor contributing to a community revitalization plan.  | 0 Points         |                  |

To receive consideration for this criterion, applicant must provide an explanation on how this project is in compliance with such plan and its benefit to the overall community. The applicant must provide a letter of interest or a binding agreement with the government agency administering the community revitalization plan.

**Criteria 10.** (0-1 Point)

Replacement of existing public housing units

Project includes the development of new housing to replace existing public housing units.

|                                      | Points Available | Points Requested |
|--------------------------------------|------------------|------------------|
| If the answer to the question is NO  | 0 Points         |                  |
| If the answer to the question is YES | 1 Point          |                  |

To receive consideration for this criterion, the applicant must provide a letter of interest or a binding agreement from the local administering Public Housing Authority to participate in a HUD-approved activity.

**Criteria 11.** (0 to 10 Points)  
 Total Project Cost Percentage

If total federal tax credit requested (gross) as a percentage of total project cost is:

| Description                            | Points Available | Points Requested |
|--|------------------|------------------|
| Greater than 80% of total project cost | 0 Points         |                  |
| 71 % through 80% of total project cost | 1 Point          |                  |
| 61 % through 70% of total project cost | 2 Points         |                  |
| 51 % through 60% of total project cost | 4 Points         |                  |
| 41 % through 50% of total project cost | 6 Points         |                  |
| 40% or less of total project cost      | 10 Points        |                  |

**Criteria 12.** (0-5 Points)

Project will receive project-based rental assistance.

Project will be receiving project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs shall include, but not be limited to, the Rural Development 515 Loan Program and HUD Housing Choice Voucher/Section 8 Project-Based Rental Assistance Program.

|  | Points Available | Points Requested |
|--|------------------|------------------|
| If the answer to the question is NO  | 0 Points         |                  |
| If the answer to the question is YES<br><br>If the whole project has a secured authorization for project based subsidies then 3 points are awarded. If only a portion of a project has project based subsidies, then the scoring will be adjusted based upon the percentage of units subsidized. The percentage is derived as "Number of Subsidized Units / Tax credit and non-tax credit subsidized units," provided they are developed simultaneously. | 5 Points         |                  |

**Criteria 13.** (0-2 Points)

Local/Federal Government Support

The project will receive a below market loan or grant from a federal agency or Government of Guam agency other than GHURA which, in total amounts to 10% or more of the total development cost.

| <b>Description</b>  | <b>Points Available</b> | <b>Points Requested</b> |
|---|-------------------------|-------------------------|
| (i) The project has not applied for a below market loan or grant from a federal agency or Government of Guam agency, or if the total amount applied for is less than 10% of total development costs.        | 0 Points                |                         |
| (ii) The project has applied for a below market loan or grant from a federal agency or Government of Guam agency. Documentation must provide evidence that an application for financing has been submitted. | 1 Point                 |                         |
| (iii) The project has received a commitment from a federal agency or Government of Guam agency. A copy of a commitment letter or contractual agreement must be included in the application.                 | 2 Points                |                         |

**Criteria 14.** (0-2 Points)

Projects intended for eventual tenant ownership

Developer will sell the units with a preference towards selling to current residents after 15 years.

|                                      | <b>Points Available</b> | <b>Points Requested</b> |
|--------------------------------------|-------------------------|-------------------------|
| If the answer to the question is NO  | 0 Points                |                         |
| If the answer to the question is YES | 2 Points                |                         |

Projects will offer tenants the opportunity for home ownership. The applicant will offer tenants a Right of First Refusal to acquire the property in accordance with Section 42(i)(7) of the Internal Revenue Code. The applicant must provide a plan discussing how the project will offer the units for homeownership to tenants.

**Criteria 15.** (2-12 Points)

Green Building / Energy Efficiency

Projects should use energy-efficient practices that promote resource conservation. In addition, all project units **must be individually metered.**

|   | <b>Points Available</b> |
|---|-------------------------|
| Projects that elect to be LEED certified and include all (8) eight of the features listed below | 12 Points               |
| Projects that elect to be LEED certified only   | 10 Points               |
| Projects that elect to include all eight of the features listed below                           | 8 Points                |
| Projects that elect to include fewer than eight of the features listed below                    | 6 Points                |
| Projects that elect to include fewer than six of the features listed below                      | 4 Points                |
| Projects that elect fewer than four of the features listed below                                | 2 Points                |

Minimum Required features:

- Installation of solar thermal, tank less, or tank-type water heaters that meet ENERGY STAR standards.
- Installation of water conserving plumbing fixtures: water sense high efficiency toilets - (less than 1.28 gallons per flush), showerheads with rated flow less than 1.75 gallons per minute (gpm), kitchen aerators with rated flow less than 1.5 gpm, and bathroom aerators with rated flow less than 1.0 gpm.
- Installation of five or more ENERGY STAR qualified light fixtures, ceiling fans equipped with lighting fixtures, and/or ventilation fans in each unit.
- Installation of photo sensors or timers on all outdoor lighting and ENERGY STAR or high-efficiency commercial grade lighting fixtures (T8) in all common areas.
- Installation of ENERGY STAR appliances including refrigerators, dishwashers, and clothes washers (horizontal axis) in each unit.
- Reducing heat effects by using ENERGY STAR low emissive roofing products for at least 50 percent of the roof area; or a combination of high-albedo and vegetated roof covering 75 percent of the roof area. Reduce asphalt surface areas and use low emissive pavement coatings and materials for at least 25% of paved surfaces.
- Provide an easily accessible area dedicated to recycling (at a minimum) newspaper, corrugated cardboard, glass bottles and jars, aluminum cans, and plastic containers (#1 and #2).
- Equip with “Grid-tied Solar Power System” panels that are to be under warranty for no less than 12 years.

Upon completion of the project, a certification from third party a LEED AP certified architect, or engineer verifying the green building practices listed above have been used to construct or rehabilitate the building shall be submitted. Failure to provide the certification by six months after the issuance of the IRS Form 8609 will result in forfeiture of the good faith deposit. (Reference Section VI. Fees – Good Faith Deposit)

**Criteria 16.** (0-1 Points)

Historic Nature of the Project

The proposed project will preserve the historic nature of an existing building.

The proposed project involves the preservation of a building(s) on a national or state historic registry.

|                                      | Points Available | Points Requested |
|--------------------------------------|------------------|------------------|
| If the answer to the question is NO  | 0 Points         |                  |
| If the answer to the question is YES | 1 Points         |                  |

**Criteria 17.** (0 to 18 Points)

Project Reasonableness

The points awarded will be based on GHURA’s evaluation of any and all factors that could impact project reasonableness, such as, but not limited to:

| Description  | Points Available | Points Requested |
|--|------------------|------------------|
| Reasonableness of development costs & Feasibility of financing structure   | 0-5 Points       |                  |
| Operational feasibility (for example, unreasonable operating expenses)   | 0-5 Points       |                  |
| Adequacy of Reserves including but not limited to Operating Reserve and Repair and Replacement Reserve   | 0-3 Points       |                  |
| Services and amenities provided to tenants that will enhance the livability of the project. (Please cite the services to be provided and the partners involved within the project) | 0-3 Points       |                  |
| Adequacy of project contingencies in the development budget  | 0-2 Points       |                  |

**Criteria 18.** (0 to 7 Points)

Developer Fee

The applicant elects to limit the total Developer Fee as a percentage of the total development cost (excluding developer fee and reserves) as presented in the application. The Developer Fee includes total fees paid to the Developer, including, but is not limited to, consulting fees, project management fees, developer overhead, and developer fees. Architectural, Engineering, Accounting, and Legal fees are not included as the Developer Fee.

Applicants receive scores for this criterion based on the table below. Please note the different categories for New Construction vs. Acquisition / Rehabilitation applications.

| New Construction |        | Acquisition / Rehabilitation |        |                       |        |
|------------------|--------|------------------------------|--------|-----------------------|--------|
|                  |        | Fee on Acquisition           |        | Fee on Rehabilitation |        |
| Fee              | Points | Fee                          | Points | Fee                   | Points |
| 18% > Fee ≥ 16%  | 0      | 13% > Fee ≥ 11%              | 0      | 18% > Fee ≥ 16%       | 0      |
| 16% > Fee ≥ 14%  | 1      | 11% > Fee ≥ 9%               | 1      | 16% > Fee ≥ 14%       | 1      |
| 14% > Fee ≥ 12%  | 2      | Fee < 9%                     | 3      | 14% > Fee ≥ 12%       | 2      |
| 12% > Fee ≥ 10%  | 3      |                              |        | Fee < 9%              | 4      |
| 10% > Fee ≥ 8%   | 5      |                              |        |                       |        |
| Fee < 8%         | 7      |                              |        |                       |        |

NOTE: All financial worksheets must be submitted in electronic format saved in a CD or thumb drive with the application package.

## V. PROJECT COSTS (Residential Portion Only)

### TOTAL PROJECT COSTS

| Itemized Cost                           | Projected Cost | <u>Eligible Basis</u> |                        |
|---|----------------|-----------------------|------------------------|
|   |                | Acquisition           | Rehab/New Construction |
| <b>Land and Building Acquisition</b>    |                |                       |                        |
| Land                                    | \$ _____       |                       |                        |
| Existing Structures                     | \$ _____       | \$ _____              |                        |
| Demolition                              | \$ _____       |                       |                        |
| Environmental Abatement                 | \$ _____       |                       |                        |
| Other:                                  | \$ _____       |                       |                        |
| Other: _____                            | \$ _____       | \$ _____              |                        |
| <b>Subtotals</b>                        | \$ _____       | \$ _____              |                        |
| <b>Site Work</b>                        |                |                       |                        |
| Site Work                               | \$ _____       | \$ _____              | \$ _____               |
| Off Site Improvement                    | \$ _____       |                       |                        |
| Other:                                  | \$ _____       | \$ _____              | \$ _____               |
| Other: _____                            | \$ _____       | \$ _____              | \$ _____               |
| <b>Subtotals</b>                        | \$ _____       | \$ _____              | \$ _____               |
| <b>Rehab &amp; New Construction</b>     |                |                       |                        |
| New Building                            | \$ _____       | \$ _____              | \$ _____               |
| Rehabilitation                          | \$ _____       | \$ _____              | \$ _____               |
| Equipment & Furnishings                 | \$ _____       | \$ _____              | \$ _____               |
| Accessory Building                      | \$ _____       | \$ _____              | \$ _____               |
| Environmental Abatement                 | \$ _____       | \$ _____              | \$ _____               |
| Gross Receipts Tax                      | \$ _____       | \$ _____              | \$ _____               |
| Other:                                  | \$ _____       | \$ _____              | \$ _____               |
| Other:     Construction                 | \$ _____       | \$ _____              | \$ _____               |
| Supervision                             | \$ _____       | \$ _____              | \$ _____               |
| Other:     Inspection Fees              | \$ _____       | \$ _____              | \$ _____               |
| <b>Subtotals</b>                        | \$ _____       | \$ _____              | \$ _____               |
| <b>Contractor Overhead &amp; Profit</b> |                |                       |                        |
| Contractor Overhead                     | \$ _____       | \$ _____              | \$ _____               |
| Contractor Profit                       | \$ _____       | \$ _____              | \$ _____               |
| <b>Subtotals</b>                        | \$ _____       | \$ _____              | \$ _____               |
| <b>Contingency</b>                      |                |                       |                        |
| New Construction                        | \$ _____       | \$ _____              | \$ _____               |
| Rehabilitation                          | \$ _____       | \$ _____              | \$ _____               |
| <b>Subtotals</b>                        | \$ _____       | \$ _____              | \$ _____               |

**TOTAL PROJECT COSTS, continued**

| Itemized Cost                                     | Projected Cost | Eligible Basis |                        |
|---|----------------|----------------|------------------------|
|   |                | Acquisition    | Rehab/New Construction |
| <b>Architectural, Engineering, and Other Fees</b> |                |                |                        |
| Architectural Fees                                | \$ _____       | \$ _____       | \$ _____               |
| Real Estate Attorney                              | \$ _____       | \$ _____       | \$ _____               |
| Environmental Report                              | \$ _____       | \$ _____       | \$ _____               |
| Building Permits                                  | \$ _____       | \$ _____       | \$ _____               |
| Bid Costs   | \$ _____       | \$ _____       | \$ _____               |
| Utility Hook Up Fees                              | \$ _____       | \$ _____       | \$ _____               |
| Other Fees: <u>Engineering</u>                    | \$ _____       | \$ _____       | \$ _____               |
| Other Fees: _____                                 | \$ _____       | \$ _____       | \$ _____               |
| <b>Subtotals</b>                                  | \$ _____       | \$ _____       | \$ _____               |
| <b>Interim Costs</b>                              |                |                |                        |
| Construction Insurance                            | \$ _____       | \$ _____       | \$ _____               |
| Interest  | \$ _____       | \$ _____       | \$ _____               |
| Construction Loan Fees                            | \$ _____       | \$ _____       | \$ _____               |
| Property Taxes                                    | \$ _____       | \$ _____       | \$ _____               |
| Other: _____                                      | \$ _____       | \$ _____       | \$ _____               |
| Other: <u>Operating Reserves</u>                  | \$ _____       | \$ _____       | \$ _____               |
| <b>Subtotals</b>                                  | \$ _____       | \$ _____       | \$ _____               |
| <b>Permanent Financing Fees</b>                   |                |                |                        |
| Permanent Loan Origination Fee                    | \$ _____       |                |                        |
| Other <u>Title &amp; Recording</u>                | \$ _____       |                |                        |
| Other <u>Closing Costs</u>                        | \$ _____       |                |                        |
| <b>Subtotals</b>                                  | \$ _____       |                |                        |
| <b>Soft Costs</b>                                 |                |                |                        |
| Property Appraisal                                | \$ _____       |                |                        |
| Market Study                                      | \$ _____       | \$ _____       | \$ _____               |
| Tax Credit Fees                                   | \$ _____       |                |                        |
| Relocation Expenses                               | \$ _____       | \$ _____       | \$ _____               |
| Rent-Up + Marketing                               | \$ _____       |                |                        |
| Other <u>Tax Attorney Fees</u>                    | \$ _____       |                |                        |
| Other <u>Accountant Fees</u>                      | \$ _____       |                |                        |
| <b>Subtotals</b>                                  | \$ _____       | \$ _____       | \$ _____               |
| <b>Developer/Consultant Fees</b>                  |                |                |                        |
| Developer Fees <sup>15</sup>                      | \$ _____       | \$ _____       | \$ _____               |
| Consultant Fees                                   | \$ _____       | \$ _____       | \$ _____               |
| <b>Subtotals</b>                                  | \$ _____       | \$ _____       | \$ _____               |
| <b>TOTALS (both pages):</b>                       | \$ _____       | \$ _____       | \$ _____               |

<sup>15</sup>Indicate a breakdown of the elements for Developer Fees within the attached electronic spreadsheet to be submitted  
Guam 2021 LIHTC Application

**ELIGIBLE BASIS BY CREDIT TYPE**

|   | <b>Acquisition</b> | <b>Rehab/New Construction</b> |
|---|--------------------|-------------------------------|
| <b>TOTAL ELIGIBLE BASIS (from page 29):</b>   | \$ _____           | \$ _____                      |
| <b>ADJUSTMENTS TO ELIGIBLE BASIS:</b>   |                    |                               |
| Subtract federal Grants and/or Below-Market Federal Loans:<br>(List Grants/Loans) _____                           |                    | - \$ _____                    |
| Subtract non-qualified non-recourse financing:  | - \$ _____         | - \$ _____                    |
| Subtract costs of non-qualifying Units of higher quality or excess costs of non-qualifying Units:                 | - \$ _____         | - \$ _____                    |
| Subtract Historic Rehabilitation Tax Credit – residential portion only (I from page 13):                          | - \$ _____         | - \$ _____                    |
| <b><u>ADJUSTED ELIGIBLE BASIS:</u></b>  | \$ _____           | \$ _____                      |
| High Cost Area Adjustment (0% or 130%):   | x _____ %          | x _____ 130 %                 |
| Applicable Fraction (Lesser of Project’s Unit Fraction or Floor Space Fraction):                                  | x _____ %          | x _____ 100 %                 |
| <b>QUALIFIED BASIS (Multiply Adjusted Eligible Basis by High Cost Areas Adjustment, by Applicable Fraction):</b>  | \$ _____           | \$ _____                      |
| <b>APPLICABLE PERCENTAGE</b>  | x _____ 4%         | x _____ 9%                    |
| <b>MAXIMUM ANNUAL CREDIT AMOUNT REQUESTED BASED ON QUALIFIED BASIS (Qualified Basis x Applicable Percentage):</b> | \$ _____           | \$ _____                      |
| <b>Commitment of Credits from 2021 Allocation</b>   | _____              | _____                         |
| <b>TOTAL COMBINED MAXIMUM ANNUAL CREDIT AMOUNT REQUESTED BASED ON QUALIFIED BASIS (“4%” + “9%” Credit):</b>       |                    | \$ _____                      |

## **TOTAL PROJECT COST NOTES**

The following information is provided for assistance in completing the Total Project Costs budget pages. It is not provided as legal or tax advice. The tax law is very complex and the consequences of errors can create substantial risk to the taxpayer. GHURA strongly advises consultation with a tax advisor, legal counsel, and/or accountant.

Total Project Costs include the applicable common areas of the residential portion of each Building, but exclude Intermediary Costs, Reserves, and any expenses attributable to commercial areas and/or other non-residential space. Applicants with Projects that include non-residential space must complete the additional financing pages included as Exhibit 8 of the Application Package and include as an attachment to the Application the requested supporting documentation.

Expenses associated with any commercial or other non-residential use may not be included in the Total Project Costs, Eligible Basis, or the Equity Gap calculation except as specifically allowed for under Section 42. Projects that include commercial areas and/or other non-residential space must allocate the relative portion of all applicable expenses to the commercial areas or other non-residential space and exclude it from the Total Project Costs and Eligible Basis. In determining the Equity Gap calculation, there is no corresponding deduction from Project sources of funds for that amount of financing associated with the commercial or other non-residential use, unless such financing specifically identifies in its terms that it is being provided for the commercial or other non-residential use.

Refer to the Code for additional information regarding Eligible Basis.

## VI. PROJECT FINANCING (Residential Portion Only)

### NON-GOVERNMENT SOURCES OF FUNDS<sup>16</sup>

**Permanent Financing/Loans:**

| Name of Lender | Amount | Annual Debt Service Cost | Interest Rate | Amort. Period (years) | Term of Loan (years) | Status (Committed or Pending) |
|----------------|--------|--------------------------|---------------|-----------------------|----------------------|-------------------------------|
|                | \$     | \$                       | %             |                       |                      |                               |
|                | \$     | \$                       | %             |                       |                      |                               |
|                | \$     | \$                       | %             |                       |                      |                               |
|                | \$     | \$                       | %             |                       |                      |                               |

**A. Totals:** \$ \_\_\_\_\_ \$ \_\_\_\_\_

**Grants:**

| Type of Grant | Source | Amount |
|---------------|--------|--------|
|               |        | \$     |
|               |        | \$     |
|               |        | \$     |
|               |        | \$     |

**B. Total:** \$ \_\_\_\_\_

**C. TOTAL NON-GOVERNMENT SOURCES (Add A and B above):** \$ \_\_\_\_\_

### GOVERNMENT SOURCES OF FUNDS

**Permanent Financing/Loans:**

| Name of Lender | Amount | Annual Debt Service Cost | Interest Rate | Amort. Period | Term of Loan | Status (Committed or Pending) |
|----------------|--------|--------------------------|---------------|---------------|--------------|-------------------------------|
|                | \$     | \$                       | %             |               |              |                               |
|                | \$     | \$                       | %             |               |              |                               |
|                | \$     | \$                       | %             |               |              |                               |
|                | \$     | \$                       | %             |               |              |                               |

**D. Totals:** \$ \_\_\_\_\_ \$ \_\_\_\_\_

**Grants:**

| Type of Grant | Source | Amount |
|---------------|--------|--------|
|               |        | \$     |
|               |        | \$     |
|               |        | \$     |
|               |        | \$     |

**E. Total:** \$ \_\_\_\_\_

**F. TOTAL GOVERNMENT SOURCES (Add D and E above):** \$ \_\_\_\_\_

<sup>16</sup> List all sources of funds, except for equity from Credit. Do not include construction or bridge financing.  
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**TOTAL SOURCES**

- A. **Total Non-Government and Government Sources**  
(Add C and F from Page 32): \$ \_\_\_\_\_
- B. **Equity Contributions:** \$ \_\_\_\_\_
- C. **Net Historic Rehabilitation Tax Credit Proceeds** - residential portion  
only (H from Page 13): \$ \_\_\_\_\_
- D. **TOTAL SOURCES**  
(A, B, and C above): \$ \_\_\_\_\_

**BOND FINANCING**

- Is taxable bond financing used?  Yes  No Amount: \$ \_\_\_\_\_
- Is tax-exempt bond financing used?  Yes  No Amount: \$ \_\_\_\_\_

If tax-exempt financing is used, complete the following:

- A. **Amount of aggregate basis of the Building(s) and Land in the Project financed with tax-exempt bonds:** (Tax-exempt bond amount) \$ \_\_\_\_\_
- B. **Amount of aggregate Basis of Building(s) and land:** \$ \_\_\_\_\_
- C. **Percentage of aggregate that is financed with tax-exempt bonds:** (A÷B) \_\_\_\_\_ %

**Issuer of tax-exempt financing:** \_\_\_\_\_  
**Proposed Bond Closing Date** \_\_\_\_\_  
**Contact Person and Title:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
\_\_\_\_\_  
**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_  
**E-mail** \_\_\_\_\_

## EQUITY GAP CALCULATION

- A. **Total Project Costs** (from page 29): \$ \_\_\_\_\_
- B. **Total Sources** (from page 33): \$ \_\_\_\_\_
- C. **Equity Gap** (A minus B above): \$ \_\_\_\_\_
- D. **Tax Credit Factor** (from page 12): \_\_\_\_\_
- E. **Ten Year Maximum Credit Amount Requested** (Divide C by D, above): \$ \_\_\_\_\_
- F. **Maximum Annual Credit Amount Requested Based on Equity Gap** (Divide E above by 10): \$ \_\_\_\_\_
- G. **Maximum Annual Credit Amount Requested Based on Qualified Basis** (from page 30): \$ \_\_\_\_\_
- H. **Maximum Annual Credit Requested** (Lesser of F or G, above): \$ \_\_\_\_\_
- I. **Credit Requested Per Low Income Housing Unit** (H divided by Total Housing Units page 14) \$ \_\_\_\_\_

**The actual amount of Credit reserved or allocated to a Project, if any, is determined by GHURA.**

## VII. INCOME AND EXPENSES

### RENT INFORMATION: LOW-INCOME HOUSING UNITS

Enter the Minimum Low-Income Housing Set-Aside election (50% or 60% AMGI, selected on page 12). Enter the maximum rents allowable for each bedroom size.<sup>17</sup>

|   | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR |
|---|------|------|------|------|------|------|
| <b>MINIMUM LOW-INCOME HOUSING SET-ASIDE:<br/>60% AMGI</b>       | \$   | \$   | \$   | \$   | \$   | \$   |
| <b>EXPECTED RENTS BASED ON MARKET STUDY CONCLUSION</b>          | \$   | \$   | \$   | \$   | \$   | \$   |
|   |      |      |      |      |      |      |
| <b>ADDITIONAL LOW-INCOME HOUSING SET-ASIDE<br/>_____ % AMGI</b> | \$   | \$   | \$   | \$   | \$   | \$   |
| <b>EXPECTED RENTS BASED ON MARKET STUDY CONCLUSION</b>          | \$   | \$   | \$   | \$   | \$   | \$   |
|   |      |      |      |      |      |      |
| <b>ADDITIONAL LOW-INCOME HOUSING SET-ASIDE<br/>_____ % AMGI</b> | \$   | \$   | \$   | \$   | \$   | \$   |
| <b>EXPECTED RENTS BASED ON MARKET STUDY CONCLUSION</b>          | \$   | \$   | \$   | \$   | \$   | \$   |

<sup>17</sup> Select limits from the HUD Rent and Income Limits.  
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## ACTUAL RENTS AND RESIDENT-PAID UTILITIES: LOW-INCOME HOUSING UNITS

List the actual rents charged and Resident-paid utilities (using the applicable Utility Allowance). If a bedroom size has more than one actual rent for a different unit configuration or size, list on a separate line (e.g., if the Project will have 4 different one-bedroom configurations, list each on a separate line). Do not include any Common Area Units. Attach additional copies of this page immediately following this page if necessary.

| A                  | B      | C                       | D  | E  | F  | G  | H   | I                            | J  |
|--------------------|--------|-------------------------|--|--|--|--|---|------------------------------|--|
| Number of Bedrooms | % AMGI | Number of Housing Units | Monthly Gross Rent per Housing Unit<br><small>(Include Resident-Paid Utilities and Actual Rents Charged)</small> | Resident-Paid Monthly Utilities per Housing Unit | Actual Resident-Paid Monthly Rent per Housing Unit<br><small>(D-E)</small> | Total Monthly Actual Rent<br><small>(Cx F)</small> | Total Annual Actual Rent<br><small>(Gx12)</small> | Square Feet per Housing Unit | Total Square Feet<br><small>(Cx I)</small> |
| 1 BR               | 60 %   |                         | \$   | \$   | \$   | \$   | \$  | sq. ft.                      | sq. ft.                                    |
| 2 BR               | 60 %   |                         | \$   | \$   | \$   | \$   | \$  | sq. ft.                      | sq. ft.                                    |
| BR                 | %      |                         | \$   | \$   | \$   | \$   | \$  | sq. ft.                      | sq. ft.                                    |
| BR                 | %      |                         | \$   | \$   | \$   | \$   | \$  | sq. ft.                      | sq. ft.                                    |
| BR                 | %      |                         | \$   | \$   | \$   | \$   | \$  | sq. ft.                      | sq. ft.                                    |
| BR                 | %      |                         | \$   | \$   | \$   | \$   | \$  | sq. ft.                      | sq. ft.                                    |
| BR                 | %      |                         | \$   | \$   | \$   | \$   | \$  | sq. ft.                      | sq. ft.                                    |
| BR                 | %      |                         | \$   | \$   | \$   | \$   | \$  | sq. ft.                      | sq. ft.                                    |
| BR                 | %      |                         | \$   | \$   | \$   | \$   | \$  | sq. ft.                      | sq. ft.                                    |
| BR                 | %      |                         | \$   | \$   | \$   | \$   | \$  | sq. ft.                      | sq. ft.                                    |
| BR                 | %      |                         | \$   | \$   | \$   | \$   | \$  | sq. ft.                      | sq. ft.                                    |
| BR                 | %      |                         | \$   | \$   | \$   | \$   | \$  | sq. ft.                      | sq. ft.                                    |
| <b>TOTALS:</b>     |        |                         |  |  |  | \$   | \$  |                              | sq. ft.                                    |

Estimated vacancy rate for Low-Income Housing Units: \_\_\_\_\_ %

Estimated annual increase in rents for Low-Income Housing Units: \_\_\_\_\_ %

**ACTUAL RENTS: MARKET RATE HOUSING UNITS**

List the actual rents charged, excluding all Resident-paid utilities. If a bedroom size has more than one actual rent for a different unit configuration or size, list on a separate line (e.g., if the Project will have 4 different one-bedroom configurations, list each on a separate line). Do not include any Common Area Units. Attach additional copies of this page immediately following this page if necessary.

| A                  | B                       | C   | D   | E   | F                            | G   |
|--------------------|-------------------------|---|---|---|------------------------------|---|
| Number of Bedrooms | Number of Housing Units | Resident-Paid Monthly Rent per Housing Unit | Total Monthly Actual Rent for All Housing Units | Total Annual Actual Rent for All Housing Units (Dx12) | Square Feet per Housing Unit | Total Square Feet For All Housing Units (BxF) |
| 1 BR               |                         | \$  | \$  | \$  |                              |   |
| 2 BR               |                         | \$  | \$  | \$  |                              |   |
| BR                 |                         | \$  | \$  | \$  |                              |   |
| BR                 |                         | \$  | \$  | \$  |                              |   |
| BR                 |                         | \$  | \$  | \$  |                              |   |
| BR                 |                         | \$  | \$  | \$  |                              |   |
| <b>TOTALS:</b>     |                         |   | \$  | \$  |                              |   |

Estimated vacancy rate for Market Rate Housing Units: \_\_\_\_\_ %

Estimated annual increase in rents for Market Rate Housing Units: \_\_\_\_\_ %

**MONTHLY UTILITY ALLOWANCE CALCULATIONS FOR RESIDENT-PAID UTILITIES (LOW-INCOME HOUSING UNITS)**

| UTILITIES      | Enter Allowances by Bedroom Size |      |      |      |      |      |
|----------------|----------------------------------|------|------|------|------|------|
|                | 0 BR                             | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR |
| Electric       |                                  |      |      |      |      |      |
| Gas            |                                  |      |      |      |      |      |
| Water          |                                  |      |      |      |      |      |
| Sewer          |                                  |      |      |      |      |      |
| Trash          |                                  |      |      |      |      |      |
| <b>TOTALS:</b> |                                  |      |      |      |      |      |

Source of Utility Allowance Calculation:

- (Check One)       Local Utility Company       HUD  
 Local Public Housing Authority       Rural Development (RD)

**RENTAL ASSISTANCE**

Are any Low-Income Housing Units currently receiving rental assistance?  Yes  No

Do you have a commitment for rental assistance to Housing Units in the Project?  Yes  No

If yes to either above, complete the following:

**Type of rental assistance:**

- (Check One)  Section 8 New Construction Substantial Rehabilitation  Rural Development (RD) 515 Rental Assistance  
 Section 8 Certificates  Section 8 Project-Based Assistance  
 Other: \_\_\_\_\_

Number of Housing Units receiving rental assistance: \_\_\_\_\_

Number of years remaining on rental assistance contract: \_\_\_\_\_

Is the project currently required to restrict rents?  Yes  No

If yes, what is the expiration date? \_\_\_\_\_

**OTHER PROJECT INCOME**

| <u>SOURCE</u> | <u>ANNUAL AMOUNT</u> |
|---------------|----------------------|
| Laundry       | _____                |
| Parking       | _____                |
| Other: _____  | _____                |
| Other: _____  | _____                |
| <b>Total:</b> | _____                |

**ANNUAL EXPENSE INFORMATION (Residential Portion Only)**

|  |                                    |          |
|--|------------------------------------|----------|
| <b>A. Administrative</b>                                 | 1. Advertising                     | \$ _____ |
|  | 2. Professional Management         | \$ _____ |
|  | 3. On-site Management              | \$ _____ |
|  | 4. Legal/Partnership Include Acct  | \$ _____ |
|  | 5. Accounting/Audit                | _____    |
|  | 6. Compliance Monitoring Fee       | \$ _____ |
|  | 7. Other:                          | \$ _____ |
|  | 8. Other License & Permits         | \$ _____ |
|  | <b>Total Administrative Costs:</b> | \$ _____ |
| <b>B. Operating</b>                                      | 1. Elevator                        | \$ _____ |
|  | 2. Heat                            | \$ _____ |
|  | 3. Utilities                       | \$ _____ |
|  | 4. Payroll/Payroll Taxes           | \$ _____ |
|  | 5. Insurance                       | \$ _____ |
|  | 6. Security:                       | \$ _____ |
|  | 7. Other: Irrigation               | \$ _____ |
|  | 9. Other: Trash pick-up            | \$ _____ |
|  | 10. Other: Tenant Services         | \$ _____ |
|  | <b>Total Operating Costs:</b>      | \$ _____ |
| <b>C. Maintenance</b>                                    | 1. Decorating & Turnover           | \$ _____ |
|  | 2. Repairs & Maintenance           | \$ _____ |
|  | 3. Landscaping                     | \$ _____ |
|  | 4. Other Supplies                  | \$ _____ |
|  | 5. Other                           | \$ _____ |
|  | 6. Other                           | \$ _____ |
| <b>Total Maintenance Costs:</b>                          | \$ _____                           |          |
| <b>D. Real Estate Taxes:</b>                             | _____                              |          |
| <b>Total Annual Expenses (A, B, C, &amp; D):</b>         | \$ _____                           |          |
| <b>Annual Replacement Reserve for Units:</b>             | \$ _____                           |          |
| <b>Estimated percentage increase in annual expenses:</b> | _____                              | %        |

## **OPERATING PRO FORMA**

**Include as an attachment to the Application** a thirty-year operating pro forma for the Project demonstrating financial feasibility and viability for the fifteen-year Compliance Period and fifteen-year Extended Use Period. Include assumptions, notes and explanations regarding the income and expense projections. Attach as Exhibit 9.

Projections for 30 years follow. Assumptions include:

1. Revenue growth of % per year
2. Expense growth of % per year
3. Rental rates = % of Fair Market Rents

A softcopy of the operating pro forma worksheet saved in a CD or thumb drive must be submitted with the application package.

## VIII. PROJECT SCHEDULE

| ACTIVITY   | SCHEDULED DATE<br>MM/DD/YY |
|--|----------------------------|
| <b>A. Financing Secured</b>                          |                            |
| 1. Construction Loan(s) Secured .....                | _____                      |
| 2. Permanent Loan(s) Secured .....                   | _____                      |
| 3. Other Loans / Grants Secured .....                | _____                      |
| <b>B. Building Permits Obtained .....</b>            | _____                      |
| <b>C. Construction Contract Executed .....</b>       | _____                      |
| <b>D. Construction Begins.....</b>                   | _____                      |
| <b>E. Project Lease Up Begins.....</b>               | _____                      |
| <b>F. Construction Completed.....</b>                | _____                      |
| <b>G. Date First Building Placed-In-Service.....</b> | _____                      |
| <b>H. Date Last Building Placed-In-Service.....</b>  | _____                      |
| <b>I. Project Lease Up Completed.....</b>            | _____                      |
| <b>J. Projected First Year of Credit Period.....</b> | _____                      |

## **IX. APPLICANT'S REPRESENTATIONS, WARRANTIES, AND CERTIFICATION**

Whereas, \_\_\_\_\_ (the "Applicant") is applying for the Low Income Housing Tax Credit (LIHTC) Program (the Program) through the Guam Housing and Urban Renewal Authority (the "GHURA"); and

Whereas, the Applicant understands that it is necessary that certain conditions be satisfied as part of the Application requirements;

Now, therefore, the Applicant certifies as follows:

1. The Applicant is eligible for award under Guam statute and guidelines for the LIHTC Program.
    - a) The undersigned is responsible for ensuring that the project consists or will consist of a qualified low-income building or buildings as defined in the Internal Revenue Code, Section 42, and will satisfy all applicable requirements of federal tax law in the acquisition, rehabilitation, or construction and operation of the project to receive the low-income housing credit.
    - b) The undersigned is responsible for all calculations and figures relating to the determination of the eligible basis for the project and understands and agrees that the amount of the credit is calculated by reference to the figure submitted with this application, as to the eligible basis and qualified basis of the project and individual buildings.
  2. The Applicant agrees to comply with all applicable federal, state, and local regulations in the event that this Application is selected for funding.
  3. The Applicant will minimize displacement of persons as a result of activities assisted with the Program resources and assist persons displaced as a result of such activities.
  4. The Applicant will actively market in an ongoing manner all rental units and services funded through the Program.
  5. The Applicant is prepared and has the authority within its charter, bylaws, or through statutory regulations to enter into a contractual agreement with the GHURA for acceptance and use of financing assistance offered by the Program. The Applicant makes this Application and Certification with full cognizance of its governing body.
  6. The Applicant agrees that the GHURA will at all times be indemnified and held harmless against all losses, costs, damages, expenses and liabilities whatsoever in nature or kind (including, but not limited to attorney's fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgment, and any loss from judgment from the Internal Revenue Service) directly and indirectly resulting from, arising out of, or related to acceptance, consideration and approval or disapproval of such allocation request.
  7. The Applicant understands and agrees that the GHURA retains the right to contact local government officials, representatives of other funding programs, or other individuals to verify or obtain additional information about Applicant's proposals. The undersigned hereby agrees and allows the release of any and all information to the GHURA in regards to the representations made within this Application. Such information may include credit history and ratings verifications, confirmation of involvement in past developments, and all other information, on the Applicant entity and principals, thereof, as may be
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required by the GHURA. This information will be used solely by the GHURA to aid in making a determination as to the awarding of financing assistance offered by the Program to the Applicant and will not be disclosed outside of the GHURA, except as required and permitted under law.

8. The Applicant has received, reviewed and accepts all the documents (e.g. Overview, Instructions, Qualified Allocation Plan, etc.) that are attached to the Application and made a part hereof.
9. The Applicant agrees to abide by all the terms, conditions and provisions of the Program.
10. The Applicant understands and agrees that the GHURA's receipt of an Application does not constitute acceptance of the Application. GHURA reserves the right to return an Application at any time without taking further action on the Application due to, but not limited to, the following:
  - a) Failure to meet Application submittal requirements (e.g., timeliness, correct application fees, cashier's check, correct number of copies).
  - b) Failure to meet individual program criteria (e.g., applicant eligibility and income set-aside requirements, etc).
  - c) Failure to disclose in the Application any known material defects about the development of the Project, any misrepresentation or fraud.
  - d) Incomplete Application. The Application received by the deadline constitutes the final Application (the "Final Application"). Any Final Application deemed by GHURA to be incomplete shall not be processed.
11. The Applicant understands and agrees that the awarding of funds is subject to the availability of tax credits and approval by the GHURA BOARD OF COMMISSIONERS and sustaining compliance with the IRS regulations.
12. The Applicant understands and agrees that GHURA reserves the right to make an award for less than the eligible amount requested by the Applicant.
13. The Applicant understands and agrees that GHURA reserves the right to accept or reject any Application, to make awards to as many or as few Applicants as it may select.
14. The Applicant further understands and agrees that:
  - a) GHURA reserves the right to cancel, suspend, or terminate, in part or in whole, any tax credit year, if GHURA, in its sole discretion, deems it to be in its best interest to do so;
  - b) GHURA reserves the right to reject any Application submitted and may exercise such right without notice and without liability to any Applicant or other parties for their expenses incurred in the preparation of an Application.
  - c) Applications are prepared at the sole risk and expense of the Applicant. The completion, receipt, or acceptance of an Application does not commit the GHURA to pay any costs incurred in preparation of the Application. GHURA shall not be responsible for any costs incurred by the Applicant due to the cancellation, suspension, or termination of such funding round, or the rejection of any Application.
15. The Applicant understands and agrees that GHURA in no way represents or warrants to any party which may include, but is not limited to, any developer, project owner, investor, or lender that the Project is, in fact, feasible or viable. No GHURA director, commissioner, officer, agent, legal consul, staff or employee shall be personally liable concerning any matters arising out of, or in relation to, the disapproval or the making of awards from the Program.

16. The Applicant is responsible to review the applicable federal/Guam laws as they relate to the respective Program to ensure compliance with current regulations.
17. That the foregoing information and the statements made in this Application are true, complete, accurate and correct to the best of the Applicant's knowledge, and hereby authorizes GHURA to obtain further information and to verify any statement made as it deems necessary.

In Witness Whereof, the Applicant has caused the document to be executed in its name on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Authorized Representative

By \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

Witness \_\_\_\_\_

**APPLICANT CREDIT INFORMATION AUTHORIZATION**

1. Applicant's Full Name (include Jr. or Sr., if applicable)

\_\_\_\_\_

2. Social Security Number

\_\_\_\_\_

3. Present Address (street, city, state, zip)

\_\_\_\_\_

\_\_\_\_\_

Authorization: I authorize the Guam Housing and Urban Renewal Authority (GHURA), its agents, successors and assigns, to order a consumer credit report and verify other credit information, including past and present mortgage and references. It is understood that a photocopy of this form will also serve as authorization. The information the GHURA, its agents, successors or assigns obtains is only to be used in the processing of my application.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

**DEVELOPER'S NON-AFFILIATION AFFIDAVIT**

This Affidavit is duly made this \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_, by  
\_\_\_\_\_, the \_\_\_\_\_ of  
(name of officer) (title)  
\_\_\_\_\_, a Guam \_\_\_\_\_,  
(developer/applicant) (type of business)  
whose principal place of business is \_\_\_\_\_  
(street address)  
\_\_\_\_\_ and whose mailing  
address is \_\_\_\_\_.

\_\_\_\_\_ certifies that \_\_\_\_\_ has  
(Name of officer) (market analyst)  
conducted a market analysis for \_\_\_\_\_ on the  
(developer/applicant)  
\_\_\_\_\_ project, located at \_\_\_\_\_  
(project name) (project address)  
\_\_\_\_\_ Tax Map Key ( ) \_\_\_\_\_.

\_\_\_\_\_ certifies and confirms that the  
(Name of officer)  
\_\_\_\_\_ is not affiliated with, and does not have any self-  
(developer/applicant)  
dealings, related parties, or identity of interest with \_\_\_\_\_,  
(market analyst)  
except as noted on an attachment hereto.

IN WITNESS WHEREOF, \_\_\_\_\_ has caused  
(name of officer)  
this Affidavit to be signed as of the day and year first written above.

\_\_\_\_\_  
(Developer/Applicant)

By \_\_\_\_\_ (signature)

Its \_\_\_\_\_ (title)

By \_\_\_\_\_ (signature)

Its \_\_\_\_\_ (title)

Territory of GUAM

)  
) SS.  
)

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me appeared \_\_\_\_\_ and \_\_\_\_\_ to me personally known, who, being by me duly sworn, did say that they are the \_\_\_\_\_ and \_\_\_\_\_ respectively, of \_\_\_\_\_ and that said \_\_\_\_\_-page instrument entitled \_\_\_\_\_ was signed in behalf of said corporation by authority of its Board of Directors, and the said \_\_\_\_\_ and \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

\_\_\_\_\_  
Name:  
Notary Public, GUAM

My commission expires: \_\_\_\_\_

## **X. EXHIBITS**

# EXHIBIT 1 HOUSING DEVELOPMENT EXPERIENCE

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

Page 1 of 1

*Copy format and add pages as needed*

|   | Name of Property, Address | Capacity of Applicant/ Developer | Type of Project | City, State | Number of Units            |        | Financing/ Subsidy Program Utilized | Status of Project |
|---|---------------------------|----------------------------------|-----------------|-------------|----------------------------|--------|-------------------------------------|-------------------|
|   |                           |                                  |                 |             | Affordable                 | Market |                                     |                   |
|   |                           |                                  |                 |             | ___ @ ___ %<br>___ @ ___ % |        |                                     |                   |
| 1 |                           |                                  |                 |             |                            |        |                                     |                   |
| 2 |                           |                                  |                 |             |                            |        |                                     |                   |
| 3 |                           |                                  |                 |             |                            |        |                                     |                   |
| 4 |                           |                                  |                 |             |                            |        |                                     |                   |
| 5 |                           |                                  |                 |             |                            |        |                                     |                   |
| 6 |                           |                                  |                 |             |                            |        |                                     |                   |
| 7 |                           |                                  |                 |             |                            |        |                                     |                   |
| 8 |                           |                                  |                 |             |                            |        |                                     |                   |

## **EXHIBIT 2 FINANCING DOCUMENTATION**

**Terms and conditions of the proposed financing, including commitment letters, from all financing sources and/or tax credit syndicators.**

### **EXHIBIT 3 MARKET STUDY**

**Market study must be performed by a disinterested party and not be dated over 6 months from the time of application submission.**

**MARKET ANALYST'S NON-AFFILIATION AFFIDAVIT**

This Affidavit is duly made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by \_\_\_\_\_, the \_\_\_\_\_  
(name of officer) (title)  
of \_\_\_\_\_, a GUAM \_\_\_\_\_,  
(market analyst) (type of business)  
whose principal place of business is \_\_\_\_\_  
(street address)  
and whose mailing address is \_\_\_\_\_.

\_\_\_\_\_ certifies that \_\_\_\_\_  
(Name of officer) (market analyst)  
has conducted a market analysis for \_\_\_\_\_ on the  
(name of developer/applicant)  
\_\_\_\_\_ project, located at \_\_\_\_\_,  
(name of project) (project address)  
Tax Map Key ( ) \_\_\_\_\_.

\_\_\_\_\_ certifies and confirms that  
(Name of officer)  
\_\_\_\_\_ is not affiliated with, and does not have any  
(market analyst)  
self-dealings, related parties, or identity of interest with \_\_\_\_\_,  
(developer/applicant)  
except as noted on an attachment hereto.

IN WITNESS WHEREOF, \_\_\_\_\_ has caused  
(name of officer)  
this Affidavit to be signed as of the day and year first written above.

\_\_\_\_\_  
(Market Analyst)

By \_\_\_\_\_ (signature)  
Its \_\_\_\_\_ (title)

By \_\_\_\_\_ (signature)

Its \_\_\_\_\_ (title)

Territory of GUAM )  
 ) SS.  
 )

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ before me appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that they are the \_\_\_\_\_ and \_\_\_\_\_ respectively, of \_\_\_\_\_, and that said \_\_\_\_\_-page instrument entitled \_\_\_\_\_ was signed in behalf of said corporation by authority of its Board of Directors, and the said \_\_\_\_\_ and \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

\_\_\_\_\_  
Name:  
Notary Public, GUAM  
My commission expires: \_\_\_\_\_

## **EXHIBIT 4 SITE CONTROL DOCUMENTATION**

**Complete Site Control Form. Attach evidence of site control for the project, e.g. deed, lease, agreement of sale, option agreement. Documentation(s) must be current and signed. Photocopies of supporting documents are acceptable.**

**SITE CONTROL FORM**

Site size: \_\_\_\_\_ Acres \_\_\_\_\_ Square Feet

Present legal owner of the project site:

|         |       |     |
|---------|-------|-----|
| Name    |       |     |
| Address |       |     |
| City    | State | Zip |

Site control status: (check appropriate box and attach)

- Own site - fee simple
- Executed ground lease Expires on: \_\_\_\_\_
- Option to purchase Expires on: \_\_\_\_\_
- Option to lease Expires on: \_\_\_\_\_
- Other: \_\_\_\_\_ Expires on: \_\_\_\_\_

**Zoning:**

|   |
|---|
| Current zoning description:   |
| Land use classification:  |
| Will your project conform to the existing zoning for the property?  |
| - If yes, attach document   |
| - If no, describe your action plan for obtaining the appropriate zoning or zoning exemptions. List the variances and/or special use permits required. |

**Off-site improvements:**

Please provide information on the availability of utilities and site access for the proposed project. Kindly include information on existing infrastructure capabilities and any planned or potential expansion of infrastructure needed to develop this project.

*Refrain from answering only as "yes" or "no". Further explanation required. Attach supporting documents if needed.*

**Water:**

|           |
|-----------|
| Existing: |
|-----------|

Planned:

**Sewer:**

Existing:

Planned:

**Drainage:**

Existing:

Planned:

**Roads:**

Existing:

Planned:

**Electric**

Existing:

Planned:

**Telephone, Television, and Data**

Existing:

Planned:

|  |
|--|
|  |
|--|

**On-site improvements:**

Identify the benefits in use or disclose any potential problems associated with your proposed site.

|  |
|--|
| <p>Describe access to site. Provide copy of recorded map as supporting document.</p> |
| <p>Describe availability of utilities. Provide supporting document.</p>              |

Describe site improvements.

## **EXHIBIT 5 EXISTING NOTE, MORTGAGE, OR LOAN AGREEMENT**

**Copy of any existing note, mortgage, or loan agreement encumbering the project site, if available.**

## **EXHIBIT 6 RESUME AND BACKGROUND DISCLOSURE**

**Submit resume for each member and key staff involved in the development ownership of this project from the sponsor and developer.**

**All members must complete attached Background Disclosure Form (original signatures required).**

## BACKGROUND DISCLOSURE FORM

In connection with the **2021 Low Income Housing Tax Credit Application** submitted to the **Guam Housing and Urban Renewal Authority** by \_\_\_\_\_ requesting for  
(Name of Applicant)

the development of \_\_\_\_\_, I, \_\_\_\_\_,  
(Name of Project) (Name)

being duly sworn, hereby certify that I:

1. \_\_\_\_\_ have not been convicted by any state or federal jurisdiction of any felony.  
**or**  
 \_\_\_\_\_ have been convicted by a state or federal jurisdiction of a felony and the following details are provided:

| Jurisdiction | Date | Offense | Punishment | Details |
|--------------|------|---------|------------|---------|
|              |      |         |            |         |
|              |      |         |            |         |
|              |      |         |            |         |

2. \_\_\_\_\_ have not been fined, suspended, or debarred as a result of any financial, performance or housing activity by any state or federal agency.  
**or**  
 \_\_\_\_\_ have been fined, suspended, or debarred as a result of any financial, performance or housing activity by a state or federal agency and the following details are provided:

| Agency | Date | Details |
|--------|------|---------|
|        |      |         |
|        |      |         |
|        |      |         |

3. \_\_\_\_ have not filed for bankruptcy or reorganization.

or

\_\_\_\_ have filed for bankruptcy or reorganization and the following details are provided:

| Jurisdiction | Date | Details |
|--------------|------|---------|
|              |      |         |
|              |      |         |
|              |      |         |

4. \_\_\_\_ do not have any outstanding, uncorrected noncompliance issues with any state or federal housing program or agency.

or

\_\_\_\_ do have outstanding, uncorrected noncompliance issues with a state or federal housing program or agency and the following details are provided:

| Agency | Date | Details |
|--------|------|---------|
|        |      |         |
|        |      |         |
|        |      |         |

5. \_\_\_\_ do not have existing contracts or indebtedness with Guam Housing and Urban Renewal Authority.

or

\_\_\_\_ do have existing contracts or indebtedness with Guam Housing and Urban Renewal Authority.

| Borrower | Date | Details |
|----------|------|---------|
|          |      |         |
|          |      |         |
|          |      |         |

6. \_\_\_\_\_ do not have any prior delinquent, defaulted or foreclosed upon contract, loan or indebtedness with the Guam Housing and Urban Renewal Authority
- or**
- \_\_\_\_\_ do have prior delinquent, defaulted or foreclosed upon contract, loan or indebtedness with the Guam Housing and Urban Renewal Authority and the following details are provided:

| Borrower | Date | Details |
|----------|------|---------|
|          |      |         |
|          |      |         |
|          |      |         |

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_,

(Name) (Title / Position with Development Team)

Further certify that I have the authority and knowledge to make the representations contained herein and agree for the Guam Housing and Urban Renewal Authority to conduct a background check with the details provided above.

Date: \_\_\_\_\_

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name)

\_\_\_\_\_

(Title / Position with Development Team)

## **EXHIBIT 7 NON-PROFIT ORGANIZATION**

**If applicant requested for 4 points under Criteria 7 Non-Profit Organization**

**Participation, attach documents showing:**

- 1. IRS documentation of non-profit organization**
- 2. Articles of Incorporation**
- 3. Organizational chart**

## **EXHIBIT 8 NON-RESIDENTIAL DOCUMENTATION**

**Applicants with Projects that include non-residential space must complete the additional financing pages. Refer to page 30.**

## **EXHIBIT 9 OPERATING PRO FORMA**

**Attach a 30-year Operating Pro Forma for the Project demonstrating financial feasibility and viability. Refer to page 40.**