

**ATTACHMENT A**  
**2011 – JULY RESERVATIONS**  
**FEDERAL LOW INCOME RENTAL HOUSING**  
**TAX CREDIT PROGRAM**  
**CARRYOVER ALLOCATION REQUIREMENTS**

The following requirements must be received by the Agency by **August 22, 2011**:

- 1) The original Carryover Agreement must be executed by the Owner no later than August 15, 2011. The taxpayer identification number for the taxpayer executing the Agreement is required for a valid Carryover Agreement. A copy of the IRS letter assigning the EIN must be provided. Please note that the taxpayer executing the Agreement must be the party that will meet the 10% of basis expenditure test by August 14, 2012.
- 2) The executed “Owner Certification of Property Identification” Form (Exhibit “A”) with either a) the current deed(s) which indicate that the taxpayer is the owner of all buildings and land in the development, or b) an extended lease agreement. All documents must be fully executed.  
  
Please note: In the event that property is not conveyed through a deed or lease, the Agency may, in its sole discretion, accept 1) an Attorney’s Opinion Letter or a Certified Public Accountant Letter that certifies that the owner has carryover allocation basis for the development pursuant to the Code, or 2) an owner’s certification which includes sufficient identification of the property (i.e. legal descriptions, surveys, title insurance) to assign building identification numbers. In making this certification, the owner accepts full responsibility for all discrepancies, errors or omissions of properties. Please be advised that ownership by the taxpayer for all properties in the development is required by **August 14, 2012** and must be submitted with the 10% package due **August 24, 2012**.
- 3) The Settlement Statement(s) must be provided for each building or parcel of land in the development, and must be appropriately executed. Evidence must also be provided that the deed was recorded. In the event the property is not owned by the taxpayer, evidence of site control through August 14, 2012 must be provided including evidence of payment of all extension fees.
- 4) If the property(s) was purchased through a Purchase Money Mortgage, a copy of the mortgage note must be provided.
- 5) Remittance of the Carryover Allocation Fee of \$1,000 made payable to Pennsylvania Housing Finance Agency.

The following requirements must be fulfilled no later than **August 14, 2012** and received by the Agency by noon on **August 24, 2012**:

- 1) Financial Characteristics Forms (Exhibit “B”).
- 2) For developments with commercial space or space that is a separate condominium, provide a Sources and Uses Statement for the commercial space.
- 3) Updated financing letters. If closing on the loan has already occurred, provide a copy of the executed mortgage note(s) in lieu of the updated letter. The updated financing letters or notes must be provided for all sources of financing shown on the application, including bridge loan if applicable. **Do not send copies of the actual mortgages.**
- 4) Updated syndication letter, or, if it exists, executed partnership agreement signed by the tax credit investor.
- 5) Certification of Subsidies.
- 6) The executed “Owner’s Certification of Costs Incurred” Form (Exhibit “C”) including either “a” or “b” shown below.

- a. For developments with 6 units or more, the owner's certification must be audited by an independent, third party, certified public accountant (CPA). A sample form is enclosed as Exhibit "D", Independent Auditors' Report.
  - b. For developments with 5 units or less, in lieu of the certified public accountant's audit, the taxpayer may provide evidence of costs incurred in the form of copies of checks, receipts, or other records of payment. These items must total the amount indicated as expended on the "Owner's Certification of Costs Incurred."
- 7) Independent Auditor's Report (Exhibit "D").
  - 8) Copy of the executed Developer's Fee Agreement (Development Services Agreement). Be sure that the Agreement stipulates the fee earned through August 14, 2012 to incur costs for inclusion in the 10% of basis expenditures test.
  - 9) Syndicator/Investor Certification – If the Developer's Fee included in the 10% of basis expenditure test exceeds 20% of the total Developer's Fee, the syndicator and/or investor must certify that the percentage claimed by the accountant is a percentage acceptable to them. The letter must refer to the percentage and the amount of the Developer's Fee that is acceptable as part of the 10% of basis expenditure test. Note, however, that if a development has closed on all of the construction loans and construction is underway, a certification from the syndicator/investor is not required.
  - 10) Copy of the recorded deed demonstrating transfer of ownership to owner for each building and/or parcel of land that is part of the development OR a copy of the executed extended lease agreement, if not previously submitted.
  - 11) Copy of the executed Settlement Statement for each building and/or parcel of land included in the development, if not previously submitted.
  - 12) The Architect's Certification of Compliance With Design Requirements for Accessible Housing, (Exhibit "E") must be executed by the Architect and taxpayer.
  - 13) Original executed and recorded Restrictive Covenant Agreement.
  - 14) If the General Contractor was not selected when the initial application was approved, the General Contractor must now be identified and submission of qualifications must be submitted for review and approval by the Agency.
  - 15) Development Information Form (Exhibit "F").
  - 16) In accordance with the Agency's Accessible Unit Policy, if your application was awarded points for providing accessible units provide a list of community agencies that you will partner with to identify persons with disabilities who are searching for accessible units.

**FAILURE TO MEET ALL OF THE ABOVE REQUIREMENTS WILL RESULT IN AN IMMEDIATE RECAPTURE OF THE 2010 TAX CREDIT RESERVATION. THE AGENCY WILL NOT EXTEND THE AUGUST 15, 2011 OR AUGUST 14, 2012 DEADLINE DATES. THERE WILL BE NO EXCEPTIONS TO THIS POLICY.**

**EXHIBIT "A"**

**CARRYOVER ALLOCATION REQUIREMENTS**

(SAMPLE FORM - to be submitted on taxpayer's letterhead)

**OWNER  
CERTIFICATION  
OF  
PROPERTY IDENTIFICATION**

I hereby represent and certify that as of \_\_\_\_\_  
\_\_\_\_\_ has ownership or leasehold interest to the properties identified below and have attached evidence. Documentation evidencing ownership will include deeds, or executed lease, and settlement statements for each property contained in the development.

The undersigned acknowledges that the Agency is relying on this certification in making a Carryover Allocation of 2011 Federal Low Income Housing Tax Credits and accepts full responsibility of all discrepancies, errors or omission of properties. The owner understands that an omission of a property which is intended to be part of the Tax Credit development from this certification will render this property ineligible for Tax Credits. Furthermore, this certification is made under penalty of perjury and is supported by appropriate documentation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed or Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Owner Name

\_\_\_\_\_  
Owner Address  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

List all building addresses and/or land that are included in this development:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT "B"**

**FINANCIAL CHARACTERISTICS FORM**

**A. FEDERAL SUBSIDIES/GRANTS**

1. Federal Subsidies

- a. Is any portion of the eligible basis of the building(s) financed or to be financed with federal subsidies? Yes  No

If yes, state the amount:

\_\_\_\_\_ Tax-Exempt Financing  
\_\_\_\_\_ Rural Housing Services Financing  
\_\_\_\_\_ Community Development Block Grant (CDBG) Financing  
\_\_\_\_\_ Home Investment Partnership (HOME) Financing  
\_\_\_\_\_ Other (specify): \_\_\_\_\_

- b. How is the subsidy to be used?

(1) Loan below AFR \_\_\_\_\_ (4) Acquisition\* \_\_\_\_\_  
(2) Loan at or above AFR \_\_\_\_\_ (5) Operating subsidy \_\_\_\_\_  
(3) Grant (see 2 below) \_\_\_\_\_ (6) Other \_\_\_\_\_

- c. Did this project receive federal assistance in any prior year? Yes  No

Date \_\_\_\_\_ Type \_\_\_\_\_ Amount \_\_\_\_\_

\* **PLEASE NOTE:** Loan document(s) must specify that the funds are only to be used for the acquisition of the property(s). A copy of the document(s) must be provided.

2. Grants

- a. Is (are) the building(s) the subject of federal, state, local, nonprofit or private grants which are not repayable? Yes  No

Amount of grant(s): \$ \_\_\_\_\_ Source \_\_\_\_\_  
\$ \_\_\_\_\_ Source \_\_\_\_\_  
\$ \_\_\_\_\_ Source \_\_\_\_\_

Is the grant to be used for acquisition costs? Yes  No

- b. Is the source of any loan to the development a federal, state, local or private grant?  
Yes  No

If yes, state source of grant and term of the loan(s):

\$ \_\_\_\_\_ Source \_\_\_\_\_  
\$ \_\_\_\_\_ Source \_\_\_\_\_  
\$ \_\_\_\_\_ Source \_\_\_\_\_

**B. SOURCES OF FUNDS**

List all sources of financing.

1. Construction Financing

<u>Source of Funds</u>	<u>Amount</u>	<u>Rate &amp; Term of Loan</u>	<u>Debt Svc Pmt.</u>
① _____	\$ _____	_____	\$ _____
② _____	\$ _____	_____	\$ _____
③ _____	\$ _____	_____	\$ _____
④ _____	\$ _____	_____	\$ _____
⑤ _____	\$ _____	_____	\$ _____
⑥ _____	\$ _____	_____	\$ _____
Total Construction Financing:		\$ _____	

2. Permanent Financing

Annual Debt			
<u>Source of Funds</u>	<u>Amount</u>	<u>Rate &amp; Term of Loan</u>	<u>Debt Svc Pmt.</u>
① _____	\$ _____	_____	\$ _____
② _____	\$ _____	_____	\$ _____
③ _____	\$ _____	_____	\$ _____
④ _____	\$ _____	_____	\$ _____
⑤ _____	\$ _____	_____	\$ _____
⑥ _____	\$ _____	_____	\$ _____
Total Permanent Financing:		\$ _____	

**C. CREDIT ENHANCEMENT**

- a. Is the development receiving FHA mortgage insurance?  Yes  No  
 HUD Insurance Number \_\_\_\_\_
- b. Is the development receiving other credit enhancement?  Yes  No  
 PHFA  
 Risk Sharing  
 Other (describe)\_\_\_\_\_

**D. SYNDICATION INFORMATION**

Type of Credit	Anticipated Credits	Investment Per Credit	Gross Investment
Low Income Housing			
Historic Rehab			
State Enterprise Zone			
Market Rent Units			
<b>TOTAL</b>			

- a. Type of syndication offering:  Public  Private
- b. Type of investors:  Individuals  Corporation

c. Syndicator \_\_\_\_\_  
 (FIRM)

\_\_\_\_\_  
 (CONTACT PERSON)

\_\_\_\_\_  
 (STREET)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
 (CITY, STATE, AND ZIP)

( ) \_\_\_\_\_ ( ) \_\_\_\_\_  
 (PHONE NUMBER) (FAX NUMBER)

- d. Is bridge loan financing required?  Yes  No

If yes, state name of lender, amount of loan, rate and term of loan, and name and telephone number of contact person:

\_\_\_\_\_  
 \_\_\_\_\_

**E. DEVELOPMENT INFORMATION**

Number of Dwelling Units: \_\_\_\_\_  
Low Income Units: \_\_\_\_\_  
Market Rate Units: \_\_\_\_\_  
Manager's Unit: \_\_\_\_\_

Breakdown by Unit Size:  
0 Bedrooms \_\_\_\_\_  
1 Bedroom \_\_\_\_\_  
2 Bedrooms \_\_\_\_\_  
3 Bedrooms \_\_\_\_\_  
4 Bedrooms \_\_\_\_\_  
5 Bedrooms \_\_\_\_\_

**F. DEVELOPMENT BUDGET**

	1	2	3
	Actual Costs	Basis for Acquisition Credit	Basis for Rehab/New Construction Credit
<b>1. CONSTRUCTION COSTS</b> (from Statement of Probable Const. Costs)			
a. General Requirements (Div. 1)	_____		_____
b. Building Demolition	_____		_____
c. Selective Demolition	_____		_____
d. Site Work	_____		_____
e. Offsite Improvements	_____		_____
f. Subtotal Site Work (Div. 2)	_____		_____
g. Structure (Div. 3 to 16)	_____		_____
h. Builder's Overhead	_____		_____
i. Builder's Profit	_____		_____
j. Bond Premium	_____		_____
k. Building Permit	_____		_____
l. Construction Contingency	_____		_____
m. Other	_____		_____
n. <b>Total</b>	<b>\$</b> _____		<b>\$</b> _____
<b>2. FEES</b>			
a. Architect Fee-Design (____% of \$_____)	_____		_____
b. Architect Fee-Admin (____% of \$_____)	_____		_____
c. Legal	_____	_____	_____
d. Engineering	_____	_____	_____
e. Survey	_____	_____	_____
f. Soils/Structural Report	_____	_____	_____
g. Environmental Audit	_____	_____	_____
h. Energy Audit/Testing	_____	_____	_____
i. Property Appraisal	_____	_____	_____
j. Market Study	_____	_____	_____
k. Credit Report	_____	_____	_____
l. Cost Certification	_____	_____	_____
m. Other	_____	_____	_____
n. <b>Total</b>	<b>\$</b> _____	<b>\$</b> _____	<b>\$</b> _____
<b>3. MISC. DEVELOPMENT CHARGES</b>			
a. Multifamily Housing Application Fee	_____		_____
b. Loan Program Closing Fee	_____		_____
c. Tax Credit Reservation & Allocation Fees	_____		_____
d. Furnishings (Common Area)	_____		_____
e. Rent-up Expenses	_____		_____
f. Relocation	_____		_____
g. Utility Tap in, Hook-up & Municipal Fees	_____	_____	_____
h. Subsidy Layering Review Fee	_____	_____	_____
i. Other	_____	_____	_____
j. <b>Total</b>	<b>\$</b> _____	<b>\$</b> _____	<b>\$</b> _____

	1	2	3
	Actual Costs	Basis for Acquisition Credit	Basis for Rehab/New Construction Credit
<b>4. CONSTRUCTION &amp; FINANCING CHARGES</b>			
a. Construction Loan Interest	_____	_____	_____
b. Construction Loan Origination Fee	_____	_____	_____
c. Construction Loan Credit Enhancement	_____	_____	_____
d. Construction Loan Application Fee	_____	_____	_____
e. Taxes During Construction	_____	_____	_____
f. Insurance During Construction	_____	_____	_____
g. Title Insurance	_____	_____	_____
h. Recording	_____	_____	_____
i. Construction Servicing Fee	_____	_____	_____
j. Other	_____	_____	_____
k. <b>Total</b>	\$ _____	\$ _____	\$ _____
<b>5. PERMANENT FINANCING</b>			
a. Permanent Loan Origination Fee	_____		
b. Permanent Loan Credit Enhancement	_____		
c. Cost of Issuance/Underwriters Discount	_____		
d. Other	_____		
e. <b>Total</b>	\$ _____		
<b>6. LAND &amp; BUILDING PURCHASE</b>			
a. Acquisition of Land	_____		
b. Acquisition of Existing Structures	_____	_____	
c. Acquisition Legal Fees	_____	_____	
d. Closing Costs	_____	_____	
e. Demolition of Existing Structures	_____	_____	
f. Other	_____	_____	
g. <b>Total</b>	\$ _____	\$ _____	
<b>7. REPLACEMENT COST</b>	\$ \$	\$	
(Total Sections 1-6)			
<b>8. DEVELOPMENT RESERVES</b>			
a. Operating Reserve	_____		
b. Transformation Reserve	_____		
c. Rental Subsidy Fund	_____		
d. Development Contingency Fund (DCF)	_____		
e. Real Estate Taxes (first year escrow)	_____		
f. Insurance (first year escrow)	_____		
g. Supportive Services Escrow	_____		
h. Other	_____		
i. <b>Total</b>	\$ _____		
<b>9. DEVELOPER'S FEE &amp; OVERHEAD</b>			
a. Rehabilitation/New Construction	_____		_____
b. Acquisition (less land)	_____	_____	
c. Additional Fee for Subsidies	_____		_____

d.	<b>Total</b>	\$	\$	\$
		<b>1</b>	<b>2</b>	<b>3</b>
		Actual Costs	Basis for Acquisition Credit	Basis for Rehab/New Construction Credit
<b>10. SYNDICATION FEES &amp; EXPENSES</b>				
a. Organizational				
b. Bridge Loan Interest During Construction				
c. Bridge Loan Interest After Construction				
d. Bridge Loan Fees & Expenses				
e. Legal Fees				
f. Accountant's Fees				
g. Other				
h. <b>Total</b>		<b>\$</b>		<b>\$</b>
<b>11. OTHER</b>				
a. Tax Credit Compliance Monitoring Fee				
b. Other				
c. <b>Total</b>		<b>\$</b>		
<b>12. TOTAL DEVELOPMENT COST</b> (Sections 7-11)		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>13. If Tax Credits will be issued on other than Eligible Basis, such as Maximum Basis, enter the number here.</b>				<b>\$</b>
Less portion of any grant or federal subsidy not to be included in Basis			(\$ )	(\$ )
Less amount of non-qualified non-recourse financing			(\$ )	(\$ )
Less amount of costs for commercial space or for any areas that tenants will be charged to use			(\$ )	(\$ )
Less non-qualifying unit costs for higher quality items				(\$ )
Less historic tax credit (residential portion)				(\$ )
<b>14. ELIGIBLE BASIS</b>			<b>\$</b>	<b>\$</b>
<b>15. HIGH COST AREA</b> (if applicable)				
<b>16. TOTAL ELIGIBLE BASIS</b>			<b>\$</b>	<b>\$</b>
<b>17. APPLICABLE FRACTION</b>			<b>%</b>	<b>%</b>
<b>18. TOTAL QUALIFIED BASIS</b>			<b>\$</b>	<b>\$</b>
<b>19. APPLICABLE PERCENTAGE</b>			<b>%</b>	<b>%</b>
<b>20. TOTAL TAX CREDITS REQUESTED</b>				

**EXHIBIT "C"**

**OWNER'S CERTIFICATION OF COSTS INCURRED**

Development Name: \_\_\_\_\_

Development No.: \_\_\_\_\_

Owner: \_\_\_\_\_

Date of Reservation: \_\_\_\_\_

	<b>* Latest Budget Approved by PHFA</b>	<b>** Reasonably Expected Basis (REB)</b>	<b>Cost Incurred no later than August 14, 2012</b>
<b>1. Construction Costs</b>			
General Requirements			
Building Demolition			
Selective Demolition			
Site Work			
Offsite Improvements			
Structures (Div. 3 – 16)			
<u><b>Subtotal</b></u>			
Builder's Overhead			
Builder's Profit			
Bond Premium			
Building Permit			
Construction Contingency			
Other:			
<b>Total</b>			
<b>2. Fees</b>			
Arch Fee - Design			
Arch Fee- Admin			
Legal			
Engineering			
Survey			
Soils/Structural Report			
Environmental Audit			
Energy Audit/Testing			
Property Appraisal			
Market Study			
Credit Report			
Cost Certification			
Other:			
<b>Total</b>			

	<b>* Latest Budget Approved by PHFA</b>	<b>** Reasonably Expected Basis (REB)</b>	<b>Cost Incurred no later than August 14, 2012</b>
<b>3. Miscellaneous Project Charges</b>			
Application Fees			
Loan Program Closing Fee			
Tax Credit Res./Alloc. Fees			
Furnishings (Common Area)			
Rent-Up Expenses			
Relocation			
Tap-In, Hook-Up, Municipal Fees			
Subsidy Layering Review Fee			
Other:			
<b>Total</b>			
<b>4. Construction &amp; Financing Charges</b>			
Construction Loan Interest			
Construction Loan Orig Fee			
Const Loan Credit Enhancement			
Construction Loan App Fee			
Taxes During Construction			
Insurance During Construction			
Title Insurance			
Recording			
Construction Servicing Fee			
Other:			
<b>Total</b>			
<b>5. Permanent Financing</b>			
Permanent Loan Org. Fee			
Perm Loan Credit Enhancement			
Cost of Issuance/Underwriter's Disc.			
Other:			
<b>Total</b>			
<b>6. Land and Building Purchase</b>			
Acquisition of Land			
Acquisition of Existing Structures			
Acquisition Legal Fees			
Closing Costs			
Demo of Existing Structures			
Other:			
<b>Total</b>			

	<b>* Latest Budget Approved by PHFA</b>	<b>** Reasonably Expected Basis (REB)</b>	<b>Cost Incurred no later than August 14, 2012</b>
<b>7. Development Reserves</b>			
Operating Reserve			
Transformation Reserve			
Rental Subsidy Fund			
Development Contingency Fund			
Real Estate Taxes (first year)			
Insurance (first year escrow)			
Supportive Services Escrow			
Other:			
<b>Total</b>			
<b>8. Developer's Fee &amp; Overhead</b>			
Rehab./New Construction			
Acquisition less Land			
Additional Fee for Subsidies			
<b>Total</b>			
<b>9. Syndication Fees &amp; Expenses</b>			
Organizational			
Bridge Loan Int. During Const			
Bridge Loan Int. After Const			
Bridge Loan Fees & Expenses			
Legal Fees			
Accountant's Fees			
Other			
<b>Total</b>			
<b>10. Other</b>			
Tax Credit Monitoring Fee			
Other:			
Other:			
<b>Total</b>			
<b>11. TOTAL DEVELOPMENT COSTS</b>			
		% of REB	%

\* Must agree with most current worksheet approved by either the Tax Credit Department or Development Division of PHFA.

\*\* Must reflect current estimate of Reasonably Expected Basis.

**(Prepare on Owner's Letterhead)**

**OWNER'S CERTIFICATION OF COSTS INCURRED**

I hereby represent and certify that as of \_\_\_\_\_ (date) \_\_\_\_\_, (owner name) \_\_\_\_\_ has incurred more than 10% of the reasonably expected basis in the \_\_\_\_\_ (development name) \_\_\_\_\_ as represented above. \_\_\_\_\_ (owner name) \_\_\_\_\_ has accumulated carryover allocation basis of at least \$ \_\_\_\_\_ in the \_\_\_\_\_ (development name) \_\_\_\_\_ representing \_\_\_\_\_% of the reasonably expected total basis in the development of \$ \_\_\_\_\_.

This certification is made under penalty of perjury and is supported with appropriate documentation. This certification is part of the requirements for obtaining a Carryover Allocation of 2011 Federal Low-Income Housing Tax Credits.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed or Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Owner Name

\_\_\_\_\_  
Owner Address

**EXHIBIT "D"**

**INDEPENDENT AUDITOR'S REPORT  
SAMPLE**

Date:

To: Pennsylvania Housing Finance Agency  
211 North Front Street  
Harrisburg, PA 17101

And

Owner Name  
Street  
City, State, Zip Code

Re: Project Name and Tax Credit Number

We have examined the accompanying Owner's Certification of Cost Incurred ("Exhibit C") for (the "Project") as of \_\_\_\_\_. Exhibit "C" is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion on Exhibit "C" based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in Exhibit "C" and performing such other procedures as we considered necessary in the circumstances. We believe that our examination audit provides a reasonable basis for our opinion.

The accompanying Exhibit "C" was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service under the accrual method of accounting, and by the Pennsylvania Housing Finance Agency, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The 10% Test includes an estimate prepared by the Owner of total development costs and reasonably expected basis, as defined in Treasury Regulation Section 1.42-6. We have not examined or performed any procedures in connection with such estimated total development costs and reasonably expected basis and, accordingly, we do not express any opinion or any other form of assurance of such estimates. Furthermore, even if the Project is developed and completed there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In our opinion, Exhibit "C" referred to above presents fairly, in all material respects, costs incurred for the Project as of \_\_\_\_\_, on the basis of accounting described above.

In addition to examining Exhibit "C" we have, at your request, performed certain agreed upon procedures, as enumerated below, with respect to the Project. These procedures, which were

agreed to by the Owner and the Pennsylvania Housing Finance Agency, were performed to assist you in determining whether the development has met the 10% test in accordance with Internal Revenue Code Section 42(h)(1)(E) and Treasury Regulation Section 1.42-6. These agreed-upon procedures were performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose.

We performed the following procedures:

- We calculated, based on estimates of total development costs provided by the Owner, the project's total reasonably expected basis, as defined in Treasury Regulation Section 1.42-6, to be \$\_\_\_\_\_ as of \_\_\_\_\_, 2012.
- We calculated the reasonably expected basis incurred by the Owner as of \_\_\_\_\_ to be \$\_\_\_\_\_.
- We calculated the percentage of the development fee incurred by the Owner as of \_\_\_\_\_ to be \_\_\_\_% of the total development fee.
- We compared the reasonably expected basis incurred as of \_\_\_\_\_ to the total reasonably expected basis of the Project, and calculated that \_\_\_\_% had been incurred as of \_\_\_\_\_.
- We determined that the Owner uses the accrual method of accounting, and has not included any construction costs in carryover allocation basis that have not been properly accrued.
- Based on the amount of total reasonably expected basis listed above, for the Owner to meet the 10% test in accordance with Internal Revenue Code Section 42(h)(1)(E) and Treasury Regulation Section 1.42-6, we calculated that the Development needed to incur at least \$\_\_\_\_\_ of costs prior to \_\_\_\_\_. As of \_\_\_\_\_, costs of at least \$\_\_\_\_\_ had been incurred, which is approximately \_\_\_\_% of the total reasonably expected basis of the Project.

We were not engaged to, and did not, perform an audit of the Owner's financial statements or of the Project's total reasonably expected basis. Furthermore, even if the Project is developed and completed there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those difference may be material. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Owner and Owner's management and for filing with the Pennsylvania Housing Finance Agency and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



In reference to the preceding, I hereby further certify as follows:

The development contains a total of \_\_\_\_\_ rental dwelling units. Of this total, \_\_\_\_\_ units are or will be accessible (as set forth in 24 CFR Part 8). Of this total, \_\_\_\_\_ units have been designed and have been or will be constructed to be adaptable as defined in \_\_\_\_\_.

Of this total, \_\_\_\_\_ units have been designed and have been or will be constructed to include features for individuals with hearing or vision impairment as defined in \_\_\_\_\_.

**ARCHITECT**

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
(to be signed by authorized officer of design architect firm)

By: \_\_\_\_\_  
Name & Title (please print)

\_\_\_\_\_  
Architectural Firm

**OWNER**

Acknowledged and Accepted by OWNER

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name & Title (please print)

\_\_\_\_\_  
Owner

**EXHIBIT "F"**

**DEVELOPMENT INFORMATION**

**A. PROPERTY NAME :** \_\_\_\_\_

**PHFA No. (If applicable)** \_\_\_\_\_ **TC No.** \_\_\_\_\_

**ON-SITE MANAGER**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**OFF-SITE MANAGEMENT COMPANY**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**B. UNIT BREAKDOWN**

No. of Bedrooms	No. of Units	Monthly Rent	Additional Utility Cost *	Total Housing Cost	Indicate Low-Income or Market Rate Unit	Targeted Income Level

*Reminder: You are required to list your site on the PAHousingSearch.com at the time of rent-up.*

**\*Actual or Allowance, if utilities are paid by tenant.**