APPENDIX O

Housing Tax Credit (HTC) Submittal Requirements for USDA Section 515 (RD) Projects

HTC Application One.

The following threshold items must be submitted by the HTC applicant:

This form, signed by a representative of RD (a/k/a Rural Housing Service-WI) signifying receipt of the checked items, at minimum, 30 days prior to the submittal of the HTC Application One. A representative of RD must sign this form.

- ☐ 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 RD 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.
- ☐ Additional requirements:
  - ☐ If principals currently own properties financed by RD, provide a certification the principals are in compliance with all regulatory documents, agreements, etc.
  - ☐ A rent comparability study is required for all projects in which a rent increase is being planned along with documentation as to how effected residents will be protected by the planned rent increase.
  - ☐ RD Form 3560-7 with a typical proposed budget will be required. The form can be found at http://usda.gov/efcommon/eFileServices/eForms/RD3560-7.PDF
- ☐ Letter from HUD or WHEDA 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.

Checked Items have been received

_____ _____

Signature by RD (Rural Housing services-WI) Date

2. Applicant to provide a letter from RD indicating preliminary approval of the following:

   - The applicant is an eligible entity per RD regulation 3560.55.
   - The loan is for eligible purposes.
   - RD has determined a need for the property.
   - RD may assist with additional rental assistance units if available at the time of the transaction or discussion with developer on providing Private Based Assistance.
   - RD will indicate potential rent structure not to exceed the comparable market rents for the community as determined by a rent comparable study. With projects having less than 100% project based rent subsidy, rents will be the lesser of CRCU or HTC limits.
   - Identify loan(s) that will be assumed.

APPENDIX O

HTC Application Two.

The following threshold items must be submitted by the HTC applicant:

This form, signed by a representative of RD (aka Rural Housing Service-WI) signifying receipt of the checked items, at minimum, 30 days prior to the submittal of the HTC Application Two. A representative of RD (aka Rural Housing Service) must sign this form.

Evidence that the following items have been submitted to RD as a complete transfer application according to HB-3-3560, Chapter 7, "Transfer of Project Ownership", "Transfer Request Checklist", if applicable**:**

- ___ Proposed Transaction (Executive Summary; MFH Transfer & Assumption Attachments 7-B-2 & 7-b-3; Purchase Agreement; etc).
- ___ Proposed Repairs (Capital Needs Assessment, Cost Estimates Form RD 1924-13; etc.)
- ___ Documentation of Market Rents & Value (Appraisal; Rent Comparability Study, etc.)
- ___ The sales price must fit within RD requirements. RD does not restrict the sales price on transactions that do not include any new hard debt so long as all RD transfer requirements are met. In all other situations, the sales price will be the lower of the appraised value, based on an appraisal accepted by RD, or the amount of the third party debt service that fits within the maximum allowable rents for the property.
- ___ Financial Aspects of the Transaction (Application for Federal Assistance SF 424; Proposed Budget Form RD 3560-7; Sources and Uses of Funds)
- ___ Third Party Funding (Application for Funding; Commitment Letters, etc.)
- ___ Proposed Purchaser (Previous Participation; Purchasers Financial Statement, Credit Report Fees, etc.)
- ___ Proposed Management (Management Plan, Management Certification, Affirmative Fair Housing Marketing Plan, etc.)
- ___ Proposed Organizational Documents for Purchaser
- ___ Other – Assurance Agreement Form RD 400-4; Equal Opportunity Agreement Form 400-1; Certification regarding Drug Free Workplace Form RD 1910-11;Request for Rental Assistance Form RD 3560-25.etc.
- ___ Acknowledgment that an RD's architect must be involved with the development of the scope of work, any pay request, contract change orders and inspections.

Checked Items have been received

_____ _____

Signature by RD (Rural Housing Services-WI) Date

APPENDIX O

HTC Application Three (Final).

The following threshold items must be submitted by the HTC applicant:

1. This form, signed by a representative of RD (aka Rural Housing Service-WI) signifying receipt of the checked items, at minimum, 30 days prior to the submittal of the HTC Application Three.
2. RHS will have five days to review and concur in. A representative of RD (Rural Housing Service) must sign this form.

- ☐ Copy of the Final Cost Certification including third party audit.

Checked Items have been received

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Signature by RD (Rural Housing Services-WI) Date