APPENDIX N

Submittal Requirements for Developments with HUD Financing, HUD Section 8 Rental Subsidies,or HUD Public Housing Financing

The following are threshold items applicant must submit with the Initial Application:

1. Evidence that the following items have been submitted to HUD prior to the submittal of the tax credit application**:**

    - Proposed Ownership Entity and all principals.
    - Proposed Scope of Work in narrative form. Include cost estimates, current and assumed post transaction rents, operating expenses, change in number or type of units, consolidation of multiple properties, proposed operating budget for HUD transactions, etc.
    - A Proposed Sources and Uses Statement showing all sources of funding, including financing terms, for the project including proposed lien position.
    - Executed Purchase Agreement, if available.

2. Letter from HUD and/or WHEDA Section 8 Contract Administration showing actual or preliminary approval of contract rent increase if the financing structure in the application assumes a rent increase under any HUD program*.
    - IMPORTANT NOTE: Without written support of a rent increase from HUD or WHEDA Section 8 Contract Administration, current contract rents will be used. All applicants are encouraged to contact WHEDA Section 8 Contract Administration prior to applying to understand potential rent increases or decreases dictated by the HAP Contract.

3. Letter from HUD showing actual or preliminary approval of any special terms or restructuring if the financing structure in the application assumes any special terms or restructuring under any HUD loan. Without written support from HUD, WHEDA tax credit financing terms (or current financing terms if such exists) will be used in the application and feasibility test.

4. Copy of any applicable rental assistance (HAP or RAP) contracts and/or Public Housing operating subsidy agreements.

***** Applicants are encouraged to use HUD and WHEDA Section 8 Contract Administration staff as resources to determine rent increase and contract renewal options for HUD properties.

Please note these two important Submittal Requirements for developments with HUD financing and/or Project-based Rental Subsidies:

1. Required prior to Carryover of Credit: Copy of approvals of loan assumptions (“transfer of physical assets”), or copy of approval to prepay HUD or WHEDA loans.

2. Required at Certification of 10% Expenditure: A copy of HUD approval to transfer HAP or RAP contracts.