



Oregon

Governor Kate Brown

Housing and Community Services

North Mall Office Building
725 Summer St NE, Suite B
Salem, OR 97301-1266
PHONE: (503) 986-2000
FAX: (503) 986-2020
TTY: (503) 986-2100
www.ohcs.oregon.gov

OREGON HOUSING AND COMMUNITY SERVICES
Allocation of 2022 Low-Income Housing Tax Credit (LIHTC) Authority
Carryover Agreement No. TCA Deal Number

Ownership Entity (“Owner”): ownership entity name – must be the same entity that satisfies the 10% test

Owner Taxpayer Identification Number: tax id for ownership entity

Owner Address: address

Project Name: name of project

Project Address: address

Project Details	
Number of buildings to be placed in service:	total # of bldgs
Number of residential buildings to be placed in service:	# of residential bldgs
Applicable Fraction:	(enter the percentage of units/floor area ratio to be LIHTC – use lowest calculation)
Total Number of Units:	(enter the total number of units)
Number of LIHTC Qualified Units:	(enter the number of LIHTC units)
Number of Manager Units:	(enter the number of manager units)
Number of Other Units:	(enter the number of other units, market, etc.)
Set Aside Status: (select one)	<input type="checkbox"/> Nonprofit Set Aside <input type="checkbox"/> None Elected
Minimum Set Aside Election: (select one)	<input type="checkbox"/> 20/50 <input type="checkbox"/> 40/60 <input type="checkbox"/> Average Income
Qualified Disaster Zone (QDZ) Allocation: (select one)	<input type="checkbox"/> No <input type="checkbox"/> Yes, the QDZ county is: (enter the county the project is sited in)
Additional Project Classifications: (select all that apply)	<input type="checkbox"/> Newly constructed and federally subsidized <input type="checkbox"/> Newly constructed and not federally subsidized <input type="checkbox"/> Existing building <input type="checkbox"/> Sec 42(e) rehabilitation expenditures federally subsidized <input type="checkbox"/> Sec 42(e) rehabilitation expenditures not federally subsidized

As of the date of this Carryover Agreement, the total reasonably expected basis in the project known as **(project name)** (the "Project") is estimated to be **\$(enter the expected basis from the certification if available, otherwise use expected basis from Sponsor's Tax Credit Calculation page)** and the Project Qualified Basis is estimated to be **\$(enter the qualified basis from the Sponsor's Tax Credit Calculation page)**

Oregon Housing and Community Services ("OHCS") has reviewed the Owner's application for LIHTC and concurs with the request for a carryover allocation of 2022 Tax Credits ("Carryover Allocation"). Consistent with the approved Application, the Owner agrees to provide low-income housing as described under Internal Revenue Code ("IRC") Section 42.

OHCS hereby issues to the Owner a 2022 Carryover Allocation, in the amount not to exceed **\$(enter the annual credit amount awarded)** of annual tax credits, as set forth in Table A (Project Basis Carryover) attached hereto, subject to the terms and conditions stated herein and in accordance with the Reservation and Extended Use Agreement dated **(enter the date of the Reservation and Extended Use Agreement is executed by OHCS)**, representations made in Owner's application for a Carryover Allocation dated **(enter the date of the carryover APPLICATION)** and the Owner's initial application dated **(enter the date of the ORIGINAL APPLICATION)**, all of which are hereby incorporated by reference.

Tax Credit authority for this Carryover Allocation is granted pursuant and subject to IRC Section 42(h)(1)(E) and (F). All regulations promulgated under IRC Section 42 and all applicable revenue rulings and procedures apply.

The Owner has certified that each building within the Project for which this Carryover Allocation is being made represents a qualified building as defined in IRC Section 42(h)(1)(E)(ii) (i.e., it is part of a Project in which the Owner's basis as of December 31, 2023 will be more than ten percent (10%) of said Owner's reasonable expected basis in the Project as of December 31, 2024, and that each building will be placed in service by December 31, 2024.

Pursuant to IRC Section 42(h)(1)(F), an allocation of credit may be made on a project basis if the allocation is made to the Project for a calendar year during the Project period, the allocation only applies to buildings placed in service during or after the calendar year for which the allocation is made, and the portion of any such allocation which is made to any building in the Project is specified not later than the close of the calendar year in which that building is placed in service.

OHCS shall determine the portion of the allocation that is allocated to the buildings listed in Table A. The Owner shall timely provide to OHCS all information necessary for the assignment of basis in such buildings to enable OHCS to allocate the applicable portion of Tax Credits.

The expected dates on which the Project building(s) will be placed in service shown in Table A must be on or before December 31, 2024.

The building identification number(s) ("B.I.N.") for the Project building(s) to which an allocation is being made are shown in Table A.

The Owner has represented and certified that as of December 31, 2022, the Owner will have an accumulated basis of **\$enter actual basis from cost cert**, representing **enter percentage from cost cert** of the total reasonably expected basis of **\$enter most recent reasonably expected basis figures which would normally be the accountant's cost certification, or attached to it**.

The Owner has represented and certified that as of December 31, 2022 the Owner will have an accumulated basis of **\$enter expected basis from most recent reasonably expected basis figures available**, on the Self-Certification, Exhibit 1, Certification of Cost Incurred representing **enter percentage from self-certification** of the total reasonably expected basis of **\$enter most recent reasonably expected basis figures available from the self-certification**. The Owner will certify and demonstrate to OHCS by December 1, 2023 in a professional accounting or other documented certification acceptable to OHCS that more than ten percent (10%) of the reasonably expected basis in the Project has been achieved as of December 30, 2023.

The Owner acknowledges that OHCS' determination as to satisfaction of the ten percent (10%) requirement is not binding upon the Internal Revenue Service (the "IRS") and does not constitute a representation by OHCS to the Owner or any other party to that effect.

In executing this Carryover Agreement, OHCS has relied upon the information submitted by the Owner. OHCS makes no representations or guarantees that Owner is legally eligible to receive and use the credit stated herein, such determination resting with the IRS.

OHCS disclaims, and Owner does hereby release OHCS from, responsibility for any adverse consequences to Owner under IRC Section 42 or otherwise because of Owner's receipt of, use of, or reliance upon this Carryover Allocation.

The Owner acknowledges, understands, and accepts that the requirements for the LIHTC Program (IRC Section 42) may change due to subsequent federal legislation or regulation.

This Carryover Allocation is non-transferable for use on another property or at a different location.

This Carryover Allocation is binding upon OHCS, the Owner, and all successors in interest to the Owner as owners of the Project, as to the allocation year of tax credit authority to the project, subject to compliance by the Owner with the requirements of IRC Section 42 and the requirements of OHCS.

To receive a Form 8609 used in claiming the credit, the Owner must construct, or substantially rehabilitate the building or buildings in the Project in accordance with local building, health and safety codes and all applicable federal or state regulations, and certify to OHCS that the building(s) were placed in service by 8:00 A.M. of the weekday prior to December 31, 2024. The Owner must submit a separate Application Form reflecting actual project costs and certification of those costs documented to the satisfaction of OHCS for each building placed in service. The owner will also be required to fill out and sign Part II of the Form 8609 required to be completed by the building owner for the first year of the credit period and return a copy (without Schedules and other supporting documents) to OHCS for the purposes of compliance monitoring. OHCS may complete Forms 8609 and hold said forms until such time that a Declaration of Land Use Restrictive Covenants is completed and recorded on the property as specified in the Reservation and Extended Use Agreement dated **(Insert date of REUA)**.

CHECK ONE OF THE BOXES BELOW

- If this box is checked, the Owner previously elected to fix the applicable credit percentage(s) pursuant to IRC § 42(b)(1)(A)(ii) in the Reservation and Extended Use Agreement dated **(enter the date of the REUA)**. The applicable credit percentage(s) were **(enter the rate from the REUA for the 4% credit, if applicable)** % and 9%, as outlined in the Reservation and Extended Use Agreement for this Project.
- If this box is checked, the Owner has made NO ELECTION pursuant to IRC Section 42(b)(1)(A)(ii), and accordingly, the applicable percentage for a building shall be that for the month in which the particular building is placed in service.

IRS Revenue Procedure 94-57 clarified gross rent floor for projects receiving credit allocations after September 23, 1994. The gross rent floor is the maximum allowable rent based on the income limit in effect when a building is first included in the determination of whether a project is a qualified low-income housing project. An owner may elect to establish the rent floor on the placed in service date if the owner informs OHCS of this decision before that date occurs. Otherwise, the IRS will treat the gross rent floor as having been established on the date of allocation/carryover.

- If this box is checked, the owner elects to establish the gross rent floor on the placed in service date.

Reminder: If the owner **DOES NOT** elect to establish the gross rent floor on the placed in service date, then the gross rent floor will be determined based on the date this Carryover Agreement is executed.

Owner acknowledges that all the terms, conditions, obligations, and deadlines set forth herein and the Reservation and Extended Use Agreement constitute conditions precedent to this Carryover Allocation, and that the Project's failure to comply with all such terms and conditions will entitle OHCS, in its discretion, to deem this Carryover Allocation to be canceled by mutual consent. After any such cancellation, owner acknowledges that neither it nor the Project will have any right to claim Tax Credits pursuant to this Carryover Allocation. OHCS reserves the right, in its discretion, to modify and/or waive any such failed condition precedent.

- If this box is checked, the Project is being funded with federal HOME dollars.** The HOME funds will be in the form of a loan or a grant. If a grant, funds will will not be considered federal funds (consult with your tax professional).

In issuing this Carryover Allocation, OHCS has relied upon information provided and representations made by the Owner or the Owner's designee in connection with this allocation. This Carryover Allocation does not in any way constitute a representation, warranty, guarantee, advice, or suggestion by OHCS as to the qualification of the Project for Tax Credits, or the feasibility or viability of the Project, and may not be relied on as such by any Owner, subsequent owner, developer, investor, tenant, lender, or other person, for any reason.

The Owner hereby agrees and acknowledges that whether the ten percent (10%) requirement has been met and whether the Owner has been provided sufficient evidence thereof may be subject to future determination by OHCS or the IRS.

The Owner shall be responsible to sign and have notarized this Carryover Allocation, and to return the signed and notarized original to OHCS **no later than** December 29, 2022 by 4:00 p.m. for OHCS execution.

Owner hereby certifies that all information pertinent to Section 42 of the Internal Revenue Code, as amended, has been considered by the **ownership entity** in the determination of eligible basis for the **project described in Table A attached hereto**. This consideration includes but is not limited to any rule changes, Private Letter Rulings, Technical Assistance Memoranda, considerations, IRS guidance, etc.

Owner further certifies that its Project accounting and legal professionals/representatives have also considered the above in their advice to and review of the **Project**.

[signature page(s) to follow]

ALLOCATING AGENCY:

By: _____
Angela Parada, Sr. Tax Credit Programs Manager
Development Resources and Production Section
Oregon Housing and Community Services
725 Summer St NE Ste B, Salem, Oregon 97301-1266
Taxpayer ID Number 93-0952117

Date: _____

STATE OF OREGON)
County of Marion)

This instrument was acknowledged before me this ____ day of _____, 20____,
by Angela Parada, Sr. Tax Credit Programs Manager of Oregon Housing and Community
Services.

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

Acknowledged, agreed and accepted:

By: _____
Title: _____
Owner: _____
Date: _____

STATE OF _____)
County of _____)

This instrument was acknowledged before me this ____ day of _____, 20____,
by _____, who is the _____
of _____.

2022 LIHTC CARRYOVER AGREEMENT
OREGON HOUSING AND COMMUNITY SERVICES
Project #####

ALLOCATION MADE TO PROJECT #: **Number**
 TABLE A - Project Basis Carryover Allocation

Building Total by Type:	Residential: ## Community: ##
Type of Building:	new construction or acquisition/rehabilitation
Building Identification Number(s):	Enter the BIN #'s for all buildings in the Project
Building Address or Site Description	address of the Project
Expected Placed In Service Date	expected placed in service date, no later than two years from the end of current year
Estimated Qualified Basis*	estimated qualified basis from the Sponsor's tax credit calculation page
Credit Percentage**	credit percentage elected on REUA, or estimate from tax credit calc page if not locked
Maximum Credit Allowed	credit amount awarded- cannot be more than (the estimated qualified basis multiplied the credit percentage)

* The Estimated Qualified Basis is the product of the reasonably anticipated Eligible Basis and the estimated Applicable Fraction.

** Under IRC § 42(b)(1)(A)(ii) as enacted by the Section 3002 of the Housing Assistance Tax Act of 2008 (Pub. L. 110-289), is the floating applicable percentage in the month of rate lock for the project. If no such election has been made, this credit percentage is an estimate for the purposes of making the Carryover Allocation.