



2023

Carryover Application

Low Income Housing Tax Credit Program
Oregon Housing and Community Services

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Revised August 16, 2023



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INTRODUCTION

Internal Revenue Code requires that all 9% LIHTC projects meet their placed-in-service requirement by December 31, of the allocation year. If this is not possible there is an exception to this general rule if:

1. The ownership entity (taxpayer) has incurred costs more than 10% of the reasonably expected basis* in the development within twelve (12) months of the date of allocation; and
2. The project is placed-in-service no later than the close of the second calendar year following the calendar year in which the allocation was made.

*For the purposes of this rule, the term **basis** includes land and depreciable property whether it is included in the eligible basis or not.

Note: It is crucial to ensure that the same entity that receives the credit allocation satisfies the 10% of costs incurred test.

To qualify for this exception the ownership entity must complete an application for a Carryover Allocation and submit all of the required documentation to OHCS no later than November 1, 2023.

(e.g., if the project received a Reservation of 2023 credits, the Carryover Application must be submitted no later than November 1, 2023, and the project must be placed in service no later than December 31, 2025 to be able to use its allocation of credits). If you're project has a split allocation of credits from two separate calendar years. Both years must complete a carryover application.

This Carryover Application is intended to assist project owners in demonstrating that they have met Section 42 carryover allocation requirements.

All owners that have executed the Reservation Agreement for 2023 credits must complete the Carryover Application. Failure to complete the Carryover Application and execute the Allocation Agreement as outlined in the QAP and this application will result in loss of LIHTC resources to the project. (For the purpose of Section 42 administration, funds that supplement and/or replace the original award of tax credits constitute the tax credit award, and both the carryover allocation and the associated 10% test remain valid processes that must be completed.)

The complete Carryover Application and required documentation must be received by OHCS' staff no later than November 1, 2023 or a late charge of \$1,000 will be assessed. An additional charge of \$200 per business day after November 1, 2023. will also be assessed. If the application requires OHCS to re-review the application due to substantial changes, an additional review charge of \$100 per hour may be assessed.

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REQUIRED DOCUMENTATION TO PROCESS AND FORMALIZE A CARRYOVER ALLOCATION

1. **UPDATED Carryover Proforma Application:**
 - a. Updated Applicant and Project Summary;
 - b. Updated Development Team Information
 - c. Updated Project Development Schedule;
 - d. Updated Budget Sources and Budget Uses, Construction SOV, Income and Rents; Operating
 - e. Certification of receipt of subsidies and grants;
 - f. Documentation that the owner has received title to the project site or control of the project site. Control of the site shall, at a minimum, correspond in length of time to the period of project affordability.
 - g. Verification of 10% Test: (1 of the 2 options below)
 - i. Third party certification in the required format that the owner's incurred costs in the project is at least 10% of the reasonably expected basis of the completed project.

OR

 - ii. an owner's self-certification that cost will be expended within the twelve months after the allocation, followed by the independent third-party cost certification, but no later than December 31, 2024;
2. If the project includes any non-residential and/or commercial costs, please separate those costs and state them as a percent of total costs.
3. Copy of Draft Partnership Agreement **and/or** tax credit proceeds available to the project together with a contribution schedule, if available.

EXECUTION OF THE CARRYOVER ALLOCATION

Once OHCS has received all necessary documents and determined that the carryover requirements have been met, OHCS will then prepare a Carryover Allocation Agreement. Please allow a minimum of five days for preparation of the agreement document. The Carryover Allocation must be executed by both the Sponsor and OHCS before December 29, 2023.

Failure to fully execute the Carryover Allocation Agreement will result in the loss of LIHTC to the development.

Please return the executed Allocation agreement to OHCS as soon as possible to allow time for OHCS to execute the document. Be sure to verify your signatory officers will be available when needed to sign during the holiday season. Please plan accordingly.

NOTE: If the entity receiving the credit allocation is different than the entity in the original application, you will need to submit a Board Resolution and Authorization and Acceptance form for the new entity indicating authorized signors.

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APPLICANT and PROJECT INFORMATION FORM

Project Name:

Project Address:

Legislative Districts: Federal

State Senate

State House

Applicant	Co-Applicant
Business Name:	Business Name:
Contact:	Contact:
Title:	Title:
Street:	Street:
City/St/Zip:	City/St/Zip:
Phone:	Phone:
Fax:	Fax:
E-mail:	E-mail:
Applicant Tax ID #:	Co-Applicant Tax ID #:

Applicant Type ("X" box)

For Profit Housing Authority
 Nonprofit Local Government
 CHDO

Co-Applicant Type ("X" box)

For Profit Housing Authority
 Nonprofit Local Government
 CHDO

Ownership Entity (LP, LLC, etc.)	Consultant (if applicable)
Business Name:	Business Name:
Contact:	Contact:
Title:	Title:
Street:	Street:
City/St/Zip:	City/St/Zip:
Phone:	Phone:
Fax:	Fax:
E-mail:	E-mail:
Ownership Tax ID #:	

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All Correspondence should be directed to:

Business Name: _____ Phone: _____
 Contact: _____ Fax: _____
 Title: _____ E-mail: _____
 Street: _____
 City/State/Zip: _____

Disbursement of Funds

Indicate to which entity funds should be disbursed: (1) _____
 (2) _____

Indicate to which entity tax credits should be awarded: _____

NONPROFIT INFORMATION (If Applicable)

Source of the exemption ("X" box)			
	IRC Section 501(a)		IRC Section 501 (c)(3)
	IRC Section 501(c)(4)		ORS 456

Date Incorporated:		Date IRS 501(c)(3) received:	
Date Articles of Incorporate & By-laws filed:		Date Articles or By-laws amended:	
Date Purpose/Mission Statement:		Date Purpose/Mission statement amended:	

	Yes (x)	No (x)
Do the By-laws set forth the development of affordable housing as a purpose?	<input type="checkbox"/>	<input type="checkbox"/>
Is the project a for-profit/non-profit joint venture?	<input type="checkbox"/>	<input type="checkbox"/>
Is the project consistent with the organization's Strategic/Business Plan?	<input type="checkbox"/>	<input type="checkbox"/>

DEVELOPMENT TEAM INFORMATION

(Update the carryover application pro forma)

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Define all direct or indirect financial or other identity of interest members of the development team may have with other members of the development team.

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OHCS-Based Funding Requests

Sources of Funds	\$ Amount	Grant Request (x)	Loan Request (x)	Recipient will loan to limited partnership (x)
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

List other OHCS resources received, or applied to for this project, including any loans, Agriculture Workforce Housing Tax Credits, Oregon Rural Rehabilitation loan, etc.

Unit Type and Percent of Median Income Designation

- In the table below, please insert the following information:
- List the unit type (SRO, studio, one (1) bedroom, etc.).
 - List the total number of each unit type.
 - Indicate the income and rental limitations of the proposed units. Assume all funding source restrictions when completing. Round up to the nearest ten percent (10%), i.e., a forty-seven percent (47%) rental charge would be listed as fifty percent (50%).
 - Indicate the number of units in each unit type that has site-based rental assistance.

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- List the square footage of units and total square footage for each unit type. For the unit square footage, the inside wall measurement should be used.
- Please Note: Manager unit(s) must be included in this table.

Residential Only									
Unit Type*	Total No. of Units**	No. of Units Per Program			Percent of Median Income as adjusted for family size will not exceed	Rents not to exceed percent of Median Income as follows	Number of Units with Site-Based Rental Assistance	Actual Square Footage of Unit	Total Square Footage
		HOME	LHTC	GHAP/HDGP					
<i>Example:</i> 2 bedroom	8	1		2	50%	50%			
3 bedroom	12	2	8		60%	60%			
Manager's Unit(s) ?-Bdrm									
Total by Column									
Common Areas									
Commercial Areas									
Other**									
Total Floor Area									

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If the income limitation percentage of the household residing in the unit is not equal to the proposed rental percentage charge, then provide an explanation why.

What is the projects anticipated Minimum Set-Aside Election?		20/50		40/60		Average Income
If awarded other OHCS resource, indicate the number of units per population:		Farmworker		Homeless		Veterans
Was the project awarded Tax Credits under the Disaster Ceiling Increase?		Yes		No		

Units per Target Population

Indicate number of units per target population type: (Unit counts may fall into more than one category.)

	Family		Workforce
	Elderly		Farmworkers
	Homeless		Veterans
	Disabled, with Services for Physically Disabled		Children (0-15 years)
	Disabled, with Services for Serious and Persistent Mental Illness		Young Adults (16-21 years)
	Disabled, with Services for Intellectual and Developmental Disabilities		Survivors of Domestic Violence
	Persons in Recovery		Previously Incarcerated
	Other (please describe):		

Indicate number of units in which the listed feature is provided:

- | | |
|---|---|
| _____ Visitable (ORS 456.510 & 456.513) | _____ Fully accessible to the physically disabled |
| _____ Permanent Supportive Housing | _____ Adaptable for the physically disabled |
| _____ Alcohol and drug free | _____ Number of beds, i.e., group home or dormitory |

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Project Rents and Income Levels

	Yes (x)	No (x)
Legislation requires that when OHCS resources are utilized, OHCS will give substantial preference to applicants who rent to tenants whose net income is at two (2) times the rent. (e.g. if rent is \$300 per month, a tenant who earns a net of \$600 should be considered income eligible.) Will the project accept this as its policy?	<input type="checkbox"/>	<input type="checkbox"/>

Upon completion of the project, how many units will be receiving project based assistance? _____

Number of RD units receiving project-based assistance? _____

Number of Section 8 units project-based assistance? _____

Number of units receiving other type of project-based assistance? _____

Explain other type of assistance: _____

Site and Building Information

(Please update the project details tab of the application pro forma)

Acres:		Square Feet:	
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Number of residential buildings _____	Number of non-residential buildings _____
Number of residential floors _____	Number of non-residential floors _____
Total no. of code required parking spaces _____	Number of proposed parking spaces _____
Code-required ratio of parking spaces to units is: _____	

	Yes	No
Are all utilities presently at site?	<input type="checkbox"/>	<input type="checkbox"/>
If no, what needs to be brought to the site? _____		
Will the project offer a public facility? (i.e.: day care or community policing station)	<input type="checkbox"/>	<input type="checkbox"/>
Will the public facility be available on a preference basis to project residents?	<input type="checkbox"/>	<input type="checkbox"/>
Will the project have a community room or common area?	<input type="checkbox"/>	<input type="checkbox"/>
Will there be a use or rental fee for these spaces?	<input type="checkbox"/>	<input type="checkbox"/>
Will the project have commercial space?	<input type="checkbox"/>	<input type="checkbox"/>
If the project consists of more than one (1) building or type of use, are they located on the same tract of land?	<input type="checkbox"/>	<input type="checkbox"/>

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Adjacent Land Uses:	North of site:	
	South of site:	
	East of site:	
	West of site:	
If there are SRO units the following items are included in those units: (check all that apply)		
	Toilet	Shower
	Sink	Bath tub

Proposed Project Schedule

(Please update the Development Schedule tab of the application pro forma)

Financial Description

Please Update the applicable tabs in the application pro forma)

- Sources and Uses
- Operating Budget
- Utility Allowance
- Tax Credit Calculation

The Uses page includes columns for Carryover and for Final Application cost adjustments and comparison to initial application figures. For this Carryover Application, update your original application pro forma by completing column G and updating columns N and O

Financial Assumptions

Describe any changes to your development budget and operating budget figures That have materially changed (5-10%) since the original application.

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Update the table below to show all current non-OHCS sources of funding for project development.

Non-OHCS Source of funds	Anticipated amount and type	Contact person and phone number	Anticipated Terms	Status (committed, conditional, tentative)
i.e. lender, grantor, etc.	i.e. 25,000 grant	I.M. Generous 503.123.4567	ie. 3%, 30 years	ie. loan committee meeting 9/1/02
Lender				
Donated land				
Waived system development charges				
CDBG from city/county				
Local general revenue funds				
Property tax exemption				
Corporate or private contributions				
Operating subsidies (non OHCS)				
Other?				
Other?				