

DOUGLAS A. DUCEY
Governor



CAROL DITMORE
Director

STATE OF ARIZONA
DEPARTMENT OF HOUSING
1110 WEST WASHINGTON, SUITE 280
PHOENIX, ARIZONA 85007

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VIA EMAIL, FEDEX AND U.S. MAIL
(gary@comiteaz.org)

June 29, 2020

Mr. Gary Black
CDB Valley View Apartments, LP
PO Box 7170
(Physical Address for FedEx: 963 E. B Street)
San Luis, AZ 85349-5349

RE: Reservation of 2020 Low Income Housing Tax Credits
CDB Valley View Apartments/ LIHTC #TC-0944-20

Dear Mr. Black,

The Arizona Department of Housing (the "Department") hereby notifies you of its decision on your application for Low Income Housing Tax Credits ("LIHTC") submitted April 1, 2020. The Department is pleased to officially notify you that the above-referenced project qualifies for a reservation of Low Income Housing Tax Credits ("Tax Credits") from the 2020 credit ceiling contingent on the fulfillment of the specific requirements and/or conditions described in this letter.

Reservation Amount

Based on its review of the 2020 tax credit application for CDB Valley View Apartments, the Department issues this Reservation of Tax Credits to CDB Valley View Apartments, LP in the amount of \$1,990,000, from the 2020 credit ceiling. The amount of Tax Credits reserved to the project is the lesser of the following: (1) the amount computed under the "Eligible Basis Analysis", see 2020 Qualified Allocation Plan ("QAP"), Sec. 7.2(A); or (2) the amount computed under the "Gap Analysis", see 2020 QAP, Sec. 7.2(B).

Conditions

Applicant must meet all conditions in this Reservation of Tax Credits in order to qualify for a Carryover Allocation.

Condition 1

The reservation of Tax Credits is conditioned on payment of the Reservation Fee in the amount of \$159,200.00 by **July 31, 2020**. An invoice is attached to this letter. A check or electronic payment in the amount of the Reservation Fee must be *received* by the Department with a copy of the invoice no later than July 31, 2020 at 5:00 pm Arizona time. If submitting an electronic payment, then payment must be remitted through the ADOH Payment Portal. If paying by check, the payment must be remitted to the following address:

Arizona Department of Housing
Attn: Jeanne Redondo
1110 West Washington Street, Suite 280
Phoenix, Arizona 85007

Condition 2

On or before October 27, 2020 at 5:00 pm (the "Carryover Allocation Agreement Request Deadline") Applicant must upload each of the items listed in Section 3.1 of the QAP to the Rental Development Portal on the ADOH website plus deliver hard copies of each of the documents requested in Sections 3.1(B), 3.1(L) and 3.1(M) to the ADOH office at the address listed above, and timely satisfy all requests for clarification and other stipulations in the Carryover underwriting, in order to satisfy the Carryover Allocation Agreement requirements.

Condition 3

A list of threshold deficiencies has been attached as **Attachment 1**. A complete and substantive response to each item identified must be included in the Carryover Allocation Request, due on Tuesday, October 27, 2020.

Conditions – Local Government Financing

The Project was underwritten with the assumption that the Local Government funds are awarded to the Project in the amount committed in the Tax Credit Application. In accordance with Section 7.1(C)(7) of the 2020 QAP, evidence that the City Council has approved the funding of the Project or evidence of an alternative source of permanent soft funding must be submitted to ADOH by November 26, 2020 at 5:00 pm. If this stipulation is not met, ADOH will revoke this Reservation of Tax Credits. Bridge financing will not be considered to meet this requirement unless it is available as a permanent source and meets the standards in Section 7 "Underwriting" of the 2020 QAP. In the event that the Reservation of Tax Credits are revoked in accordance with this paragraph, ADOH will refund the payment of the Reservation Fee.

Carryover Allocation

Upon timely fulfillment of each the conditions described above and after satisfying any requirements that may be imposed during ADOH's review of the materials provided to meet the conditions above, the Department will issue a Carryover Allocation which is conditioned on submitting the materials necessary to satisfy the 10% Cost Test requirements, as required in Section 3.3 of the QAP. The deadline for the 10% Cost Test is June 29, 2021.

- 1) receipt by November 26, 2020 of either i) evidence that the City Council, as applicable, has approved the funding as set forth in the Application or ii) a commitment from an alternative source of permanent soft funding to replace the City funds in accordance with Section 7.1(C)(7) of the QAP.

Important Deadlines: The submittals below are due by 5:00 p.m. Arizona time in both electronic format and original hard copy on the date specified herein:

July 31, 2020	Submit Reservation Fee
October 27, 2020	Submit Carryover Allocation Agreement Request pursuant to QAP Section 3.1 <i>Including HUD Part 58 Environmental Assessment that is ready to publish a FONSI/RROF (for all sources of Federal funds and/or Federal Rental Assistance)</i>
November 26, 2019	Submit source of permanent soft funding to replace City funds not awarded per Section 7.1(C)(7) of the QAP

The last day of the month in which Carryover issued	Submit executed Carryover Allocation Agreement, assuming all conditions and requirements in this letter have been met and a Carryover Allocation has been issued
30 Days Before Closing	Submit Equity Closing Package pursuant to QAP Section 3.2
June 29, 2021	Submittal of 10% Cost Test pursuant to QAP Section 3.3

Waivers:

No waivers were requested or granted in conjunction with the review of the Application.

ADOH has attached a copy of the ADOH score sheet and underwriting for the project. You may address any questions that you may have to Jeanne Redondo at (602) 771-1031.

Sincerely,



Carol L. Ditmore
Director