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In the Appeal of Summer Vista II DE, LLC and Summer Vista III DE, LLC Appeal (Protest 3)

Joyce C.H. Tang <jtang@civilletang.com>

Mon, Mar 31, 2025 at 4:52 PM

To: Jerrick Hernandez <jhernandez@guamopa.com>

Cc: Elizabeth Napoli <efnapoli@ghura.org>, emflorig@ghura.org, Haig Huynh <hhuynh@civilletang.com>, Marc Rasmussen <mrasmussen@civilletang.com>

Batch 1 of 2

Jerrick,

Please find attached for e-filing Summer Vista II DE, LLC and Summer Vista III DE, LLC's Appeal (Protest 3) with Exhibits A – J against GHURA.

Please confirm receipt for filing.

Thank you.











Joyce

Joyce C.H. Tang

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10 attachments

-  **3.31.2025 OPA Appeal - PROTEST 3 (FINAL).pdf**
1907K
-  **Exhibit A (3.14.25 GHURA Decision).pdf**
251K
-  **Exhibit B (2.17.25 Summer Vista's Protest #3).pdf**
1883K
-  **Exhibit C (2025 Carryover Allocation Agreement).pdf**
1321K
-  **Exhibit D (IRS Private Letter Ruling 200351024).pdf**
139K
-  **Exhibit E (2024 QAP).pdf**
461K
-  **Exhibit F (12.18.24 Flores Rosa Letter).pdf**
144K
-  **Exhibit G (1.24.25 SAR).pdf**
222K
-  **Exhibit H (2.7.25 GHURA SAR Response).pdf**
5307K
-  **Exhibit I (3.14.25 SAR).pdf**
226K



Jerrick Hernandez <jhernandez@guamopa.com>

In the Appeal of Summer Vista II DE, LLC and Summer Vista III DE, LLC Appeal (Protest 3)

Joyce C.H. Tang <jtang@civilletang.com>

Mon, Mar 31, 2025 at 4:55 PM

To: Jerrick Hernandez <jhernandez@guamopa.com>


Cc: emflorig@ghura.org, Elizabeth Napoli <efnapoli@ghura.org>, Haig Huynh <hhuynh@civilletang.com>

Batch 2 of 2

This includes the last exhibits for Protest 3 Appeal. Thank you.

[Quoted text hidden]

2 attachments

 **Exhibit I (3.14.25 SAR).pdf**
226K

 **Exhibit J (3.28.25 GHURA SAR Response).pdf**
16392K

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7 *Summer Vista II DE, LLC and*
8 *Summer Vista III DE, LLC*

9
10
11 **PROCUREMENT APPEAL**
12 **IN THE OFFICE OF PUBLIC ACCOUNTABILITY**
13

14
15
16 In the Appeal of

17
18 Summer Vista II DE, LLC and Summer Vista
19 III DE, LLC

20 Appellants
21

DOCKET NO. OPA-PA-25 _____

**NOTICE OF VERIFIED PROCUREMENT
22 APPEAL; PROCUREMENT APPEAL**

1 Summer Vista DE II, LLC and Summer Vista DE III, LLC (collectively referred to as
2 “Summer Vista”) hereby appeal a decision rendered by the Guam Housing and Urban Renewal
3 Authority (“GHURA”), an agency of the Government of Guam, on March 14, 2025, which denied
4 Summer Vista’s February 3, 2025 Protest 3 letter. *See Exhibit A* (3/14/25 Protest 3 Decision).
5 Protest 3 was timely submitted to GHURA on February 3, 2025, and is based on information Summer
6 Vista obtained relating to GHURA’s execution of the 2025 LIHTC Carryover Allocation Agreement
7 with Flores Rosa Gardens L.L.C. (“Flores Rosa”). *See Exhibit B* (2/17/25 Summer Vista’s Protest
8 3).

9 As discussed in Section III and IV below, GHURA purported award of the LIHTC contract
10 by signing the 2025 LIHTC Carryover Allocation Agreement (“2025 LIHTC Allocation Agreement”)
11 violated the automatic stay under 5 GCA § 5425(g), the Internal Revenue Code Section 42 LIHTC
12 Regulations, and the 2024 LIHTC Qualified Allocation Plan (“2024 QAP”). Furthermore, the
13 agreement constitutes an improper award from Guam’s 2025 State Housing Credit Ceiling made
14 outside a valid QAP.

15
16 **I. APPELLANTS’ INFORMATION**

17 **Name:** Summer Vista II DE, LLC
18 Summer Vista III DE, LLC¹

19 **Mailing Address:** 388 South Marine Corps Drive, Suite 400
20 Tamuning, Guam 96913

21 **Business Address:** 388 South Marine Corps Drive, Suite 400
22 Tamuning, Guam 96913

23 **Telephone Number:** (671) 473-5000

24 **Legal Counsel For This Appeal:** Joyce C.H. Tang, Esq.
25 Civile & Tang, PLLC,
26 330 Hernan Cortez Ave. Ste. 200,
27 Hagåtña, Guam 96910
28 Email: jtang@civilletang.com

¹ Summer Vista II DE, LLC and Summer Vista III DE, LLC are collectively hereinafter referred to as “Summer Vista” or “Appellants” and individually as “Summer Vista II” and “Summer Vista III.”

1
2 **II. APPEAL INFORMATION**

3 **Procuring/Soliciting Agency:** Guam Housing and Urban Renewal Authority
4 **Identification / Number:** 2024 Low Income Housing Tax Credit QAP
5 **Decision Being Appealed:** The decision being appealed, included in the Supporting
6 Documents attached hereto, was made on March 14,
7 2025, by Elizabeth F. Napoli, Executive Director of
8 GHURA and head of the relevant purchasing agency
9 (“Decision”). *See Exhibit A* (3/14/25 Protest 3
10 Decision).
11 Appeal is made from a Decision on Protest of Method,
12 Solicitation or Award.
13 **Date of Contract:** February 3, 2025 (GHURA awarded the LIHTC to
14 respond to Appellant’s January 24, 2025 Sunshine Act
15 Request required by 5 GCA §10103(d). *See Exhibit C*
16 (2025 LIHTC Allocation Agreement)
17 **Names of Competing Bidders:** (1) Flores Rosa Garden L.L.C. (“Flores Rosa”) the
18 bidder to which GHURA purported to award the 2024
19 LIHTC allocation of \$1,793,120.
20 (2) Rosewood Park L.L.C., the bidder which was
21 purported to be ranked #2 in a tie with Summer Vista II.
22 (3) Dos Amantes Development, LLC

23 **III. STATEMENT OF GROUNDS FOR APPEAL**

24 **A. GROUNDS FOR APPEAL**

25 Summer Vista brings this appeal of GHURA’s Decision to deny Summer Vista’s February 17,
26 2025 protest (“Protest #3). *See Exhibit B* (2/3/25 Summer Vista’s Protest 3). The grounds for
27 appeal are as follows:

28 **1. Denial of Protest based on Guam Procurement Law**

While GHURA correctly acknowledged that Guam procurement law applies, it incorrectly
calculated the filing deadline by failing to recognize that the executed carryover allocation agreement
was first disclosed on February 7, 2025. Under 5 GCA § 5425(a), the February 17, 2025 filing of
Protest #3 was timely, as it was submitted within fourteen (14) days of the date on which Summer

1 Vista first knew or reasonably should have known of the basis for this protest.

2 **2. Violation of Automatic Stay**

3 On February 3, 2025, GHURA unlawfully executed a LIHTC Carryover Allocation
4 Agreement with Flores Rosa in an attempt to award the low income housing tax credits to Flores
5 Rosa in violation of the automatic stay imposed under 5 GCA § 5425(g). The stay was triggered by
6 the timely filing of Protest #1 on January 6, 2025, and remained in effect at the time of the award,
7 rendering the action void under Guam procurement law.

8 **3. Failure to Comply with LIHTC Regulations and the 2024 QAP**

9 GHURA’s execution of the 2025 LIHTC Allocation Agreement on February 3, 2025 violated
10 both federal LIHTC regulations and the requirements of the 2024 QAP, each of which mandates that
11 the allocation be made no later than December 31, 2024. By finalizing the award after December 31,
12 2024, GHURA violated the 2024 QAP and the governing federal and local rules, rendering the
13 allocation void.

14 **4. Improper Allocation and Award from 2025 State Housing Credit Ceiling**

15 By executing the 2025 LIHTC Allocation Agreement on February 3, 2025, GHURA
16 impermissibly awarded LIHTC credits from Guam’s 2025 State Housing Credit Ceiling² without an
17 approved qualified allocation plan in effect for the 2025 calendar year or LIHTC solicitation. This
18 violated the requirements of 26 U.S.C. § 42(m)(1), which mandates that all LIHTC allocations be
19 made pursuant to a valid and effective QAP.

20 **B. Timeliness of Protest and Appeal**

21 This protest is timely under both GHURA’s Appeal Rules and Guam’s procurement laws
22 because the purported LIHTC “award” occurred on February 3, 2025—the date GHURA executed
23 the 2025 LIHTC Allocation Agreement. GHURA withheld producing a copy of the 2025 LIHTC
24 Allocation Agreement (the purported award contract) from Summer Vista until February 7, 2025

25 _____
26 ² “State Housing Credit Ceiling” is the amount of LIHTC allocation applicable to any state for any
27 calendar year. It is calculated as an amount equal to the sum of—(i) the unused state housing credit
28 ceiling (if any) of such state for the preceding calendar year, (ii) the greater of—(I) \$1.75 multiplied
by the state population, or (II) \$2,000,000, (iii) the amount of state housing credit ceiling returned in
the calendar year, plus (iv) the amount (if any) allocated under subparagraph (D) to such state by the
Secretary. See 26 U.S.C. § 42(h)(3)(C).

1 when it was produced in response to Summer Vista’s Sunshine Act Request. Protest #3 was timely
2 filed on February 17, 2025 under the Guam Procurement Code, which permits protests to be filed
3 within fourteen (14) days of when the basis for the protest is known or should have been known. 5
4 GCA §5425(a).

5 In the context of the LIHTC program, the “award” of credits does not occur at the point of
6 project scoring, reservation, or board recommendation. Federal law defines the actual allocation—the
7 legally operative award—as the moment the carryover allocation agreement is signed. Treasury
8 regulations are clear on this point:

9 A housing credit agency makes an allocation of housing credit dollar amounts to
10 a building *when the allocation document is completed, signed, and dated by an*
11 *authorized official of the housing credit agency.* (emphasis added).

12 See 26 C.F.R. § 1.42-6(c)(1). The Internal Revenue Service has reiterated this rule in Private Letter
13 Ruling 200351024 (Dec. 19, 2003), explaining that, while reservations may occur earlier, the
14 issuance of a LIHTC carryover allocation document is the prevalent method by which a state agency
15 makes an allocation of LIHTC credit.

16 *The fact that a credit amount has been reserved does not mean that the actual*
17 *allocation of the credit has been made; that occurs at a subsequent time during the*
18 *same calendar year.* There are two methods for allocating § 42 credits. One method
19 of allocating is by the issuance of a Form 8609, Low-Income Housing Credit
20 Allocation Certification. The Form 8609 also serves as an information reporting
21 document. *The other method of allocating is by the issuance of a carryover*
22 *allocation document.* The general rule under § 42 of the Code is that an allocation of
23 credit is effective only if it is made by the close of the year that the building is placed
24 in service. Under § 42(m)(2), the state agency is responsible for ensuring that the
25 amount of credit allocated (or received, in the case of credit predicated upon tax-
exempt bond financing) does not exceed the amount necessary to ensure project
feasibility. As a result, final cost certifications for the project are required before the
state agency will issue a Form 8609. *Because final cost certifications are usually not*
obtained before the close of the year a building is placed-in-service and the
information on Part I of the Form 8609 must reflect the proper amount of credit
allocated (or received), the Form 8609 is rarely used as the document to allocate §
42 credit. Rather, the issuance of a carryover allocating document is the prevalent
method by which a state agency makes an allocation of § 42 credit. (Emphasis
added).

26 See **Exhibit D** (IRS PLR 200351024) at 2

27 Accordingly, GHURA’s execution of the 2025 Carryover Allocation Agreement on February
28 3, 2025, had to occur before an “award” of tax credits can be made. Because Protest #3 was filed

1 within ten (10) days of the first public disclosure of that award, both filings are timely under
2 GHURA’s internal ten-day appeal rule and the procurement rule requiring protest within fourteen
3 days of actual or constructive knowledge of the grounds for protest. *See* 2 GAR § 9101(d).

4
5 **1. The February 3, 2025 Purported Award is Invalid Because It Was Executed
6 Without a 2025 Qualified Allocation Plan.**

7 The 2025 LIHTC Allocation Agreement is invalid as a matter of law because it was executed
8 in calendar year 2025, at a time when GHURA had not yet adopted or published a qualified
9 allocation plan for that year. The Internal Revenue Code (“IRC”) which governs the LIHTC program
10 strictly conditions the legality of any credit allocation on the existence of a valid QAP governing the
11 allocation year. Section 42 of the Internal Revenue Code makes this clear:

12 A housing credit agency *may not allocate any housing credit dollar amount*
13 *unless such amount was allocated pursuant to a qualified allocation plan...*
14 which is in effect as of the end of the calendar year in which the allocation is
made. (emphasis added).

15 *See* 26 U.S.C. § 42(m)(1)(A). Furthermore, the applicable Treasury regulation, 26 C.F.R. § 1.42-
16 17(a), requires that the QAP be publicly reviewed, subject to comment, and approved by the chief
17 executive of the jurisdiction before allocations can be made under it. As of February 3, 2025,
18 GHURA had no such approved QAP in place for 2025.

19 Accordingly, the 2025 LIHTC Allocation Agreement attempts to allocating prior-year credits
20 in 2025 (a new calendar year) without an approved and compliant QAP. This is precisely the situation
21 that the statute and regulations prohibit. The February 3, 2025 award is *ultra vires* and void.

22
23 **2. The February 3, 2025 Purported Award is Untimely Under the 2024 QAP and
24 Federal LIHTC Regulations**

25 The 2024 QAP expressly states that the tax credits being awarded are only effective for
26 LIHTC reservations and awards in calendar years 2023/2024.

1
2
3 **II. Allocation of Credits**

4 This QAP sets forth (1) the criteria to evaluate and allocate tax credits to projects which best meet the
5 housing needs of Guam, and (2) the procedure to monitor for compliance with the provisions of the LIHTC
6 Program.

7 **This allocation plan shall be effective for LIHTC reservations and awards in calendar years
8 2023/2024. The QAP is subject to amendment by the GHURA Board of Commissioners.**

9 The QAP will utilize a point system to rank projects based upon the evaluation criteria established. The
10 ranking of projects, along with all other relevant data, will determine the priorities to be followed by GHURA

11 *See Exhibit E (2024 QAP), at 4. Federal law mirrors this requirement:*

12 “If a carryover allocation fails to satisfy a requirement... such as failing to be
13 signed or dated by an authorized official of an allocating agency by the close of a
14 calendar year, the allocation is not valid and is treated as if it had not been made
15 for that calendar year.”

16 *See 26 C.F.R. § 1.42-6(a). Despite these requirements, GHURA executed the 2025 LIHTC Allocation
17 Agreement on February 3, 2025.*



21 *See Exhibit C (2025 LIHTC Allocation Agreement) at 4.*

22 Even if GHURA intended the 2025 LIHTC Allocation Agreement to constitute an allocation
23 under the 2024 QAP, the purported award is invalid because the agreement was executed after the
24 conclusion of the 2024 calendar year. As noted above, the 2024 QAP and federal LIHTC regulations
25 require that carryover allocation agreements ***must be executed no later than December 31 of the***
26 ***allocation year – in this case, December 31, 2024.*** GHURA’s attempt to award the 2024 LIHTC to
27 Flores Rosa was untimely and void under both the 2024 QAP and 26 C.F.R. §1.42-6(a).
28

1 **3. The Purported Award Was Executed in Violation of the 5425(g) Automatic Stay.**

2 Finally, GHURA’s award of tax credits to Flores Rosa violated the automatic stay provisions
3 of Guam’s Procurement Code. Summer Vista submitted Protest #1 on January 6, 2025, triggering the
4 statutory stay. 5 GCA § 5425(g) prescribes that:

5 “In the event of a timely protest... Guam shall not proceed further with the
6 solicitation or with award prior to final resolution of such protest, and any such
7 further action is void.”

8 *Id.*

9 Despite this, GHURA proceeded with signing the 2025 LIHTC Allocation Agreement on
10 February 3, 2025—almost a full month after the stay was triggered and while a formal appeal was
11 pending before the Office of Public Accountability (OPA-PA-25-0001). Even worse, GHURA failed
12 to disclose the agreement until February 7, 2025, despite a Sunshine Act Requests from Summer
13 Vista on January 24, 2025. The stay provision is not discretionary. It is designed to preserve the
14 integrity of the procurement process and ensure that protestors are not prejudiced.

15 **C. SUPPORTING FACTS**

16 The following facts support Summer Vista’s Protests and this Appeal:

- 17 1. On July 24, 2024, the GHURA Board of Commissioners (“Board”) issued its 2024 QAP
18 pursuant to 26 U.S.C. § 42 and related Treasury regulations. The 2024 QAP governed the
19 award of LIHTC for calendar year 2024 and required that all allocations be made no later than
20 December 31, 2024.

21 **II. Allocation of Credits**

22 This QAP sets forth (1) the criteria to evaluate and allocate tax credits to projects which best meet the
23 housing needs of Guam, and (2) the procedure to monitor for compliance with the provisions of the LIHTC
24 Program.

25 This allocation plan shall be effective for LIHTC reservations and awards in calendar years
26 2023/2024. The QAP is subject to amendment by the GHURA Board of Commissioners.

27 See **Exhibit E** (2024 QAP) at 4.

1
2 **A. QAP Timetable**

3 The QAP timeline is as follows:

- 4 • June 24, 2024 to July 05, 2024 – Public Comment Period
- 5 • July 23, 2024 – Presentation to GHURA BOC for approval
- 6 • July 25, 2024 to October 25, 2024 – QAP/Application Open to the Public
- 7 • October 25, 2024 – Application Closes/Final Submissions
- 8 • October 28, 2024 to November 8, 2024 – Evaluation Panel Review/Final Scoring
- 9 • November 12, 2024 – Final Recommendation to the GHURA BOC/Award Decision
- 10 • December 31, 2024 – Final day Carryover Allocation Submission

11 *See Id.* at 5.

- 12 2. On December 10, 2024, GHURA’s Board approved a reservation of LIHTC credits to Flores Rosa based on recommendations from GHURA Management. This approval was a reservation of tax credits and ***not a final award***.
- 13 3. An award is conditioned on among other things, the signing of a compliant 2024 LIHTC Carryover Allocation Agreement. On December 18, 2024, GHURA issued a letter to Flores Rosa, confirmed these requirements and warned Flores Rosa that failure to meet the December 31, 2025 deadline will jeopardize the eventual award.

14 Greetings, Mr. Salas:

15 Congratulations. We are pleased to notify you that Flores Rosa, L.L.C., has been awarded the amount of \$1,793,120.00 of the Low Income Housing Tax Credit (LIHTC) allocation in the 2024 application cycle, for the Flores Rosa Project. This award was approved by the Guam Housing and Urban Renewal Authority’s Board of Commissioners in a regularly scheduled meeting on December 10, 2024.

16 **As an award recipient of we will be working with you to execute the proper documentation by December 31, 2024, for the allocation of credits. The IRS guidance requires that allocations be awarded before the calendar year ends.**

17 Should you have any questions, please feel free to contact me at 671-472-1442, or email me at efnapoli@ghura.org. Thank you for your participation in the 2024 LIHTC Program.

18 *See Exhibit F* (1/18/24 Flores Rosa Letter).

- 1 4. GHURA did not sign a 2024 LIHTC Allocation Agreement before December 31, 2024 and
2 there was not “award” on or before December 31, 2024 as required under 26 C.F.R. § 1.42-
3 6(a) IRC.
- 4 5. GHURA and Flores Rosa failed to comply with the 2024 QAP and 26 C.F.R. § 1.42-6(a)
5 requirements for an “award” of the 2024 LIHTC to Flores Rosa. Thus, the allocation to
6 Flores Rosa is null and void.
- 7 6. On January 6, 2025, Summer Vista filed Protest #1, challenging the integrity of GHURA’s
8 2024 LIHTC allocation process. Protest #1 triggered the 5 GCA § 5425(g) stay prohibiting
9 GHURA from proceeding with any further action or award related to the 2024 LIHTC
10 solicitation.
- 11 7. On January 24, 2025, Summer Vista sent a Sunshine Act Request to GHURA requesting “any
12 and all contracts and agreements by and between Flores Rosa ... and GHURA relating to the
13 award of the 2024 Low Income Housing Tax Credit allocation for the Flores Rosa Project,
14 including but not limited to any ‘Carryover Allocation Agreements Pursuant to Section
15 42(h)E of the Internal Revenue Code.” See **Exhibit G** (1/24/25 SA Request).
- 16 8. On February 7, 2025, fourteen days after the 1/24/25 SA Request, GHURA responded to the
17 request with *only* two (2) documents: (1) the 2025 LIHTC Allocation Agreement (signed on
18 2/3/25); and (2) the Declaration of Extended Housing Rental Commitment (signed on 2/3/25).
19 See **Exhibit H** (2/7/25 GHURA SAR Response).
- 20 9. Unbeknown to Summer Vista at that time, on February 3, 2025, GHURA executed the 2025
21 LIHTC Allocation Agreement with Flores Rosa. See **Exhibit C**. This agreement purported
22 to award the \$1.7 million of the 2024 LIHTC credits under the 2024 QAP to Fores Rosa.
23
24
25
26
27
28

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Low Income Housing Tax Credit
2025 Carryover Allocation Agreement
Pursuant to Section 42(h)(1)(E) of the Internal Revenue Code

This Carryover Allocation Agreement is made and entered into by and between the Guam Housing and Urban Renewal Authority ("GHURA") and the Owner identified in Section I below as of the date indicated in Section VI below (the "Agreement"). This agreement provides for the allocation of 2024 Low Income Housing Tax Credits pursuant to Section 42(h)(1)(E) of the Code (as defined below) in the amount specified in Section VI below (the "Tax Credits") or the "housing credit dollar amount". The allocation of Tax Credits made in this agreement is subject to (i) all terms and conditions stated herein, including, without limitation, (ii) all terms and conditions of GHURA's Low Income Housing Tax Credit Qualified Allocation Plan (the "Qualified Allocation Plan"), the application and related materials submitted in connection with this allocation of Tax Credits (collectively, the "Applications"), and (iii) all requirements of Section 42 of the Internal Revenue Code of 1986, as amended, including, without limitation, all subsequent tax legislation duly enacted by the Congress of the United States, United States Treasury, Regulations proposed or in effect with respect to the code and revenue procedures, revenue rulings or other published determinations of the Treasury Department or Internal Revenue Service of the United States (collectively, the "Code").

See **Exhibit C** (2025 LIHTC Allocation Agreement).

10. GHURA attempted to “award” the 2024 LIHTC by entering into the 2025 LIHTC Allocation Agreement in violation of Guam Procurement Law, the 2024 QAP and 26 C.F.R. § 1.42-6(a).
11. On February 4, 2025, Summer Vista filed its Appeal of GHURA’s Decision on Protest #1. This Appeal was docketed as OPA-PA-25-0001 before the Office of Public Accountability.
12. On February 17, 2025, Summer Vista submitted Protest #3 based on the information obtained from the 2/7/25 GHURA SAR Response. See **Exhibit H**. Summer Vista became aware of the 2025 LIHTC Allocation Agreement, that is, the purported “award” of the 2024 LIHTC to Flores Rosa on February 7, 2025.
13. On February 27, 2025, GHURA filed IRS Form 8610 with the IRC. See **Exhibit J** (2/27/25 Form 8610). Form 8610 “*Annual Low-Income Housing Credit Agencies Report*” is required to be filed by state and local housing credit agencies to report the allocation and compliance monitoring of the Low-Income Housing Tax Credit (LIHTC) under Section 42 of the Internal Revenue Code. It includes information about credit allocations made during the year, returned credits, and carryover allocations, helping the IRS ensure that credits are distributed and

monitored in accordance with federal law. See Internal Revenue Service, *Form 8610: Annual Low-Income Housing Credit Agencies Report*,” Department of the Treasury, <https://www.irs.gov/forms-pubs/about-form-8610>.

14. GHURA’s 2025 IRS Form 8610 filing confirms that:

a. GHURA returned \$1,391,880 million in unused 2023 LIHTC credits to IRS;

2, 3, and 5		6	1
Part II Reconciliation of Credit Ceilings and Allocations (see instructions)			
7a	Reserved for future use		7a
b	Enter the larger of \$2.90 multiplied by the state's population or \$3,360,000		7b 3,360,000
c	Enter the amount of credit ceiling returned in 2024 from allocations prior to 2024. See instructions		7c 0
d	Enter the amount (if any) allocated to the state from the 2024 National Pool		7d 0
e	Add lines 7a through 7d		7e 3,360,000
f	Enter the unused state housing credit ceiling (if any) from the 2023 Form 8610, line 11		7f 3,185,000
g	Total state housing credit ceiling for 2024. Add lines 7e and 7f		7g 6,545,000
h	Enter the total amount included on line 7g that was allocated during 2024 to qualified nonprofit organizations under section 42(h)(5). See instructions \$	0	
8a	Enter the total dollar amount of credits from Forms 8609, identified on line 1 above, used to allocate credit in 2024 where the year of allocation and the placed-in-service year are the same	8a 0	
b	Enter the total dollar amount of credits from Schedules A (Form 8610), line 5.	8b 1,793,120	
c	Total credits allocated during 2024. Add lines 8a and 8b. (Total can't exceed line 7g.)		8c 1,793,120
9	Enter the smaller of line 7f or line 8c		9 1,793,120
10	Subtract line 9 from line 8c		10 0
11	State's unused housing credit ceiling carryover to 2025. Subtract line 10 from line 7e. If zero or less, enter -0-		11 3,360,000
12	Unused 2023 carryover assigned to the 2025 National Pool. Subtract line 9 from line 7f		12 1,391,880
Part III Compliance With Low-Income Housing Requirements			

See *Id.* at 2.

b. GHURA is attempting to award \$1.7 million in LIHTC credits to Flores Rosa via the void and non-compliant 2025 LIHTC Allocation Agreement, drawing from the 2023 state credit allocation portion of the LIHTC pool governed by the 2024 QAP.

2, 3, and 5		6	1
Part II Reconciliation of Credit Ceilings and Allocations (see instructions)			
7a	Reserved for future use		7a
b	Enter the larger of \$2.90 multiplied by the state's population or \$3,360,000		7b 3,360,000
c	Enter the amount of credit ceiling returned in 2024 from allocations prior to 2024. See instructions		7c 0
d	Enter the amount (if any) allocated to the state from the 2024 National Pool		7d 0
e	Add lines 7a through 7d		7e 3,360,000
f	Enter the unused state housing credit ceiling (if any) from the 2023 Form 8610, line 11		7f 3,185,000
g	Total state housing credit ceiling for 2024. Add lines 7e and 7f		7g 6,545,000
h	Enter the total amount included on line 7g that was allocated during 2024 to qualified nonprofit organizations under section 42(h)(5). See instructions \$	0	
8a	Enter the total dollar amount of credits from Forms 8609, identified on line 1 above, used to allocate credit in 2024 where the year of allocation and the placed-in-service year are the same	8a 0	
b	Enter the total dollar amount of credits from Schedules A (Form 8610), line 5.	8b 1,793,120	
c	Total credits allocated during 2024. Add lines 8a and 8b. (Total can't exceed line 7g.)		8c 1,793,120
9	Enter the smaller of line 7f or line 8c		9 1,793,120
10	Subtract line 9 from line 8c		10 0
11	State's unused housing credit ceiling carryover to 2025. Subtract line 10 from line 7e. If zero or less, enter -0-		11 3,360,000
12	Unused 2023 carryover assigned to the 2025 National Pool. Subtract line 9 from line 7f		12 1,391,880
Part III Compliance With Low-Income Housing Requirements			

See *Id.*

c. The entire 2024 state credit allocation of \$3.36 million is being rolled forward into Guam's 2025 credit ceiling, to be governed by a future 2025 QAP.

Part II Reconciliation of Credit Ceilings and Allocations (see instructions)		
7a	Reserved for future use	7a
b	Enter the larger of \$2.90 multiplied by the state's population or \$3,360,000	7b 3,360,000
c	Enter the amount of credit ceiling returned in 2024 from allocations prior to 2024. See instructions	7c 0
d	Enter the amount (if any) allocated to the state from the 2024 National Pool	7d 0
e	Add lines 7a through 7d	7e 3,360,000
f	Enter the unused state housing credit ceiling (if any) from the 2023 Form 8610, line 11	7f 3,185,000
g	Total state housing credit ceiling for 2024. Add lines 7e and 7f	7g 6,545,000
h	Enter the total amount included on line 7g that was allocated during 2024 to qualified nonprofit organizations under section 42(h)(5). See instructions \$	0
8a	Enter the total dollar amount of credits from Forms 8609, identified on line 1 above, used to allocate credit in 2024 where the year of allocation and the placed-in-service year are the same	8a 0
b	Enter the total dollar amount of credits from Schedules A (Form 8610), line 5.	8b 1,793,120
c	Total credits allocated during 2024. Add lines 8a and 8b. (Total can't exceed line 7g.)	8c 1,793,120
9	Enter the smaller of line 7f or line 8c	9 1,793,120
10	Subtract line 9 from line 8c	10 0
11	State's unused housing credit ceiling carryover to 2025. Subtract line 10 from line 7e. If zero or less, enter -0-	11 3,360,000
12	Unused 2023 carryover assigned to the 2025 National Pool. Subtract line 9 from line 7f	12 1,391,880
Part III Compliance With Low-Income Housing Requirements		

See Id.

15. In its submission to the IRS 8610, GHURA attached two documents: (1) 2025 LIHTC Allocation Agreement (see Exhibit C), as well as another document that GHURA has never produced before entitled "2024 Low-Income Housing Tax Credit Allocation Agreement" ("2024 LIHTC Allocation Agreement") (see Exhibit J). The 2024 LIHTC Allocation Agreement was not notarized and was purported to have been executed by GHURA on December 27, 2024.

This Tax Credit Allocation Agreement shall be governed by the laws of Guam and, where applicable, the laws of the United States of America.

Executed this 29th day of December, 2024

By: Elizabeth F. Napoli
 Elizabeth F. Napoli, Executive Director
 Guam Housing and Urban Renewal Authority

Accepted this 30th day of December, 2024.

By: Robert Salas II
 Robert Salas II, President
 Flores Rosa, LLC

See Id.

1 16. On information and belief, the purported 2024 LIHTC allocation Agreement did not exist
2 prior to February 3, 2025, when GHURA signed before a notary the 2025 LIHTC Allocation
3 Agreement because:

- 4 a. GHURA did not provide the 2024 LIHTC Allocation Agreement in its February 7,
5 2025 response to Summer Vista's 1/24/2025 SAR. See **Exhibit H** (2/7/25 Response).
6
7 b. GHURA did not provide or refer to the 2024 LIHTC Allocation Agreement in its
8 Agency Report filed in OPA-PA-25-001. See Agency Report, *Summer Vista II DE,*
9 *LLC & Summer Vista III DE, LLC v. Guam Hous. & Urban Renewal Auth.*, No. OPA-
10 PA-25-001 (Guam Office of Pub. Accountability Feb. 24, 2025)
11
12 c. GHURA admits in its March 28, 2025 Response to Summer Vista's SAR that there
13 are no LIHTC Carryover Allocation Agreements between GHURA and Flores Ros
14 signed in the calendar year 2024. in its March 28, 2025 Response to Summer Vista's
15 3/14/25 Sunshine Act Request.

16 2. Any GHURA Low Income Housing Tax Credit Carryover Allocation Agreement
17 entered into by GHURA and Flores Rosa, LLC, dated and/or signed in the calendar year
18 2024.

19 GHURA's RESPONSE: GHURA does not have any documents responsive to this
20 request.

21 See **Exhibit J**, at 1 (3/28/25 Response).

22 Based on the foregoing evidence and others, Summer Vista believes the 2024 LIHTC Allocation
23 Agreement was signed and executed *after* December 31, 2024.

24 //

25 //

1 **IV. STATEMENT OF THE RULINGS REQUESTED**

2 Summer Vista respectfully requests the Office of Public Accountability make the findings and
3 order the requested relief as follows:

- 4 **A.** Rescind the award and declare the 2025 Carryover Allocation Agreement void;
- 5 **B.** Cease all further action related to the 2024 QAP;
- 6 **C.** Refrain from allocating LIHTC tax credits until a valid QAP is adopted and published for
7 calendar year 2025; and
- 8 **D.** For such other relief that the OPA deems appropriate.

9 **V. SUPPORTING EXHIBITS, EVIDENCE, AND/OR DOCUMENTS**

10 Attached hereto are the following supporting documents and evidence to substantiate the
11 foregoing claims and grounds for appeal:

- 12 1. **Exhibit A**, 3/14/25 GHURA Decision
- 13 2. **Exhibit B**, 2/17/27 Summer Vista Protest 3
- 14 3. **Exhibit C**, 2025 LIHTC Allocation Agreement
- 15 4. **Exhibit D**, IRS Private Letter Ruling 200351024
- 16 5. **Exhibit E**, 2024 QAP
- 17 6. **Exhibit F**, 12/18/24 Flores Rosa Letter
- 18 7. **Exhibit G**, 1/24/25 SAR
- 19 8. **Exhibit H**, 2/7/25 GHURA SAR Response
- 20 9. **Exhibit I**, 3/14/25 SAR
- 21 10. **Exhibit J**, 3/28/25 GHURA SAR Response

22 Although Summer Vista has identified the attached documents and information in support of
23 this Appeal, Summer Vista does not waive its right to rely upon additional documents, information
24 and testimony. To avoid any doubt, Summer Vista’s investigation continues, and it expressly
25 reserves the right to cite other evidence and to present additional testimony during this Appeal or
26 other proceeding related to the Protest.
27
28

1 **VI. DECLARATION RE COURT ACTION**

2 The undersigned party does hereby confirm that to the best of her knowledge that no case or
3 action concerning the subject of this Appeal has been commenced in court. Counsel for Summer Vista
4 agrees to notify the Office of Public Accountability within 24 hours if court action commences
5 regarding this Appeal or the underlying procurement action.

6 **CIVILLE & TANG, PLLC**

7 */s/ Joyce C.H. Tang*

8 Dated: March 31, 2025

By: _____

JOYCE C.H. TANG

Attorneys for Appellant

*Summer Vista DE II, LLC and Summer Vista DE
10 III, LLC*

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VERIFICATION

I, Conchita Bathan, the duly authorized representative of Appellants, Summer Vista II DE, LLC and Summer Vista II DE, LLC, the Appellants in the above-entitled action and that I have read the foregoing Notice of Procurement Appeal and Procurement Appeal, and they are true of my own knowledge except as to those matters alleged upon information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: March 31, 2025.



By: _____
CONCHITA BATHAN
*Appellants Summer Vista II DE, LLC and
Summer Vista III, DE LLC*

Exhibit

A



GHURA

Guam Housing and Urban Renewal Authority
Aturidat Ginima' Yan Rinueban Siudad Guahan
117 Bien Venida Avenue, Sinajana, GU 96910
Phone: (671) 477-9851 · Fax: (671) 300-7565 · TTY: (671) 472-3701
Website: www.ghura.org



Lourdes A. Leon Guerrero
Governor of Guam

Joshua F. Tenorio
Lt. Governor of Guam

John J. Rivera
Chairman

Nathanael P. Sanchez
Vice Chairman

Anisia S. Delia
Commissioner

Emilia F. Rice
Commissioner

Victor R. Torres
Commissioner

Karl E. Corpus
Resident Commissioner

Elizabeth F. Napoli
Executive Director

Fernando B. Esteves
Deputy Director

March 14, 2025

Ms. Joyce C.H. Tang, Esq.
Law Offices of Civile & Tang, PLLC
330 Herman Cortez Avenue, Suite 200
Hagåtña, Guam 96910

VIA E-MAIL: jtang@civilletang.com

Re: *Appeal/Protest #2 on February 3, 2025 and Appeal/Protest #3 on February 17, 2025*

Hafa Adai, Ms. Tang:

This letter is to provide notice that the above-referenced appeals/protests you filed with the Guam Housing and Urban Renewal Authority (GHURA) on February 3, 2025 and February 17, 2025, respectively, on behalf of your clients Summer Vista II, DE, LLC and Summer Vista III, DE, LLC are hereby denied due to untimely filing.

Please refer to the same reasoning used in the denial of Appeal/Protest #1 on January 6, 2025 which was addressed in GHURA's letter of January 23, 2025 of untimely filing as the basis of the denial of Appeal/Protest #2 and Appeal/Protest #3.

Should you have any questions or require further information, please do not hesitate to contact me.

Regards,


Elizabeth F. Napoli
Executive Director

Cc: Board of Commissioners
Chief Planner
In-House Counsel

Exhibit

B

Law Offices
CIVILLE & TANG, PLLC
A Professional Limited Liability Company
330 Hernan Cortez Avenue, Suite 200
Hagåtña, Guam 96910
Tel: 472-8868 | Fax: 477-2511

REC'D SECTION 8
FEB 17 25 PM 2:17

LETTER OF TRANSMITTAL

TO: **GUAM HOUSING AND URBAN RENEWAL AUTHORITY**
117 Bein Venida Avenue
Sinajana, Guam 96910

DATE: February 17, 2025

FROM: JOYCE C. H. TANG


RE: *Notice of Third Appeal/Protest of GHURA's February 3, 2025 LIHTC Carryover Allocation Agreement Relating to the 2024 LIHTC QAP*

VIA: Hand Delivery/Service

**THE FOLLOWING:
IS/ARE TRANSMITTED HEREWITH FOR:**

DESCRIPTION
<ul style="list-style-type: none">(2) Binders Containing Notice of Third Appeal/Protest of GHURA's February 3, 2025 LIHTC Carryover Allocation Agreement Relating to the 2024 LIHTC QAP with Exhibits 1 - 4

PRINT: Audrey Aguon

SIGN: 

DATE: 2/17/25

CIVILLE & TANG, PLLC

www.civilletang.com

Sender's Direct E-Mail:
jtang@civilletang.com

February 17, 2025

BY HAND DELIVERY AND ELECTRONIC MAIL

johninguam@gmail.com

Mr. John Rivera
Chairman
Board of Commissioners
GUAM HOUSING AND URBAN RENEWAL AUTHORITY
117 Bien Venida Avenue
Sinajana, Guam 96910

efnapoli@ghura.org

Ms. Elizabeth F. Napoli
Executive Director
GUAM HOUSING AND URBAN RENEWAL AUTHORITY
117 Bien Venida Avenue
Sinajana, Guam 96910

**RE: NOTICE OF THIRD APPEAL/PROTEST OF GHURA'S FEBRUARY 3,
2025 LIHTC CARRYOVER ALLOCATION AGREEMENT RELATING
TO THE 2024 LIHTC QAP**

Dear Mr. Rivera and Ms. Napoli:

Summer Vista II DE, LLC ("Summer Vista II") and Summer Vista III DE, LLC ("Summer Vista III") (collectively, "Summer Vista") hereby gives notice of its formal appeal/protest based on additional information it has discovered related to the improper award of the 2024 LIHTC to Flores Rosa L.L.C. ("Protest #3"):

(1) On January 6, 2025, Summer Vista timely filed Protest #1 which triggered the automatic stay under Guam Procurement Law, 5 G.C.A. § 5425(g). GHURA violated Guam Procurement Law by proceeding with the 2024 LIHTC solicitation when it entered into the GHURA 2025 LIHTC Carryover Agreement with Flores Rosa L.L.C. ("Flores Rosa") on February 3, 2025 ("2025 LIHTC Carryover Agreement"). See **Exhibit 1** (2025 LIHTC Carryover Agreement).

(2) The 2025 LIHTC Carryover Agreement violates IRC Section 42 because the Internal Revenue Code (26 U.S.C. § 42), the governing statutes for LIHTC, requires tax credits to be awarded within the calendar year of the operative QAP, here the 2024 LIHTC QAP.

(3) The 2025 LIHTC Carryover Agreement violates the 2024 LIHTC QAP because the 2024 LIHTC QAP requires that the carryover agreement allocating the 2024 tax credits be signed by the parties by no later than **December 31, 2024**.

(4) The 2025 LIHTC Carryover Agreement violates 26 U.S.C. § 42(m)(1) because it attempts to allocate \$1.7 million to Flores Rosa from Guam's 2025 State Housing Credit Ceiling when the QAP for 2025 has not been adopted or published.

The submission of the information forming the bases of Summer Vista's Protest #3 could not have been submitted sooner because GHURA wrongfully delayed its response to Summer Vista's January 24, 2025 Sunshine Act Request seeking copies of all contracts relating to the purported 2024 LIHTC award to Flores Rosa, including any executed Carryover Allocation Agreement. GHURA was required to produce the Carryover Allocation Agreement within four (4) working days under the Sunshine Reform Act of 1999 ("Sunshine Act"), or by January 31, 2025, and only produced two (2) documents on February 7, 2025, seven days late. See **Exhibit 4** (Summer Vista's 1/24/2025 Sunshine Act Request and GHURA's 2/7/2025 Sunshine Act Response). GHURA's delay and improper withholding of the 2025 LIHTC Carryover Agreement was wrongful and violated Section 10103(d) of the Sunshine Act. Notably, this is the *third* time GHURA has wrongfully withheld and delayed production of documents in violation of the Sunshine Act.

This Protest #3 protest/appeal is wholly separate from Summer Vista's original appeal/protest dated January 6, 2025 ("Protest #1") and its subsequent appeal/protest dated February 3, 2025 ("Protest #2).


Protest #3 is in complete reservation of Summer Vista's rights with respect to Protest #1 and Protest # 2 and does not constitute a waiver or withdrawal of any of its Protest #1 or Protest #2. As such, this new protest triggers separate obligations upon GHURA.

1. Violation of Automatic Stay under 5 G.C.A. § 5425(g)

The 2025 LIHTC Carryover Agreement was executed in direct violation of the automatic stay imposed by 5 G.C.A. § 5425(g), which was triggered on January 6, 2025 by Summer Vista's Protest #1. GHURA executed the agreement on February 3, 2025.

This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

By  Date: 02/03/2025
Elizabeth F. Napoli
Executive Director

See **Exhibit 1** (2025 LIHTC Carryover Agreement, at 4) (emphasis added).

Section 5425(g) of the Guam Procurement Law imposes an automatic stay of the solicitation, and provides in relevant part as follows: “[i]n the event of a timely protest... Guam shall not proceed further with the solicitation or with award prior to final resolution of such protest, and any such further action is void...”. The stay prohibits further action related to the 2024 QAP at least until the Appeal before the Office of Public Accountability (OPA-PA-25-0001) is resolved. The 2025 LIHTC Carryover Agreement is therefore void.

2. Failure to Comply with IRC Section 42 LIHTC Regulations

The allocation of the 2024 LIHTC tax credits violates the deadlines established under IRC Section 42 governing the LIHTC program. The issuance of a carryover allocation document, such as the 2025 LIHTC Carryover Agreement, is the method by which GHURA makes an allocation of LIHTC credit.¹

The IRC mandates that LIHTC allocations be made *within the same calendar year* as the QAP under which they are awarded. See 26 U.S.C. § 42(h)(1)(C). This requirement was also confirmed in IRS Private Letter Ruling 200351024 (December 19, 2003):

... The fact that a credit amount has been reserved does not mean that the actual allocation of the credit has been made; that occurs at a subsequent time during the same calendar year.

There are two methods for allocating § 42 credits. One method of allocating is by the

¹ See 26 C.F.R. § 1.42-6(d) (“When an allocation is made pursuant to section 42(h)(1) (E) or (F), the allocating document is the document meeting the requirements of paragraph (d)(2) of this section.”); see also **Exhibit 3** (I.R.S. Priv. Ltr. Rul. 200351024 (Dec. 19, 2003)).

issuance of a Form 8609, Low-Income Housing Credit Allocation Certification. The Form 8609 also serves as an information reporting document. **The other method of allocating is by the issuance of a carryover allocation document.**

*The general rule under § 42 of the Code is that an allocation of credit is effective only if it is made by the close of the year that the building is placed in service. Under § 42(m)(2), the state agency is responsible for ensuring that the amount of credit allocated (or received, in the case of credit predicated upon tax-exempt bond financing) does not exceed the amount necessary to ensure project feasibility. As a result, final cost certifications for the project are required before the state agency will issue a Form 8609. **Because final cost certifications are usually not obtained before the close of the year a building is placed-in-service and the information on Part I of the Form 8609 must reflect the proper amount of credit allocated (or received), the Form 8609 is rarely used as the document to allocate § 42 credit. Rather, the issuance of a carryover allocating document is the prevalent method by which a state agency makes an allocation of § 42 credit.** (emphasis added).*

See **Exhibit 3** (IRS Private Ruling, at 2) (emphasis added).

Because the 2025 LIHTC Carryover Agreement was signed on February 3, 2025, well after the December 31, 2024 deadline, the allocation of 2024 LIHTC tax credits is not valid. See 26 C.F.R. § 1.42-6(a) (“If a carryover allocation fails to satisfy a requirement ... for making an allocation, such as failing to be signed or dated by an authorized official of an allocating by the close of a calendar year, the allocation is not valid and is treated as if it had not been made for that calendar year.”).

3. Failure to Comply with the 2024 LIHTC QAP

Consistent with 26 U.S.C. § 42(h)(1)(C), the 2024 QAP mandates that all allocations must occur within calendar year 2024, meaning the carryover allocation agreement for **2024** must be signed and submitted by no later than **December 31, 2024**. See excerpts of 2024 QAP below.

II. Allocation of Credits

This QAP sets forth (1) the criteria to evaluate and allocate tax credits to projects which best meet the housing needs of Guam, and (2) the procedure to monitor for compliance with the provisions of the LIHTC Program.

This allocation plan shall be effective for LIHTC reservations and awards in calendar years 2023/2024. The QAP is subject to amendment by the GHURA Board of Commissioners.

See **Exhibit 2** (2024 QAP, at 4).

A. QAP Timetable

The QAP timeline is as follows:

- June 24, 2024 to July 05, 2024 – Public Comment Period
- July 23, 2024 – Presentation to GHURA BOC for approval
- July 25, 2024 to October 25, 2024 – QAP/Application Open to the Public
- October 25, 2024 – Application Closes/Final Submissions
- October 28, 2024 to November 8, 2024 – Evaluation Panel Review/Final Scoring
- November 12, 2024 – Final Recommendation to the GHURA BOC/Award Decision
- December 31, 2024 – Final day Carryover Allocation Submission

See **Exhibit 2** (2024 QAP, at 5) (emphasis added).

The 2025 LIHTC Carryover Agreement was executed on February 3, 2025, well after the December 31, 2024 “Final day Carryover Allocation Submission” date, and is therefore not compliant with the 2024 QAP deadline requirement.

4. The 2025 LIHTC Carryover Agreement Violates 26 U.S.C. § 42(m)(1)

GHURA failed to allocate LIHTC tax credits before December 31, 2024. Consequently, the 2023/2024 unallocated credits (including the \$1.7 million tax credits purported to be allocated to Flores Rosa) were carried over into Guam’s 2025 State Housing Credit Ceiling² and, as of January 1, 2025, can only be allocated under the 2025 QAP, after the 2025 QAP has been properly adopted and published.

The 2025 LIHTC Carryover Agreement attempts to allocate the \$1.7 million tax credit from the 2024 QAP from the 2025 tax ceiling. See excerpt of 2025 LIHTC Carryover Agreement below.

² “State Housing Credit Ceiling” is the amount of LIHTC allocation applicable to any state for any calendar year. It is calculated as an amount equal to the sum of—(i) the unused state housing credit ceiling (if any) of such state for the preceding calendar year, (ii) the greater of—(I) \$1.75 multiplied by the state population, or (II) \$2,000,000, (iii) the amount of state housing credit ceiling returned in the calendar year, plus (iv) the amount (if any) allocated under subparagraph (D) to such state by the Secretary. See 26 U.S.C. § 42(h)(3)(C).

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Low Income Housing Tax Credit
2025 Carryover Allocation Agreement
Pursuant to Section 42(h)(1)(E) of the Internal Revenue Code

This Carryover Allocation Agreement is made and entered into by and between the Guam Housing and Urban Renewal Authority ("GHURA") and the Owner identified in Section I below as of the date indicated in Section VI below (the "Agreement"). This agreement provides for the allocation of 2024 Low Income Housing Tax Credits pursuant to Section 42(h)(1)(E) of the Code (as defined below) in the amount specified in Section VI below (the "Tax Credits") or the "housing credit dollar amount". The allocation of Tax Credits made in this agreement is subject to (i) all terms and conditions stated herein, including, without limitation, (ii) all terms and conditions of GHURA's Low Income Housing Tax Credit Qualified Allocation Plan (the "Qualified Allocation Plan"), the application and related materials submitted in connection with this allocation of Tax Credits (collectively, the "Applications"), and (iii) all requirements of Section 42 of the Internal Revenue Code of 1986, as amended, including, without limitation, all subsequent tax legislation duly enacted by the Congress of the United States, United States Treasury, Regulations proposed or in effect with respect to the code and revenue procedures, revenue rulings or other published determinations of the Treasury Department or Internal Revenue Service of the United States (collectively, the "Code")

See Exhibit 1 (2025 LIHTC Carryover Agreement, at 1) (emphasis added).

Because the 2025 QAP has not been adopted and published, the 2025 LIHTC Carryover Agreement violates the statutory requirement that all LIHTC allocations must be made pursuant to a publicly reviewed and approved QAP. See 26 U.S.C. § 42(m)(1). Compliance with an approved QAP is a fundamental condition for LIHTC awards. See 26 U.S.C. § 42(m)(1)(A); see also 26 C.F.R. § 1.42-17 (mandating that allocations follow a structured, fair, and transparent process).

* * * *

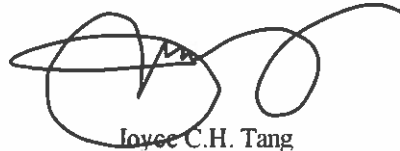
GHURA's attempt to allocate the \$1.7 million tax credit to Flores Rosa from the 2024 QAP wrongfully and illegally allocates tax credits from the Guam 2025 State Housing Credit Ceiling and is therefore void. Furthermore, GHURA's failure to stay the solicitation upon filing of Protest #1 on January 6, 2025, violates the automatic stay under 5 G.C.A. § 5425(g).

It is unlawful for GHURA to make an allocation of tax credits in a manner that circumvents regulatory safeguards, disregards governing law, and lacks transparency and procedural fairness. The LIHTC program is intended to be administered in a manner that ensures fair, equitable, and lawful distribution of housing credits, consistent with both federal and local requirements. The foregoing facts establish that GHURA has failed to comply with Guam and federal statutory mandates, acted beyond its authority, and undermined the integrity of the LIHTC allocation process.

Mr. John Rivera
GHURA Board of Commissioners
Ms. Elizabeth F. Napoli
February 17, 2025
Page 7

Summer Vista expressly reserves the right to supplement this protest as additional facts are discovered.

Sincerely,

A handwritten signature in black ink, appearing to be "Joyce C.H. Tang", written over a circular stamp or mark.

Enclosures: Exhibits 1 to 4

Exhibit 1

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Low Income Housing Tax Credit
2025 Carryover Allocation Agreement
Pursuant to Section 42(h)(1)(E) of the Internal Revenue Code

This Carryover Allocation Agreement is made and entered into by and between the Guam Housing and Urban Renewal Authority ("GHURA") and the Owner identified in Section I below as of the date indicated in Section VI below (the "Agreement"). This agreement provides for the allocation of 2024 Low Income Housing Tax Credits pursuant to Section 42(h)(1)(E) of the Code (as defined below) in the amount specified in Section VI below (the "Tax Credits") or the "housing credit dollar amount". The allocation of Tax Credits made in this agreement is subject to (i) all terms and conditions stated herein, including, without limitation, (ii) all terms and conditions of GHURA's Low Income Housing Tax Credit Qualified Allocation Plan (the "Qualified Allocation Plan"), the application and related materials submitted in connection with this allocation of Tax Credits (collectively, the "Applications"), and (iii) all requirements of Section 42 of the Internal Revenue Code of 1986, as amended, including, without limitation, all subsequent tax legislation duly enacted by the Congress of the United States, United States Treasury, Regulations proposed or in effect with respect to the code and revenue procedures, revenue rulings or other published determinations of the Treasury Department or Internal Revenue Service of the United States (collectively, the "Code").

I. OWNER:

Name: Flora Rosa Gardens, LLC
Attention: Robert P. Salas II
Address: 202 Hilton Road, PFM #7, Tumon, Guam 96913
Contact: (671) 688-8454
Email: rob.salas@pfmguam.com
Federal ID No.: EIN 66-1083040

II. PROJECT:

Name: Flores Rosa Gardens
Number: [Project Number first two letters and 4 digits example: GU-24-00]
Address: LOT NUMBER 2144-1D-7, Tamuning, Guam
(Refer to Exhibit A for legal description.)

III. BUILDING IDENTIFICATION NUMBERS: GU-24-00001 to GU-24-00003
(Refer to Exhibit B for further details.)

IV. ANTICIPATED PLACED-IN-SERVICE DATE: September 30, 2026
(This project must be Placed-in-Service on or before September 30, 2026.)

V. AGENCY:

Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue
Sinajana, Guam 96910
Federal ID No.: 96-0001279

VI. DATE OF ALLOCATION: December 10, 2024

The housing credit dollar amount awarded from the 2024 pool is **[\$1,793,120.00]**. This housing credit dollar amount is derived from GHURA's evaluation of the Project. GHURA will evaluate the Project a final time in connection with the Project being placed-in-service, provided all documentation required by GHURA in connection with a placed-in-service application, including without limitation a final certified cost information acceptable to GHURA, is submitted no later than **June 30, 2027**. As a result of this final evaluation, GHURA will make a final determination of the housing credit dollar amount to be reflected on the IRS form(s) 8609 issued by GHURA for the Project and the housing credit dollar amount may be less than or equal to but never more than the amount supported by the project's reasonable eligible basis.

VII. OWNER'S TOTAL REASONABLY EXPECTED ADJUSTED ELIGIBLE BASIS:
[\$15,325,815.00].

The Owner's actual basis, including land costs as of the date of this Agreement is **[\$15,589,553.00]**. The percentage of the actual basis as of the date of this Agreement to the total reasonably expected basis in the Project is **[101.72%]**.

To meet Carryover Allocation requirements, the Owner must submit the Cost Certification for the ten percent (10%) test and the deed vesting title to the property in Owner no later than **June 30, 2025**.

An independent Certified Public Accountant's opinion (or other professional determination satisfactory to the Authority) demonstrating compliance with Section 42 of the Code and Internal Revenue Service carryover regulation, that at least ten percent (10%) of the Owner's total reasonably expected basis in the Project has been incurred, together with such other evidence as the Authority shall deem necessary to permit it to make a determination that such requirement has been met.

VIII. Pursuant to the Housing Assistance Tax Act of 2008 (Division C, Title I, Section 3002 of the Housing and Economic Recovery Act of 2008) the applicable percentage(s) for each building in the Project that is not federally subsidized shall be **nine percent (9%)**.

IX. GHURA may, in its sole discretion, deem the allocation of Tax Credits made in this Agreement cancelled by mutual consent if there is any failure to comply with all terms, conditions, and requirements of this Agreement, the Applications, the Qualified Allocation Plan, or the Code. Once so cancelled, neither the Owner, the Project, nor any other person or entity shall have any right to claim Tax Credits based on this Agreement or the Application and GHURA shall have no liability therefore.

X. GHURA will issue an IRS Form 8609 for each building in the Project only if all terms, conditions, and requirements of the Agreement, the Applications, the Qualified Allocation Plan, Reservation Agreement and Code are met. The total of the housing credit dollar

amounts reflected on the IRS Form 8609 for each building in the Project may be less than or equal to the housing credit dollar amount specified in Section VI above.

XI. GHURA has made the allocation of Tax Credits reflected in Section VI above and entered into this Agreement solely in reliance on information provided and representations made by or on behalf of the Owner in the Applications. This Agreement and the allocation of Tax Credits reflected herein do not constitute a representation, warranty, guaranty, advise or suggestion by GHURA as to (i) the qualification of the Project, or any building contained within the Project, for Tax Credits, or (ii) the feasibility or viability of the Project and no person or entity in any way now or subsequently with the Project or any other person or entity may rely on this Agreement and the allocation of Tax Credits reflected herein or on any other statements, written or oral of GHURA for such purposes.

XII. The Owner hereby agrees and acknowledges that the determination made in Section VI above and the sufficiency of evidence supporting the determination may be subject to future revision by GHURA or the Internal Revenue Service.

This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

By: *E. Napoli*
Elizabeth F. Napoli
Executive Director

Date: 02/03/2025

USA Territory of Guam

County of SINAJANA
(village)

Before me KATHLEEN JEAN P. TAITINGFONG, a Notary Public of the state and county mentioned, personally appeared **Elizabeth F. Napoli**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged herself to be the **Executive Director** of the **GUAM HOUSING AND URBAN RENEWAL AUTHORITY**, the within named bargainer, and that she as such, executed the foregoing instrument for the purpose therein contained, by signing the name of the **GUAM HOUSING AND URBAN RENEWAL AUTHORITY** by herself as **Executive Director**.

Witness my hand and seal, at the office, this 3RD day of FEBRUARY, 2025.

K. Pereda Taitingfong
Notary Public
My commission expires: MAR 12, 2027

KATHLEEN JEAN PEREDA TAITINGFONG
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: MAR. 12, 2027
117 Bien Venida Avenue Sinajana, Guam 96910

This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on.

FLORES ROSA GARDENS, LLC

By: [Signature]
ROBERT SALAS II
Managing Member

Date: 1/30/2025

USA Territory of Guam

County of Tamuning
(village)

Before me Vanessa R. Aguon, a Notary Public of the state and county mentioned, personally appeared **ROBERT SALAS II**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be the **Managing Member** of **FLORES ROSA GARDENS, LLC**, the within named bargainer, and that he as such, executed the foregoing instrument for the purpose therein contained, by signing the name of the **FLORES ROSA GARDENS, LLC** by himself as the **Managing Member**.

Witness my hand and seal, at the office, this 30th day of January, 2025.

[Signature]

Notary Public
My commission expires: Feb 13, 2025

VANESSA R. AGUON
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **FEB. 13, 2025**
275G Farenholt Ave PMB 304 Tamuning, GU 96913



EXHIBIT A
Legal Description

LOT NUMBER 2144-1D-7 (Subdivision of Lot 2144-1D), MUNICIPALITY OF TAMUNING, (Formerly Dededo), TERRITORY OF GUAM, Estate Number 58815, SUBURBAN, as said Lot is marked and designated on DRAWNING NUMBER MSM-519TD71, as L.M. Check Number 541 - FY 71, as described in that Retracement and Parcelling Map, dated JUNE 04, 1971 and recorded JUNE 15, 1951 at the Records Division, Department of Land Management, Government of Guam, under Document Number 102857.

AREA: 4,046.81 +/- SQUARE METERS

Exhibit 2

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

2024 LOW INCOME HOUSING TAX CREDIT QUALIFIED ALLOCATION PLAN

Approved by GHURA BOC
7/23/2024

GHURA developed this Qualified Allocation Plan (QAP) which sets forth (1) the criteria to evaluate and allocate tax credits to projects which best meet the housing needs of Guam, and (2) the procedure to monitor for compliance with the provisions of the Low-Income Housing Tax Credit Program.

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I. Introduction

A. Low Income Housing Tax Credit

The Low-Income Housing Tax Credit (LIHTC) Program, created by the Tax Reform Act of 1986, is intended to encourage the construction or rehabilitation of low-income rental units. The LIHTC program provides tax incentives to developers who build or rehabilitate affordable rental housing for low-income households. The LIHTC program is administered by the Internal Revenue Service (IRS) and state housing finance agencies (HFAs). GHURA has been designated the HFA responsible for administering the LIHTC program.

The LIHTC program is authorized under Section 42 of the Internal Revenue Code. The QAP is authorized under Section 42(m)(1)(A) of the Internal Revenue Code. This section requires each state to develop a QAP that is consistent with the LIHTC program's overall goals and objectives.

B. Purpose and Scope

The purpose of this QAP is to establish the policies and procedures for the allocation of Low-Income Housing Tax Credits (LIHTCs) in Guam. The QAP provides guidance to developers, investors, and other stakeholders on the criteria and priorities that the Guam Housing and Urban Renewal Authority (the "Agency") will use to award LIHTCs to eligible affordable housing projects.

This QAP is intended to support GHURA's mission of promoting the development of safe, decent, and affordable housing for low-income households in Guam. Through the LIHTC program, the Agency seeks to incentivize the private sector to invest in the development and preservation of affordable rental housing that serves the needs of low-income households.

The QAP establishes the eligibility requirements, scoring criteria, and other policies and procedures that the Agency will use to allocate LIHTCs to eligible projects. The QAP also describes the public input process, the application process, and the compliance and monitoring procedures that the Agency will use to ensure that LIHTC projects meet the program's requirements.

The QAP is based on the Agency's analysis of the state's housing needs, market conditions, and other relevant factors. The QAP reflects the Agency's priorities for this year and is subject to change based on changes in housing needs, LIHTC demand, and other factors.

The QAP is not intended to establish binding rules or regulations, but rather to provide guidance to developers, investors, and other stakeholders on the Agency's LIHTC allocation process. The Agency may make exceptions or modifications to the QAP on a case-by-case basis if it determines that such exceptions or modifications are necessary to further the program's goals and objectives.

C. The Public Input Process

The public input process for LIHTC typically involves several steps. First, GHURA will hold a public meeting or hearing to gather input from interested parties, including developers, community organizations, and residents. These meetings provide an opportunity for stakeholders to share their perspectives on the state's affordable housing needs, and to offer suggestions for how LIHTC can be used to address those needs.

Once GHURA has received input from stakeholders, it will develop the QAP based on Guam's priorities and criteria for awarding tax credits to developers. The QAP is then made available to the public for comment which is hosted by the agency. After the public comment hearing, GHURA will consider the feedback, finalize the QAP and open it up for developers to submit an application.

D. Housing Needs Assessment

Guam's current rental market is strong due to the driven presence of military personnel and the rising costs for residential construction. Individuals and families are finding rental units are for more desirable than mortgages due to the high cost of living. Despite the numerous LIHTC projects throughout island, public housing, and housing assistance programs, there is still a high demand for affordable housing. In addition, populations such as the disabled, elderly, veterans, and the homeless are finding a scarcity in affordable housing to meet their special needs.

In order to alleviate the pressures or demand, Guam through this QAP should consider the following:

- 1- or 2-Bedroom units for individuals/smaller families
- 3- or 4-Bedroom units for larger families
- Veteran Affairs units
- Elderly Housing units

II. Allocation of Credits

This QAP sets forth (1) the criteria to evaluate and allocate tax credits to projects which best meet the housing needs of Guam, and (2) the procedure to monitor for compliance with the provisions of the LIHTC Program.

This allocation plan shall be effective for LIHTC reservations and awards in calendar years 2023/2024. The QAP is subject to amendment by the GHURA Board of Commissioners.

The QAP will utilize a point system to rank projects based upon the evaluation criteria established. The ranking of projects, along with all other relevant data, will determine the priorities to be followed by GHURA in allocating tax credits to the projects under consideration. The scores derived from the point system will be a component of the overall evaluation, and not the sole determining factor for the awarding of tax credits. In addition to the scores derived, GHURA will review all relevant data required in the application. GHURA retains the option to approve or reject applications based on GHURA's assessment of Guam's housing needs during the period covered by the QAP. Projects selected under this QAP shall be evaluated as to the minimum amount of tax credits required in order to make the project feasible.

The 2024 Guam QAP will focus on housing for smaller families, deconcentration of poverty and prevention of disparate impact to the neighborhood and surrounding community.

GHURA provides greater emphasis on larger projects wherein 80% of the project will consist of 1-to-2-bedroom units. There will be no cap as to how many units for the development, however, projects will be encouraged to maximize the number of units developed using the maximum number of credits possible.

Guam's 2024 tax credit allocation total is \$6,545,000 (\$3,185,000 issued on October 18, 2022 under Rev. Proc. 2022-38 for CY2023 allocation and \$3,360,000 issued on November, 2023 under Rev. Proc.

2023-34 for CY2024 allocation). Applicants seeking housing credit allocations in excess of the 2024 total must demonstrate the financial capability to complete the project or show that the project can be scaled to fit the available 2024 funding. Although forward commitments of future allocation funds are permitted, those commitments are subject to approval by the GHURA Board of Commissioners and are not guaranteed. GHURA supports and encourages applicants to consider the merits of mixed financing in pursuit of sustainable affordable development.

A. QAP Timetable

The QAP timeline is as follows:

- June 24, 2024 to July 05, 2024 – Public Comment Period
- July 23, 2024 – Presentation to GHURA BOC for approval
- July 25, 2024 to October 25, 2024 – QAP/Application Open to the Public
- October 25, 2024 – Application Closes/Final Submissions
- October 28, 2024 to November 8, 2024 – Evaluation Panel Review/Final Scoring
- November 12, 2024 – Final Recommendation to the GHURA BOC/Award Decision
- December 31, 2024 – Final day Carryover Allocation Submission

B. Threshold Requirements

There are several threshold requirements for housing developments receive tax credits both on the federal and state level.

1. Federal Threshold Requirements

- a) The project must be a residential rental property (either new construction or rehab).
- b) The property owner must commit to one of two possible low-income occupancy rules—the 20-50 rule, which stipulates that at least 20 percent of the units must be occupied by households with incomes at or below 50 percent of the area median income, or the 40-60 rule, which requires at least 40 percent of the units must be occupied by households at or below 60 percent of the area median income.
- c) The affordable units have maximum rent levels (including utilities) set at 30 percent of gross household income for households at the maximum income limit. For example, if a unit is restricted to households earning 60 percent of AMI, a household with a gross income of 50 percent of AMI would have to spend more than 30 percent of their income on rent. Some households fill that gap with other housing assistance, such as housing vouchers.
- d) Tax credits are allocated only for the construction costs of the affordable units—so-called “qualified construction costs”—though the project could have a mix of affordable and market-rate units, and could include commercial and/or community space.
- e) Property owners must operate under the income and rent restrictions for at least 30 years.

2. GHURA’s Threshold Requirements

- a) **Set Asides** – Applicants will determine which set aside they will utilize for the project.
 - i. **9% Credits Set Aside:** Applicants are advised that the agency will administer 9% LIHTC credits only to be used for the following:

- a. **Construction of a New Building.** The term “New Building”, as defined by Section 42 of the IRC, is “a building the original use of which begins with the taxpayer.” Rehabilitation of existing inventory but excluding acquisition costs of real estate, buildings, and depreciable assets from eligible basis (no acquisition LIHTC).
- b. **Substantial Rehabilitation projects** that do not have other federal funds. Federal funds include loans and bonds with below market-rate interest. Rehabilitation is “substantial” if a minimum amount is spent on each rent-restricted lower-income unit or 10% is spent on the “eligible basis” (Eligible Basis = Total Development Costs – Land Acquisition) during a 24-month period, whichever is greater.

ii. Income Averaging Set Aside

The Consolidated Appropriations of 2018 established a new income averaging set aside for LIHTC developments. (Please refer to Appendix 1 for income average guidelines.)

- b) **Market Study:** A comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project by a disinterested third party must be submitted as part of this application. The Market Study shall be completed at the Owner’s expense. Any applicant failing to submit a Market Study or submits a Market Study with a date older than 6 months before the date of application submission will not be considered for an award of tax credits. (Market Study requirements are specified in Appendix 2.)
- c) **Site Control and Zoning:** To receive consideration for an award of LIHTC, the applicant must have control of the site in a form acceptable to GHURA. Evidence of site control shall be submitted with the application for Low Income Housing Tax Credits. Site control shall be substantiated by providing evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other documentation acceptable to GHURA. Evidence of site control must be provided for all proposed sites. Applicant should have a site that is properly zoned and ready for development. Zoning should include the description, land use classification, whether your project will conform to existing zoning for the property and documentation.

All lease terms must extend a minimum of five (5) years past the minimum affordability period.

- d) **Capital Needs Assessment** (For projects acquiring an existing property. All Units need to be reviewed.)

To ensure that the proposed rehabilitation of the project is adequate and that the property will have a useful life that exceeds the compliance and additional use period (collectively the Extended Use Period). A capital needs assessment of the property by a competent third party shall be submitted with the application. A capital needs assessment is a qualified professional’s opinion of a property’s current physical condition. It identifies deferred maintenance, physical needs and deficiencies, and material building code violations that

affect the property's use, structural and mechanical integrity, and future physical and financial needs. The Capital Needs Assessment shall identify any work that must be completed immediately to address health and safety issues, violation of Federal or local law, violation of local code, or any work necessary to ensure that the building can continue to operate as affordable housing.

- e) **Public Housing Waitlist/Homeless Services Programs:** Applicant shall certify that all low-income units will be made available to people on the waiting list for public housing, and/or acceptable homeless service programs. The following shall be submitted with the application:
 - i. Copy of the letter submitted to the local public housing authority which administers the public housing waiting lists that units will be available.
 - ii. Copy of the letter submitted to the Guam Homeless Coalition that provides services and programs to participating homeless services providers that units will be available.
- f) **Smoke Free:** All projects will be smoke free. Owners must prohibit smoking in all indoor common areas, individual living areas (including balconies and car ports), and within 20 feet of building entries or ventilation intakes. A non-smoking clause must be included in the lease for each household.
- g) **Phase I Environmental Assessment**
Required for all applications. For acquisition/rehabilitation projects, the Phase I Environmental Assessment should address lead-based paint and asbestos.
- h) **Proof of Non-Profit Status**
If applying under the Federal non-profit set aside, submit the following:
 - i. Articles of Incorporation
 - ii. Copy of a current 501(c)(3) IRS Tax Exemption Letter
- i) **Minimum Affordability Period:**
 - i. Applicants requesting an award of 9% LIHTC must commit to a minimum affordability period of 45 years.
 - ii. Acquisition/Rehabilitation of an Existing Building used for housing applicants: affordability period must also exceed any pre-existing affordability period by no less than 30 years.

III. Selection Criteria

Each application will be evaluated and awarded points in accordance with the following criteria. Unless otherwise indicated, all references to low-income unit(s) or low-income rental unit(s) shall mean low-income housing tax credit unit(s).

Application must have a minimum score of 77 out of 111 points to be considered for award. Selection Criteria are as follows:

	CRITERIA	POINTS
1	Project Location and Proximity	20
2	Project Financial Feasibility/Viability	18
3	Project Characteristics	12
4	The populations served by the Project	15
5	Developer, owner, and management team experience and capacity	12
6	The community support and involvement for the project and its impact on the neighborhood	5
7	The affordability of the rents and the length of the affordability period	14
8	Local/Federal Government Support	2
9	Qualified Non-Profit Organization	1
10	Qualified Census Tract	2
11	Replacement of existing public housing units	1
12	Project will receive project-based rental assistance	1
13	Historic Nature of the Project	1
14	Developer Fee	7

Criteria 1. (20 Points) Project Location and Proximity

The location of the project and its proximity to amenities, services, transportation, and jobs will have an impact on the quality of life and economic opportunities for low-income households. Please note this criterion consists of four subcategories: (1) proximity to public transportation; (2) proximity to grocery stores; (3) proximity to health care facilities; and (4) proximity to employment hubs. Each subcategory will be worth up to 5 points, depending on the distance from the proposed location to the nearest amenity or service. Distance is measured by driving distance using Google maps or a similar service. Please provide evidence through market study. Points will be awarded as follows:

Subcategory	Distance	Points Available
Public Transportation	Less than 5 miles	5 Points
	5 – 10 miles	4 Points
	10 – 15 miles	3 Points
	More than 15 miles	0 Points
Grocery Store/Shopping	Less than 5 miles	5 Points
	5 – 10 miles	4 Points
	10 – 15 miles	3 Points
	More than 15 miles	0 Points
Health Care Facilities	Less than 5 miles	5 Points
	5 – 10 miles	4 Points
	10 – 15 miles	3 Points
	More than 15 miles	0 Points
Employment Hubs	Less than 5 miles	5 Points
	5 – 10 miles	4 Points
	10 – 15 miles	3 Points
	More than 15 miles	0 Points

Criteria 2. (18 Points) Project Financial Feasibility/Viability

The financial feasibility and viability of the project and its sources and uses of funds helps ensure that project is economically sound, has sufficient funding resources, and can sustain its operations and affordability over time. Applicants should consider including commitment letters, letters of interest or term sheets from experienced LIHTC investors. This criterion is worth 18 points and will consists of three subcategories: (1) debt coverage ratio; (2) operating expense ratio; and (3) sources and uses of funds. The points are awarded as follows:

Subcategory	Standard or Benchmark	Points Available
Debt Coverage Ratio	The ratio of net operating income to debt service payments. A higher ratio indicates ability to repay debt	<p>6 points for a ratio 1.2</p> <p>4 points for a ratio between 1.15 and 1.19</p> <p>2 points for a ratio between 1.10 and 1.14</p> <p>0 points for a ratio below 1.10</p>
Operating Expense ratio	The ratio of operating expenses to effective gross income. A lower ratio indicates greater efficiency in managing costs.	<p>6 points for a ratio 45%</p> <p>4 points for a ratio between 46% and 50%</p> <p>2 points for a ratio between 51% and 55%</p> <p>0 points for a ratio above 55%</p>
Sources and uses of funds	The amount and type of funding sources and how they are allocated to different project costs. A higher percentage of equity indicates greater financial strength and commitment.	<p>6 points for percentage of equity above 80%</p> <p>4 points for percentage of equity between 70% and 80%</p> <p>2 points for percentage of equity between 60% and 70%</p> <p>0 points for percentage of equity below 60%</p>

Criteria 3. (12 Points) Project Characteristics

The design and quality of the project are important in providing affordable housing that is attractive, functional, durable and comfortable for the residents and the community. The energy efficiency, accessibility, and sustainability features of a project are important for reducing the environmental impact of the housing, lowering the operating costs, and enhancing the health and well-being of the residents. Projects are encouraged to incorporate as much features as possible.

Subcategory	Description	Points Available
Unit Layout/Space Efficiency	Efficient floor plans that maximize usable space, adequate storage space in each unit, optimal natural lighting and ventilation, and innovative design solutions to optimize small spaces. 80% of the project should consist of 1-to-2-bedroom units.	2 points
Universal Design and Accessibility	Barrier-free access to units and common areas, adherence to accessibility guidelines for doorways, hallways, and bathroom, and inclusion of adaptive design features for individuals with disabilities. If development is a multi-family multi-story project, ground level units should incorporate designs for individual with disabilities.	2 points
Architectural Compatibility and Neighborhood Integration	Design that complements the existing architectural style of the neighborhood; use of materials and colors that blend well with the surroundings; and engagement with community stakeholders to incorporate their feedback.	2 points
Energy Efficiency and Sustainability Design	Integration of energy-efficient building envelope and insulations, specification of high-efficiency HVAC systems and lighting, incorporation of renewable energy generation systems, and use of sustainable materials and construction practices. Projects are encouraged to incorporate green building certifications i.e. energy efficiency, LEED certifications and should provide evidence.	2 points
Community Spaces and Amenities	Provision of common areas for social interaction and communication, inclusion of amenities such as playgrounds, gardens, or fitness facilities.	2 points

Durability and Maintenance	Selection of high-quality construction materials and finishes and implementation of durable and low maintenance building systems.	2 points
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Criteria 4. (15 Points) The populations served by the Project

Successful LIHTC projects service populations of variety both to address the housing needs of the community and give opportunities for special populations to live in affordable housing. Points will be awarded to populations with special housing needs, homeless and at-risk populations, and certain preferences. Projects are encouraged to incorporate one or more types of populations and provide evidence to what extent of services or amenities will be available to each in the application.

Subcategory	Description	Points Available
Special Needs	<p>Physical Disabilities: preference may be given to projects that allocate a percentage of units to individuals or households with physical disabilities, ensuring accessibility features and accommodations.</p> <p>Mental Health Conditions: projects that provide supportive housing or partner with service providers to offer mental health services may receive additional points.</p> <p>Seniors: preference may be given to projects specifically designed for elderly individuals or households with features that support aging in place, such as grab bars, accessible entrances, or proximity to senior centers.</p> <p>The project will set aside at least 20% of all units for tenant populations with special housing needs. Persons with special housing needs may include the physically and mentally disabled. Units intended to serve the homeless must be used as permanent supportive housing, as regulation forbids the use of LIHTC projects as transient homeless shelters. To receive consideration for this criterion:</p> <p>A. The project must commit to provide case management or services specific to this population or special facilities to accommodate the physically disabled. (Please provide details of the services and/or special facilities i.e. what ADA standards and designs will be incorporated in unit construction or facilities? How many units will meet ADA standards, if any?)</p> <p>B. The Market Study shall specifically address the housing needs for the special needs group.</p>	5 Points
Homeless and At-Risk Populations	Homelessness: projects that reserve units for individuals or households transitioning from homelessness may receive priority.	5 Points

	<p>Foster Youth or Emancipated Youth: preference may be given to projects that allocate a portion of units specifically for foster youth aging out of the system or supportive services for these individuals.</p> <p>Domestic Violence Survivors: projects that prioritize housing for survivors of domestic violence and offer supportive services may receive additional points.</p>	
Preferences	<p>Local Residents: preference may be given to individuals or families who currently reside in the local community or have strong ties to the area, promoting community stability and integration.</p> <p>Veterans: projects that allocate units or collaborate with veteran support organizations to provide housing for military veterans may receive preference.</p> <p>Displaced Individuals or Families: special consideration may be given to households that have been displaced due to natural disasters, eminent domain, or other emergencies, ensuring they have access to affordable housing.</p> <p>Individuals with Children: The Project will serve tenant populations of individuals with children and provide evidence through the service of programs for children.</p>	5 Points

Criteria 5. (3-12 Points) Developer/Owner, and Management Team experience and capacity.

	Description	Points Available
Developer/Owner Experience	<p>Developer/Owner (or any member/staff of the development team) has a record of successfully completing LIHTC projects.</p> <p>Developer/Owner has an understanding of the LIHTC program, application process, and compliance requirements.</p> <p>Developer/Owner has the financial stability and capacity i.e., the ability to secure financing, managing costs, and handle any unexpected expenses that may arise during the project.</p>	6 points

	<p>Developer/Owner (or any member/staff of the development team) has no record of LIHTC projects but has experience of building affordable housing projects of similar design.</p> <p>Developer/Owner has made efforts to research and understand the LIHTC program, the application process and compliance requirements</p> <p>Developer/Owner has the financial stability and capacity i.e., the ability to secure financing, managing costs, and handle any unexpected expenses that may arise during the project.</p>	3 points
	<p>Developer who have a track record of chronic or substantive non-compliance, returned allocations or failed projects.</p> <p>Developer has no experience in LIHTC projects or the LIHTC program</p>	0 points
Management Team	<p>Management team has experience with LIHTC properties, a track record of successfully meeting LIHTC compliance requirements, understanding of income certifications and handling the unique challenges that come with managing affordable housing</p> <p>Management team can assess the property for maintenance and upkeep to maintain high-quality standards, addressing maintenance issues promptly and can conduct regular inspections to ensure property remains in good condition</p> <p>Management team has the ability to provide supportive services to low-income residents, can emphasize tenant satisfaction, communication, and responsiveness.</p>	6 points
	<p>Management team has no experience in servicing LIHTC properties but has experience in servicing projects of similar design.</p> <p>Management team will be able assess the property for maintenance and upkeep to maintain high-quality standards, addressing maintenance issues promptly and can conduct regular inspections to ensure property remains in good condition</p> <p>Management team will have the ability to provide supportive services to low-income residents, can emphasize tenant satisfaction, communication, and responsiveness.</p>	3 points

Criteria 6. (5 Points) The community support and involvement for the project and its impact on the neighborhood

LIHTC projects should take into consideration the following in regards to the community support and involvement:

Subcategory	Description	Points Available
Community Engagement Strategy	Project will include local stakeholders and decision-making processes	1 Point
Partnerships with Local Organizations	Project will partner with local organizations that provide support services to residents	1 Point
Community Development Initiatives	Projects developer/management team will support community development initiatives beyond the LIHTC property, such as support for economic development or neighborhood revitalization projects.	1 Point
Community Outreach and Education	Project will make efforts to educate the community about the LIHTC program and affordable housing options, including hosting informational sessions or participating in community events.	1 Point
Tenant Input and Feedback	Project management team will consider mechanisms for collection and incorporating tenant input and feedback. This could include tenant meetings, surveys, suggestion boxes or other channels of communication. The management team that actively seeks and values tenant input demonstrates the commitment to resident empowerment and community building for better LIHTC projects.	1 Point

Criteria 7. (14 Points) The affordability of the rents and the length of the affordability period

The affordability of rents and the length of the affordability period are critical for the LIHTC developments. Factors such as the percentage of units set aside for low-income tenants compared to the Area Median Gross Income (AMGI) helps ensure the commitment to maintain affordable rents and to keep it within the LIHTC program guidelines. LIHTC developments typically have minimum affordability period of 15 years, but some developments may have longer commitments.

Subcategory	Description	Points Available
Affordability of Rents	100% of the project to households earning 60% or less of AMGI	8 Points
	60% of the project to households earning 60% or less of AMGI, or 80% of the project to households earning 50% of less of AMGI.	4 Points
	40% of the project to households earning 60% or less of AMGI, or 60% of the project to households earning 50% or less of AMGI	2 Points
Length of Affordability Period	15-year compliance period plus 46 years or more	6 Points
	15-year compliance period plus 30 years extended use period	4 Points
	15-year compliance period plus 15 years extended use period	2 Points
	15-year compliance period no extended use period	0 Points

Criteria 8. (0-2 Points) Local/Federal Government Support

The project will receive a below market loan or grant from a federal agency or Government of Guam agency other than GHURA which, in total amounts to 10% or more of the total development cost.

Description	Points Available
The project has not applied for a below market loan or grant from a federal agency or Government of Guam agency, or if the total amount applied for is less than 10% of total development costs.	0 Points
The project has applied for a below market loan or grant from a federal agency or Government of Guam agency. Documentation must provide evidence that an application for financing has been submitted.	1 Point
The project has received a commitment from a federal agency or Government of Guam agency. A copy of a commitment letter or contractual agreement must be included in the application.	2 Points

Criteria 9. (1 Point) Qualified Non-Profit Organization

The project will be owned by a qualified non-profit organization as defined in Section 42(h)(5)(B), (C) of the Internal Revenue Code.

Description	Points Available
If the answer to the question is NO	0 Points

<p>If the answer to the question is YES, the organization must be a qualified non-profit organization at time of application submission. Organization must exist in and be qualified to do business in Guam. In addition, the following must be submitted:</p> <ol style="list-style-type: none"> 1. Articles of Incorporation 2. Copy of a current 501(c)(3) IRS Tax Exemption Letter for the Qualified Non-Profit Organization 3. Most recent Treasury Form 990 with all supporting documentation, as filed with the IRS 4. The Qualified Non-Profit Organization is required to have a physical office on Guam 	1 Point
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Criteria 10. (0-2 Points) Qualified Census Tract

Project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan

Project is located in Qualified Census Tract. The project will redevelop existing housing, which contributes to a concerted community revitalization plan as determined by GHURA.

Description	Points Available
The project is located in a Qualified Census Tract.	1 Point
The project will contribute to a community revitalization plan. (Copy of the plan to be submitted with the completed Application for GHURA's review to claim the point.)	1 Point
The project is neither located in a Qualified Census Tract nor contributing to a community revitalization plan.	0 Points

To receive consideration for this criterion, applicant must provide an explanation on how this project is in compliance with such plan and its benefit to the overall community. The applicant must provide a letter of interest or a binding agreement with the government agency administering the community revitalization plan.

Criteria 11. (1 Point) Replacement of existing public housing units

Project includes the development of new housing to replace existing public housing units.

	Points Available
If the answer to the question is NO	0 Points
If the answer to the question is YES	1 Point

To receive consideration for this criterion, the applicant must provide a letter of interest or a binding agreement from the local administering Public Housing Authority to participate in a HUD-approved activity.

Criteria 12. (0-1 Points) Project will receive project-based rental assistance.

Project will be receiving project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs shall include, but not be limited to, the Rural Development 515 Loan Program and HUD Housing Choice Voucher/Section 8 Project-Based Rental Assistance Program.

	Points Available
If the answer to the question is NO	0 Points
If the answer to the question is YES If the whole project has a secured authorization for project-based subsidies then 1 point will be awarded.	1 Point

Criteria 13. (0-1 Points) Historic Nature of the Project

The proposed project will preserve the historic nature of an existing building.

The proposed project involves the preservation of a building(s) on a national or state historic registry.

	Points Available
If the answer to the question is NO	0 Points
If the answer to the question is YES	1 Point

Criteria 14. (0 to 7 Points) Developer Fee

The applicant elects to limit the total Developer Fee as a percentage of the total development cost (excluding developer fee and reserves) as presented in the application. The Developer Fee includes total fees paid to the Developer, including, but is not limited to, consulting fees, project management fees, developer overhead, and developer fees. Architectural, Engineering, Accounting, and Legal fees are not included as the Developer Fee.

Applicants receive scores for this criterion based on the table below. Please note the different categories for New Construction vs. Acquisition / Rehabilitation applications.

New Construction		Acquisition / Rehabilitation			
		Fee on Acquisition		Fee on Rehabilitation	
Fee	Points	Fee	Points	Fee	Points
18% > Fee ≥ 16%	0	13% > Fee ≥ 11%	0	18% > Fee ≥ 16%	0
16% > Fee ≥ 14%	1	11% > Fee ≥ 9%	1	16% > Fee ≥ 14%	1
14% > Fee ≥ 12%	2	Fee < 9%	3	14% > Fee ≥ 12%	2
12% > Fee ≥ 10%	3			Fee < 9%	4
10% > Fee ≥ 8%	5				
Fee < 8%	7				

IV. Rights of GHURA

The awarding of tax credits rests solely with the GHURA Board of Commissioners. Further, GHURA retains its discretionary authority to approve or disapprove any post-award modifications to the project.

GHURA reserves the right to disapprove any application or project for any tax credit reservation or allocation, regardless of ranking under the criteria and point system as contained in Sections III of this QAP. GHURA shall have the authority to defer consideration of any application if such deferral is deemed in the best interest of meeting housing needs.

GHURA reserves the right, in its sole discretion, to do the following:

- (i) Hold back a portion of the annual federal housing credit ceiling for use during later reservation cycles,
- (ii) Carryover a portion of the current year's housing credit ceiling for allocation to a project which has not yet been Placed in Service, and
- (iii) Issue a reservation for the next year's housing credit ceiling.

GHURA is required under the IRC of 1986, as amended, to allocate the minimum amount of tax credits required to make a project feasible. The determination of the amount of tax credits to be reserved or allocated to a project shall be made solely at the discretion of GHURA. GHURA may, at the time of issuance of the IRS Form(s) 8609 for the project, decrease the amount of tax credits allocated to a project based on the actual cost and financing of the project.

GHURA may, at its sole discretion, conduct a special round after the final scheduled round for a year for projects (i) where the applicant's tax counsel has attested to an itemization of how the ten percent test prescribed by Internal Revenue Code Section 42(h)(1)(E) will be met; (ii) which have no deficient application items; and (iii) for which all exhibits have been submitted ("Year-End Round"). Year-End Round projects will receive a Carryover Allocation, not a reservation of LIHTCs, which may contain certain conditions and time periods for satisfying them. The circumstances for conducting a Year-End Round are (1) availability of LIHTCs and (2) potential loss of LIHTCs to the national pool. When a Year-End Round is being conducted, applicants need to satisfy the above requirements in order to receive a Carryover Allocation; and LIHTCs will be processed on a first-come-first-served basis and allocated to the extent available and to the extent applications can be processed.

GHURA in no way represents or warrants to any interested party which may include, but is not limited to, any developer, project owner, investor or lender that the project is, in fact, feasible or viable.

No GHURA member, officer, agent or employee shall be personally liable concerning any matters arising out of, or in relation to, the reservation or allocation of Low-Income Housing Tax Credits.

V. Fees

The following fees are associated with the Low-Income Housing Tax Credit program. GHURA reserves the right to adjust the fees due to changing circumstances annually each January 1. All fees shall be paid via Cashier's Check and made payable to **Guam Housing and Urban Renewal Authority**.

Application Fee

An Application Fee of **\$1,500 per application** shall be payable at the time of submission of the application. The fee shall be the same for all applicants.

Good Faith Deposit

A good faith deposit of ten percent (10%) of the first year's federal tax credits reserved shall be payable at the time the executed binding agreement is submitted to GHURA. Upon allocation and issuance of the IRS Form 8609, eighty percent (80%) of the good faith deposit shall be retained by GHURA as an administrative fee. The remainder of the good faith deposit may be refunded to the applicant in the sole discretion of GHURA. Failure to meet any of the elections made in the scoring criteria, participation elements, or requests for additional credits at the time of application or after may result in the retention of the entire good faith deposit by GHURA.

Compliance Monitoring Fee

Please refer to Section 'VI. Compliance Monitoring Plan' for more details regarding the Compliance Monitoring Fee.

Qualified Contract Processing Fee

Qualified Contract Fee of \$150 per unit for all units

Attorney's Fees and Costs:

In the event of a dispute or litigation regarding a QAP Agreement, the prevailing party shall be entitled to collect reasonable attorney's fees, costs, and expenses.

VI. Compliance Monitoring Plan

Summary

GHURA shall monitor compliance with all applicable Federal Program requirements for the period a project is committed to providing low-income rental units. GHURA will require that all qualified tenants of a project be certified upon occupancy and be re-certified annually to ensure compliance. Projects shall be required to maintain copies of the income certification for each tenant on forms approved by GHURA. Projects will also be required to maintain records regarding number of rental units (including number of bedrooms and size of square footage of each bedroom); percentage of total rental units that are low-income units; rent charged on each rental unit including utility allowances; number of occupants in each low-income unit for those buildings receiving tax credits prior to 1990; documentation regarding vacancies in the building; eligible and qualified basis of the building at the end of the first year of the credit period, and at the end of each year until required set-asides are met; and character and use of the nonresidential portion

of the building that is included in the building's eligible basis, all in accordance with the rules published by the Internal Revenue Service.

GHURA may perform an audit annually but at a minimum, once every three years, and shall have access to all books and records upon notice to the project owner.

Annually, owners of low-income housing tax credit projects will be required to certify to GHURA that for the previous year,

- the minimum set-aside requirement was met;
- there was no change in the applicable fraction, or an explanation if there was a change; appropriate income certifications and documentation have been received for each low-income tenant;
- each low-income unit was rent-restricted in accordance with the Code;
- all units were for use by the general public and used on a no transient basis (except for transitional housing for the homeless as provided for in the Code);
- each building was suitable for occupancy, taking into account local health, safety and building codes;
- there was no change in the eligible basis in the project, or an explanation if there was a change;
- all tenant facilities included in the eligible basis were provided on a comparable basis without charge;
- rentals of vacancies were done in accordance with the Code;
- rentals of units were done in accordance with the Code if any tenant's income increased above the limit allowed by the Code;
- a Restrictive Covenant document was in effect for the project, for those buildings receiving credits after 1989, all in accordance with the rules published by the Internal Revenue Service.

If GHURA becomes aware of non-compliance, the Internal Revenue Service shall be notified in accordance with the rules published by the Internal Revenue Service.

Please consult with your tax attorney and/or LIHTC consultant regarding Internal Revenue Code regulations. Owners are responsible for keeping abreast of current LIHTC Program requirements.

The guidelines outlined below in sections B through K pertain to projects allocated Low Income-Housing Tax Credits in Guam.

Compliance

Owner/Manager Training

Owners, managing agents, and on-site managers should attend or document that they have recently attended training on management and compliance prior to leasing any units, but no later than receipt of IRS Form 8609, which certifies an allocation of tax credits. Training may be required following significant or repeated noncompliance events. At minimum, such training should cover key compliance terms, qualified basis rules, determination of rents, tenant eligibility, file documentation, next available unit procedures and unit vacancy rules, agency reporting requirements, record retention requirements, and site visits.

Set Aside

The project must comply with the low-income set-aside requirements of Section 42 of the Internal Revenue Code- as chosen by the owner at the time of receiving the credits. The minimum requirements are either:

1. 20 percent or more of the units are occupied by tenants having a household income of 50 percent or less of the area median gross income (the "20-50 requirement"), or
2. 40 percent or more of the units in the project are occupied by tenants having a household income of 60 percent or less of the area median gross income (the "40-60 requirement").
3. Election of income averaging for new LIHTC developments where LIHTC Qualified Units (Units) may serve households earning up to 80% of the Area Median Income (AMI) so long as the average income limit of the Qualified Units is 60% or less of AMI. Designated income levels for Qualified Units may be set at 10% increments between 20% and 80% of AMI. See Appendix 1 for further guidance.

Tenant income is calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937, as directed by the Internal Revenue Code. Area median incomes are determined annually by the U.S. Department of Housing & Urban Development (HUD), and are available from GHURA.

Rent

Units in the project must be rent-restricted to thirty (30) percent of the imputed income limitations based on unit size as provided in Code Section 42(g)(1). This rent restriction must be maintained throughout the Term of the Compliance and Extended-use period. See 'Rent Restrictions' in this section for further information.

Term of Compliance

Projects receiving a LIHTC allocation after January 1, 1990, must comply with eligibility requirements for the extended use period [initial 15-year period (compliance period), in addition to the 15 or more years (extended use period)] determined by elections indicated in the Restrictive Covenant Document. The Restrictive Covenant Document must be recorded before credits are allocated.

Annual Certification

These and other compliance requirements as listed in Section 'A. Summary' must be certified annually by the owner through the submission of the Annual Report. The Annual Report includes the Owner's Certificate of Continuing Program Compliance and shall be submitted by February 1 of each year throughout the compliance/extended-use period.

Records Retention

The Annual Report and the supporting documentation verifying the information on the Annual Report must be kept for a minimum of six (6) years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period,

however, must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building, in accordance with published IRS guidelines.

IRS Form 8609

Owner shall complete Part II of IRS Form 8609 and submit with subsequent Annual Reports.

Qualified Basis Tracking Sheet (QBTS)

This form shall be submitted annually until the required set-asides are established. Documents will provide information on original tenants qualifying each building for tax credits minimum set-asides, and other set-asides.

Status Reports

This report is to be submitted annually by owners in such format as required by GHURA or its Authorized Delegate to document and track the continuous compliance of tax credit units. The documents report data that tenants are income eligible at move-in, that the occupants of LIHTC units are re-certified at least on an annual basis and that the unit rents are restricted. Documentation will also indicate compliance with the vacant unit rule and 140% rule. The tracking of tax credit units substantiates the maintenance, increase or reduction of each BIN's qualified basis.

Qualifying Households

Applicants for low-income units should be advised early in their initial visit to the project that there are maximum income limits which apply to these tax credit qualified units. Management should explain to the tenants that the anticipated income of all persons expecting to occupy the unit must be verified and included on a Tenant Income Certification (TIC) prior to occupancy, and re-certified on an annual basis. Applicants should be informed of other Internal Revenue Service requirements such as the Student Rule and Recertification.

Unborn Children

In accordance with the HUD Handbook 4350.3, owner shall include unborn children in determining household size and applicable income limits. If permitted by state laws, owner shall require documentation of pregnancy in such circumstances.

Student Households

In accordance with the Internal Revenue Code, a household comprised entirely of full-time students may not be counted as a qualified household, unless the household meets at least one exception. Refer to the Internal Revenue Code for additional guidelines on the exceptions. Owner shall utilize a lease provision requiring tenants to notify managing agent of any change in student status.

Calculating Anticipated Tenant Income

Owner shall qualify tenants by calculating household income using the gross income the household anticipates it will receive in the 12-month period following the effective date of the

income verification or Recertification. Anticipated income should be documented in the tenant file by third party verification whenever possible, or by an acceptable alternate method of verification with documentation as to why third-party verification was not available. Owner shall use current circumstances to project income, unless verification forms or other verifiable documentation indicate that an imminent change will occur. Owner shall refer to HUD Handbook 4350.3 for guidance on the proper calculation and verification of income and assets per IRC regulations.

Certification

Upon acceptance of an applicant to the project, a TIC must be completed for the applicant and certified to by the applicant and the owner. The form is a legal document which, when fully executed, qualifies the applicants to live in the set-aside units in the project.

The TIC must be executed along with the lease prior to move-in. No one may live in a unit in the project unless certified and under lease.

The original copy of the executed TIC form is to be retained in the applicant's file. The TIC and the supporting documentation verifying the TIC must be kept for a minimum of six (6) years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period, however, must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building, in accordance with published IRS guidelines.

Recertification

For 100% LIHTC set-aside projects, annual recertifications are not required after January 1, 2014. However, Owners **must recertify** households **at least once** on the first anniversary of their initial tenancy.

For projects with less than 100% set-aside:

To ensure each unit is complying with the LIHTC income restrictions, GHURA requires (a) the owner to annually recertify each tenant's income and household composition and (b) each tenant is to report certain changes in income and household composition which occur between regularly scheduled recertification.

If the income of the tenants in a unit who have been previously verified increases above 140 percent of the applicable income limitation, the unit may continue to be counted as a low-income unit as long as the next available unit of comparable or smaller size is occupied by a qualified low-income tenant, and the rent continues to be restricted for the initial unit.

Each tenant's annual recertification is to be completed within one year of last recertification. The request for recertification shall be made between 60 and 90 days before the effective date, and it must clearly state that the tenant has ten (10) calendar days in which to contact the owner to begin recertification processing. The notice must also state the days and hours available for the interview, the information the tenant should bring to the interview, and how and whom to contact to schedule the interview.

Upon re-verification of the tenant's income, the owner shall complete a new TIC, which shall be certified to by the owner or owner's designee.

Past-Due Recertification

A recertification is considered past due if the TIC form for the tenant is not certified by tenant and owner within twelve months of the last recertification.

Rent Restrictions

Projects receiving Low-Income Housing Tax Credits after January 1, 1990 must comply with the following procedures:

- Units in the project must be rent-restricted to 30% of the imputed income limitations for each unit, based upon HUD area median incomes and size of units. Rents are imputed by bedroom size in the following manner: a unit which does not have a separate bedroom - 1 individual; and a unit with 1 or more separate bedrooms - 1.5 individuals per bedroom.
- Gross rent does not include any payment for various rental assistance programs and supportive service assistance as outlined in Section 42 of the Code. Gross rent must include any allowance for utilities.

HUD publishes the area median incomes for each state and territory annually. Updated income limits must be implemented pursuant to IRS Revenue Ruling 94-57, "Taxpayers may rely on a list of income limits released by HUD until 45 days after HUD releases a new list of income limits, or until HUD's effective date for the new list, whichever is later." Rents may be increased accordingly as the area median income increases.

If the income of the tenants in a unit who have been previously verified increases above 140 percent of the applicable income limitation, the unit may continue to be counted as a low-income unit as long as the next unit of comparable or smaller size is occupied by a qualified low-income tenant, and the rent continues to be restricted for the initial unit.

Eviction of Tenants

Once an eligible tenant has been certified and admitted to the project, the tenant may not be displaced solely due to an increase in the tenant's household income beyond the restricted limit.

Audits

The project may be subject to a management audit by GHURA or its Authorized Delegate annually but, at a minimum, once every three years. Notification of an audit shall be given to the owner at least 30 days prior to such audit. The results of the management audit and the recommendations for corrective action to protect and maintain the project shall be transmitted to the owner within thirty (30) days following the completion of the audit.

The purpose of the audit will be to conduct a physical inspection of the building and/or project, and, for at least 20 percent of the project's low-income units, to inspect the units and review the low-income certifications, documentation supporting the certifications, and rent records for the tenants in those units. The audit may also consist of a review of first year tenant records, a review of the documentation supporting the Annual Report, and any other documentation necessary for GHURA to make a determination as to whether the project is not in compliance with the Code.

When conducting tenant file reviews, GHURA's and its Authorized Delegate's reviews shall include, but not be limited to:

- completed rental application, including certification of assets and disposal of assets, if applicable;
- tenant income certification completed for move-in and current year, including all required signatures and dates;
- income verification(s) completed and documented;
- assets verified in accordance with IRC regulations;
- student eligibility documentation;
- lease and lease addendums completed at move-in;
- utility allowance on file;
- review of first year tenant records which qualified the project initially for tax credits

The owner shall have a period of thirty (30) days in which to respond to the findings of the management audit. GHURA shall review the owner's response to determine the extent to which the issues raised in the management audit letter are addressed. Findings, whether corrected or not, will be reported to the IRS.

See Section 'Non-compliance Penalties' for information on notification to the IRS of any non-compliance found in the management audit.

Rural Housing Service (RHS) and Tax-exempt Bond Issue Projects

In accordance with the published IRS guidelines on compliance monitoring, an exception may be granted to RHS projects under its section 515 program and buildings or projects of which 50 percent or more of the aggregate basis is financed with the proceeds of tax-exempt bonds.

The IRC regulations allow for exception of a building from the inspection requirement if the building is financed by RHS under the section 515 program, the RHS inspects the building [under 7 CFR part 1930(C)], and the RHS and the allocating agency enter into a memorandum of understanding, or other similar arrangement, under which the RHS agrees to notify the allocating agency of the inspection results. Irrespective of the physical inspection standard selected by the allocating agency, a low-income housing project under section 42 of the Internal Revenue Code must continue to satisfy local health, safety and building codes. A memorandum of understanding has not been executed between GHURA and RHS.

Annual Reports, QBTS, Compliance Monitoring Status Reports and other reports are still required of RHS projects. Although GHURA has allowed the use of the RD 1944-8, the form does not determine eligibility for specific LIHTC requirements. Owners need to determine whether the TIC will be used or a worksheet will be attached to RD 1944-8 to determine eligibility under the IRC. Management audits will still be conducted as indicated herein.

An owner who for some reason is not able to make any of the required certifications stated on the Annual Report or other requirements must inform the Agency immediately of such inability, as well as explain the reason for said inability.

Reporting Requirements

- a. The LIHTC Annual Report must be submitted annually by February 1 of each year throughout the compliance/extended use period.
- b. Part II of the IRS Form 8609 must be completed by the owner and submitted with initial Annual Report.
- c. Qualified Basis Tracking Sheets (QBTS) are submitted at a minimum annually with LIHTC Annual Report until all set-asides are established.
- d. Status Reports are submitted annually by owners with Annual Report to document and track the continuance compliance of tax credit units throughout the compliance/extended-use period.

These forms must be sent in to GHURA or its Authorized Delegate at the address shown in Section II.

The Certification of Eligibility and LIHTC forms listed above are available from GHURA. Additionally, GHURA has data regarding HUD area median incomes, maximum rental rates, income verification information and third-party verification forms.

Fees

A compliance monitoring fee of up to \$50 per unit for all units (for the 1st year full inspection) and \$25 per unit for all units (once every 3 years after 1st year full inspection) within each project shall be charged annually for administrative expenses. This fee shall be submitted with the LIHTC Annual Report for each year of the compliance/extended-use period. GHURA reserves the right to adjust fees due to changing circumstances annually each January 1. It will be the responsibility of GHURA to inform the owner of any changes in the annual compliance fee prior to the submission of fees. The compliance monitoring fee will be effective as of the Placed-in-Service date for the first building.

Non-compliance Penalties

The penalty for non-compliance with the LIHTC Program is the potential recapture of the credits awarded and interest on the amount recaptured. The Internal Revenue Service shall determine penalties for non-compliance.

Upon determination by GHURA of non-compliance with the LIHTC Program, the owner shall be notified and given thirty (30) days to correct any discovered violations. In accordance with the Internal Revenue Service's published guidelines on compliance monitoring, GHURA will be required to notify the IRS within forty-five (45) days after the end of the thirty-day correction period, whether or not the non-compliance is corrected. GHURA will be given the opportunity on the IRS form to indicate whether the owner has corrected the non-compliance. GHURA may extend the correction period, up to a total of six (6) months, if it is determined by GHURA that good cause exists for granting such an extension. In such case, the IRS will not be notified until the end of the extended correction period.

Extended Use Period

After the initial 15-year compliance period is the Extended Use Period, GHURA is no longer required to report instances of non-compliance to the IRS. Compliance during the Extended Use Period (EU Compliance Policy) will concentrate on enforcing the requirements of the LIHTC program through the term of the Declaration of Restrictive Covenants for Low Income Housing Credit recorded on the property. The EU Compliance Policy is largely based on the procedures of the initial compliance period. Unless noted below, the policy and procedure for compliance during the initial compliance period shall continue to apply to the extended use period.

Effective Date

The EU Compliance Policy shall be effective on the first day after the expiration of the initial 15-year compliance period for the last building placed in service in the project. Generally, the extended use compliance period will begin on January 1 of the year after the expiration of the initial 15-year compliance period of the last building placed in service and be in effect until the end of the extended use period.

Income and Rent Set Aside

Owners are subject to the Section 42 occupancy and rent restrictions required in the Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits.

Student Households

As GHURA wants to ensure that properties in the extended use period are not used as dormitory housing, a modified student eligibility requirement will be enforced. During the extended use period, a household comprised entirely of full-time students will qualify as long as at least one member of the household is an independent student or is a student in grades Kindergarten through 12 (including home schooled minors studying course material within these grades). An independent student is defined as one who is not claimed as a dependent on his/her parent's tax return (proof required).

Available Unit Rule / 140% Rule

For projects which include market rate units, the Available Unit Rule and the 140% Rule do not apply during the extended use period. The percentage of tax credit units as specified in the Declaration of Restrictive Covenants for Low Income Housing Credits must be maintained throughout the extended use period.

Certification and Recertification

Certification of tenants at the time of move-in shall be required during the extended use period according to the same procedure as the compliance period. Recertification of tenants will not be required during the extended use period. However, if any adults are added to the household, then the household must be re-certified.

Unit Transfers

During the extended use period, unit transfers are allowed without a new income qualification. Documentation of all unit transfers that occur shall be submitted as part of the Reporting Requirements.

Reporting Requirements

1. The **LIHTC Annual Report** must be submitted annually by February 1 of each year throughout the extended use period.
2. **Status Reports** are submitted annually by owners with the Annual Report to document and track the continuing compliance of tax credit units throughout the extended use period.

Site Audits

Commencing within three years after the expiration of the Compliance Period, site audits for projects may be conducted at least once every **five** years. Projects that have substantial outstanding non-compliance beyond the correction period based on the findings of the most recent site audit may be subject to more frequent site audits.

Owner Inspection

Owners shall conduct an annual physical inspection of each unit and common areas in the project.

Correction Period and Non-compliance Penalties

Upon determination by GHURA of non-compliance with the LIHTC Program during the extended use period, the owner shall be notified and given thirty (30) days to correct any discovered violations. GHURA may extend the correction period on a case-by-case basis, up to a total of six (6) months, if it is determined by GHURA that good cause exists for granting such an extension. Owners may request GHURA to review all outstanding non-compliance issues for a property once per calendar year after the initial correction period. Any owner and constituent entities involved in management and ownership of a project with an unresolved finding of non-compliance beyond the initial correction period may be deemed to be Not in Good Standing by GHURA's Fiscal Department. Owners must clear all outstanding non-compliance issues to be deemed in Good Standing with GHURA.

Appeal

All appeals shall be resolved in accordance with GHURA's Appeals and Process Procedure, copies of which are maintained at GHURA's office.

Other

High-Cost Area Designation. Newly constructed buildings located outside of designated Difficult to Develop Areas or Qualified Census Tracts qualify as a high cost area. The additional LIHTC available from the "basis boost" will be used to offset the high cost of construction and land throughout the island.

Appendix I Income Averaging Guidelines

GHURA Guidelines for Utilizing the Income Averaging Minimum Set-Aside for Applications under Consideration or Already Approved

The Consolidated Appropriations Act of 2018 establishes income averaging as a new minimum set-aside election for new LIHTC developments. It allows LIHTC Qualified Units to serve households earning as much as 80% of Area Median Income (AMI) so long as the average income limit of the Qualified Units is 60% or less of AMI. Designated income levels for Qualified Units may be set at 10% increments between 20% and 80% of AMI. GHURA will accept proposals for utilizing income averaging in application that are under consideration, have already been approved or have already initially closed, subject to the requirements outlined below.

General Requirements for All Income Averaging Proposals:

- Utilization of income averaging requires GHURA consent
- Proposals will not be accepted without evidence of approval by the syndicator/investor
- Changes in the AMI bands must be supported by a market study
- Proposals must maintain the requirements of any GHURA funding award
- A revised application and associated exhibits may be required
- If the use of income averaging triggers higher fees for compliance monitoring, the increase will need to be incorporated in the project budget

Additional Requirements for Developments that have already initially closed:

- Proposals will only be considered for Developments that have not yet executed Form 8609
- The proposal must continue to meet the requirements of the Section 42 of the Internal Revenue Code
- Set-aside elections made in the Extended Housing Commitment executed at initial closing and recorded at the Recorder's Office may need to be amended

Appendix 2 Market Study

In accordance with Section 42(m)(1)(A)(iii) of the Internal Revenue Code, GHURA requires a comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project. The Market Study is to be conducted by a disinterested party approved by GHURA and must be submitted as part of the application. The Market Study shall be completed at the Owner's expense. Any applicant that fails to submit a Market Study, or submits a Market Study dated more than 6 months earlier than the date of application shall be returned to the applicant and the application will not receive further consideration.

The Market Study shall address the following information:

- A statement of the competence of the market analyst.
- A description of the proposed site.
- Demographic analysis of the number of households in the market area which are income eligible and can afford to pay the rent. Estimate of capture rates for the market areas.
- Geographic definition and analysis of the market area.
- Identification of the project including location, unit counts, income levels and target population. Market Study must be consistent with the proposed project.
- Analysis of household sizes and types in the market.
- A description of comparable developments in the market area.
- Analysis of practically available rents, vacancy rates, operating expenses and turnover rates of comparable properties in the market area.
- Analysis of practically available rents, vacancy rates and turnover rates of market rate properties in the market area. Projected operating funds and expenses, when available at the time of the study.
- Expected market absorption of the proposed rental housing, including a description of the effect of the market area.
- Identification and commentary of proposed projects in the market areas.
- Analysis of market demand for tenants with special housing needs when applicable.
- Analysis of impacts of development to the area's existing education, public safety, and utilities infrastructure.

Projects that are requesting credits from eligible basis generated from a Community Service Facility as defined in Section 42(d)(4)(C)(iii) must provide a market study that addresses the following:

- A description of Services provided that improve the quality of life for community residents.
- The market area and demand for services provided.
- The applicability of service provided to the community.
- The affordability of the services provided to persons of 60% AMGI or less.

Exhibit 3

PLR 200351024 (IRS PLR), 2003 WL 22977845

Internal Revenue Service (I.R.S.)

IRS PLR
Private Letter Ruling

Issue: December 19, 2003
September 11, 2003

Section 61 -- Gross Income v. Not Gross Income

61.00-00 Gross Income v. Not Gross Income

Section 451 -- General Rule for Taxable Year of Inclusion (Year Received v. Not Year Received)

451.00-00 General Rule for Taxable Year of Inclusion (Year Received v. Not Year Received)

CC:ITA:Br05 // PLR-122091-03

Legend:

M (Taxpayer) =

N (Program) =

A (State) =

Statute A =

QAP (2003) §§ :

l =

m =

n =

o =

p =

Dear Taxpayer:

This is in response to your authorized representative's letters and submissions of March 11, 2003, and other correspondence and submissions, in which he requested on your behalf a ruling regarding a certain election available to participants in your, M's, N program, a State low-income housing tax credit program. We are pleased to address your concerns.

Section 42 of the Internal Revenue Code (Code) provides rules concerning the federal low-income housing tax credit (§ 42 credit), including the formula used to establish the aggregate credit dollar amount allocated to state housing agencies. State housing agencies, such as M, are authorized to allocate § 42 credits to qualified housing projects located in their jurisdiction. Each state agency allocates § 42 credits pursuant to the terms of its Qualified Allocation Plan (QAP). The § 42 credit is claimed over a period of ten years, generally beginning with the year in which the building is placed in service or, if the taxpayer makes an election, beginning in the following year.

In order to supplement the federal program, State A provides a low-income housing tax credit (state credit) to certain taxpayers who are allocated a § 42 credit on or after January 1, 2003. Statute A. This state credit “piggybacks” on the § 42 credit, as described further below. The state credit can be taken either in the form of a refundable credit or a loan. Taxpayers who file applications with M to obtain an allocation of the § 42 credit may be either using the cash receipts and disbursements method of accounting or an accrual method of accounting.

You, M, have inquired whether a taxpayer/applicant that represents on its full application for a § 42 credit allocation (submitted to M) that it will subsequently elect under Statute A to receive a loan from M instead of the refundable state credit, will nonetheless be considered to have received, or be entitled to, the state credit for purposes of §§ 61 and 451 of the Code. The answer affects the analysis of M's information reporting requirements under § 6041 of the Code.

Section 42 credit procedure in State A

M is a self-supporting public agency created under the laws of State A to operate federal and state housing programs. In order to obtain an allocation of the § 42 credit, taxpayer/applicants file preliminary applications, followed by full applications, with M in accordance with the provisions of the annual QAP. The 2003 Low-Income Housing Tax Credit Qualified Allocation Plan for the State of A, as amended (2003 QAP), provides that preliminary applications were due during January of 2003 and full applications were due during May of 2003. (QAP § 1.)

After M reviews the full applications, it awards a reservation of credit authority to the projects that best meet the QAP criteria. Pursuant to the 2003 QAP, this occurred during August of 2003. **The fact that a credit amount has been reserved does not mean that the actual allocation of the credit has been made; that occurs at a subsequent time during the same calendar year.**

There are two methods for allocating § 42 credits. One method of allocating is by the issuance of a Form 8609, Low-Income Housing Credit Allocation Certification. The Form 8609 also serves as an information reporting document. The other method of allocating is by the issuance of a carryover allocation document.

The general rule under § 42 of the Code is that an allocation of credit is effective only if it is made by the close of the year that the building is placed in service. Under § 42(m)(2), the state agency is responsible for ensuring that the amount of credit allocated (or received, in the case of credit predicated upon tax-exempt bond financing) does not exceed the amount necessary to ensure project feasibility. As a result, final cost certifications for the project are required before the state agency will issue a Form 8609. Because final cost certifications are usually not obtained before the close of the year a building is placed-in-service and the information on Part I of the Form 8609 must reflect the proper amount of credit allocated (or received), the Form 8609 is rarely used as the document to allocate § 42 credit. Rather, the issuance of a carryover allocating document is the prevalent method by which a state agency makes an allocation of § 42 credit.

A “carryover allocation” does not require completion of the project in the same year as the allocation. A carryover allocation can be made if (1) at least 10% of the reasonably anticipated costs of the project are incurred by the later of six months after the allocation is made or the end of the calendar year in which the allocation is made and (2) the building is placed in service by the end of the second calendar year following the year of the allocation. In this scenario, after a credit reservation award has been made, the taxpayer applies for a carryover allocation, and the state housing agency issues a carryover allocation document pursuant to § 1.42-6 of the Income Tax Regulations. Once the building is placed in service and the final costs have been certified, the taxpayer applies for the Form 8609 which, at this point, serves as an information reporting document.

State credit procedure

State A law provides that a taxpayer may elect to receive the state credit in the form of either a refundable credit or a loan from M. When a taxpayer submits to M a request to receive a carryover allocation of § 42 credit, the taxpayer must elect a

method for receiving the state credit. A taxpayer may elect to receive the state credit in the form of either a direct tax refund or a loan generated by transferring the state credit to M. See subsection (d) of Statute A. As discussed above, a taxpayer submits a request to receive a carryover allocation after the taxpayer submits a full application to M and is notified by M that a § 42 credit reservation has been made.¹

Statute A provides the general rule that a taxpayer may claim the state credit on a return filed for the taxable year in which the taxpayer receives a carryover allocation of a § 42 credit.² When a taxpayer has elected the refund method, the refundable excess of the credit (over the amount that is applied to reduce state tax liability) is transferred by the State A Department of Revenue (ADOR) to M, which holds the refund in escrow until certain conditions related to project completion are satisfied.

When a taxpayer/applicant has elected the loan method, the credit is transferred by ADOR to M, and the taxpayer receives a loan from M. The terms of the loan are specified by M in accordance with the annual QAP. The entire loan must be used to pay down a portion of the then existing construction debt, and the loan will not be closed until the outstanding balance on the first-tier construction financing exceeds the total state credit amount.

The 2003 QAP requires applicants to indicate, as part of the full application process, whether the state credit loan option or refund option will apply to the project. This decision may not be changed for the carryover allocation. (QAP § p.) An applicant's representation that it will elect to receive the loan option or refund option is an important part of the financing for an applicant's project. Any misrepresentation in an application document may result in disqualification of that application and revocation of a § 42 credit allocation. (QAP § m.) Also, M may revoke § 42 credits after the project has been placed in service if it determines that the owner has failed to implement all representations in the application to M's satisfaction. (QAP § n.) Additionally, a Form 8609 will not be issued until M confirms that the project has adhered to all representations made in the application. (QAP § o.)

Prior to August of 2003, M adopted a policy pursuant to QAP § p that it will always revoke a § 42 credit allocation if an applicant purports to make an election under Statute A inconsistent with its representation on its full application. M has represented that it will enforce that policy.

Section 451(a) of the Code provides the general rule that the amount of any item of gross income shall be included in the gross income for the taxable year in which received by the taxpayer, unless, under the method of accounting used in computing taxable income, such amount is to be properly accounted for as of a different period. Section 1.451-1(a) of the regulations provides, in part, that gains, profits, and income are to be included in gross income for the taxable year in which they are actually or constructively received by the taxpayer, unless includible for a different year in accordance with the taxpayer's method of accounting. Under the cash receipts and disbursements method of accounting, income is includible in gross income for the taxable year in which it is actually or constructively received by the taxpayer. See also § 1.451-2. Under an accrual method of accounting, income is includible in gross income when all the events have occurred that fix the right to receive such income and the amount thereof can be determined with reasonable accuracy.

Statute A requires a taxpayer/applicant to make the election between the loan option or refund option when it submits to M a request to receive a carryover allocation or, if a taxpayer does not submit to M a request to receive a carryover allocation, at the time specified in subsection (e) of Statute A. However, the 2003 QAP requires applicants to indicate whether the loan option or refund option under Statute A will apply to the project when the applicant submits its full application to M. A full application is submitted before the times specified in Statute A. M will always revoke a § 42 credit allocation if a taxpayer/applicant purports to make an election at the times specified in Statute A inconsistent with its representation on its full application. If a taxpayer does not have a § 42 credit allocation, that taxpayer is not entitled to the state credit.

Based on the information and representations provided, and assuming that the actual application process is conducted substantially as described above, we conclude that taxpayer/applicants who represent on their full application for a § 42 credit allocation submitted to M that they will subsequently elect under Statute A to receive a loan from M instead of the refundable state credit, will not be considered to have received, or be entitled to, the state credit for purposes of §§ 61 and 451.

This letter ruling is based on facts and representations provided by M, and is limited to the matters specifically addressed. No opinion is expressed as to the tax treatment of the transactions considered herein under the provisions of any other sections of the Code or regulations which may be applicable thereto, or the tax treatment of any conditions existing at the time of, or effects resulting from, such transactions which are not specifically addressed herein. More specifically, no opinion is expressed as to whether any particular "loan" elected by an N program participant under the "loan option" described herein constitutes a true loan or true indebtedness for federal income tax purposes, as represented by the Taxpayer. This determination is inherently factual, must be made on a case-by-case basis, and is subject to verification upon examination by M's IRS Industry Director.

Because it could help resolve possible federal tax issues, a copy of this letter ruling should be maintained with M's permanent records.

Pursuant to a power of attorney currently on file with this office, a copy of this letter is being sent to M's designated authorized representative. A copy of this letter ruling is also being forwarded to the Taxpayer's Industry Director.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Internal Revenue Code provides that it may not be used or cited as precedent.

Sincerely yours,

Associate Chief Counsel (Income Tax & Accounting)

By

William A. Jackson
Chief, Branch 5

Enclosures:

Copy of this letter

Copy for section 6110 purposes

Section 6110(k)(3) of the Internal Revenue Code This document may not be used or cited as precedent. .

Footnotes

- 1 In the unusual case in which the taxpayer/applicant does not request a carryover allocation, subsection (e) of Statute A provides that the taxpayer must make the election at a particular time specified in that subsection. Such time would occur after the taxpayer submits a full application to M and is notified by M that a § 42 credit reservation has been made.
- 2 Subsection (e) of Statute A provides that a taxpayer/applicant subject to the provisions of that subsection claims the state credit at a particular time specified in that subsection.

PLR 200351024 (IRS PLR), 2003 WL 22977845

End of Document

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Exhibit 4

CIVILLE & TANG, PLLC

www.civilletang.com

Sender's Direct E-Mail:
jtang@civilletang.com

January 24, 2025

VIA E-MAIL

efnapoli@ghura.org

Ms. Elizabeth F. Napoli
Executive Director
GUAM HOUSING AND URBAN RENEWAL AUTHORITY
117 Bien Venida Avenue
Sinajana, Guam 96910

Re: *Sunshine Act Request Regarding LIHTEC 2024 Contracts*

Dear Ms. Napoli:

I am requesting on behalf of Summer Vista II DE LLC and Summer Vista III DE LLC, the following information, pursuant to the Sunshine Reform Act of 1999 set forth in 5 G.C.A. §10101 *et seq.*:

1. Any and all contracts and agreements by and between Flores Rosa Gardens L.L.C. and GHURA relating to the award of the 2024 Low Income Housing Tax Credit (LIHTC) allocation for the Flores Rosa Project, including but not limited to any "Carryover Allocation Agreements Pursuant to Section 42(h)(1)E of the Internal Revenue Code."

Please indicate in your response if you do not have any documents responsive to the requests. If you deny any of these requests, please cite each specific exemption justifying the refusal to release the information.

We look forward to your prompt and expeditious response. Thank you.

Sincerely,



Joyce C.H. Tang

[REDACTED]

From: Audrey Aguon <aaaguon@ghura.org>
Sent: Friday, February 7, 2025 12:41:48 AM
To: jtang@civilletang.com <jtang@civilletang.com>
Subject: GHURA's Response to Sunshine Act Request received on January 24, 2025

Hafa adai and good afternoon, Ms. Tang.

My name is Audrey Aguon, special assistant to Director Elizabeth Napoli. During yesterday's GHURA Board meeting, you indicated that you had not received a response to a **Sunshine Act Request sent on January 24, 2025 Re: LIHTC 2024 Award and Contracts.**

I do apologize for having missed this request. It is always my intention to get FOIA responses out timely and truly apologize for this oversight.

I have attached documents relative to the original request dated January 24, 2025. Should you require further assistance, please let me know. Thank you and have a safe day.

Respectfully,



Audrey Aguon

Special Assistant

(671) 475-1378

Guam Housing & Urban Renewal Authority

117 Bien Venida Avenue, Sinajana, GU 96910

2 attachments

 **Declaration of Extended Rental Housing Commitment by Flores Rosa Gardens.pdf**
3466K

 **GHURA LIHTC 2025 Carryover Allocation Agreement Section 42(h)(1)(E) of the Internal Revenue Code.pdf**
1321K

**DECLARATION OF
EXTENDED RENTAL HOUSING COMMITMENT**

**BY
FLORES ROSA GARDENS, LLC**

Dated: 01/30/2025

Development Name: Flores Rosa Gardens

Development Location: LOT NUMBER 2144-1D-7, TAMUNING, GUAM. Full legal description attached as Exhibit "A"

Development Building Identification Number ("BIN"): GU-24-00001 to GU-24-00003

**DECLARATION OF
EXTENDED RENTAL HOUSING COMMITMENT
BY
FLORES ROSA GARDENS, LLC**

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**DECLARATION OF
EXTENDED RENTAL HOUSING COMMITMENT**

THIS DECLARATION OF EXTENDED RENTAL HOUSING COMMITMENT (this "Declaration"), dated this **30th day of January, 2025** by **Flores Rosa Gardens, LLC** (the "Developer"), is made as a condition precedent to the allocation and availability of rental housing tax credits for residential rental developments including developments financed by qualified tax-exempt bonds.

WITNESSETH That:

WHEREAS, Developer is or shall be the owner of a [30]-unit rental housing development known as **Flores Rosa Gardens**, generally located in **Tumon Heights, Guam**, as more particularly described in **Exhibit A**, attached hereto and made a part hereof (the "Development");

WHEREAS, the development, rehabilitation, maintenance and operation of the Development may now or hereafter be financed through a mortgage loan (the "Loan"), the indebtedness of which may be evidenced by a note and may be secured by a first mortgage lien on the Development and other security instruments (collectively, the "Loan Documents");

WHEREAS, the **Guam Housing and Urban Renewal Authority**, a public body corporate and politic of Guam (the "Authority") has been designated by the Governor of Guam as the housing tax credit agency for Guam responsible for the allocation of rental housing tax credit dollars (the "Credit");

WHEREAS, Developer has applied to the Authority for a Credit allocation for the Development in an amount not to exceed **One-million seven hundred ninety-three thousand one hundred twenty Dollars (\$1,793,120.00)** from the Authority's **2024** allocation pool, further, not to exceed **Seventeen million nine hundred thirty-one thousand two hundred Dollars (\$17,931,200.00)** over the ten (10) year credit period.

WHEREAS, Developer and the Development must continuously comply with Section 42 and other applicable sections of the Internal Revenue Code of 1986 and the Treasury Regulations and rulings thereunder relating to the Credit, each as amended from time to time (collectively, the "Code") and the Qualified Allocation Plan for Guam (the "Allocation Plan");

WHEREAS, compliance with the Code and the Allocation Plan is the sole responsibility of Developer;

WHEREAS, Developer has represented to the Authority in Developer's Low Income Housing Tax Credit Application for **2024** (the "Application") that it shall comply with all leasing requirements of the Code and it shall lease not less than **100%** of the units in the Development to individuals or families whose income is **60%** or less of **area median gross income** (including adjustments for family size) as determined in accordance with the Code ("Qualifying Tenants") and that the "applicable fraction" (as defined in Section 42(c)(1)(B) of the Code) of each building in the Development is **100%**;

WHEREAS, Developer has represented to the Authority in Developer's Application for Reservation of **2024** (year of allocation) Credits and Application for Final Allocation of Credits (the "Application") that it shall lease not less than **100%** of the units in the Development where rent is charged at or below the **60% AMI rent**.

WHEREAS, the Code requires, as a condition precedent to the availability of Credits for the Development, that Developer execute, deliver and record this Declaration in the official real property records of the county in which the Development is located, to create certain covenants running with the land upon which the Development is situated (the "Property") for the purpose of enforcing the requirements of the Code; and

WHEREAS, Developer intends, declares and covenants that the terms and conditions set forth herein governing the use, occupancy and transfer of the Development shall be and are covenants running with the Property for the term stated herein, to be binding upon all subsequent owners of the Property for such term;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, Developer covenants and declares as follows:

1. Incorporation of Recital Provisions. The recital provisions set forth above are hereby incorporated into this Declaration.
2. Definitions. Unless otherwise defined herein, all words and phrases defined in the Code shall have the same meanings in this Declaration.
3. Recording and Filing. Developer shall cause this Declaration and all amendments hereto approved by the Authority, if any, to be recorded and filed in the office of the Recorder of Guam, and Developer shall pay all fees and charges in connection therewith. Upon recording, Developer shall immediately transmit to the Authority an executed original of the recorded Declaration showing the recording date and instrument number or deed book and page numbers of record. Developer acknowledges that the Authority will not issue Internal Revenue Service Form 8609 ("Form 8609"), unless and until the Authority has received the executed, recorded original of this Declaration.
4. Covenants to Run with the Property. Developer intends, declares and covenants, on behalf of itself and all future owners and operators of the Property during the term of this Declaration, that this Declaration and the terms, conditions, covenants and restrictions set forth herein:
 - (a) regulate and restrict the use, occupancy and transfer of the Property;
 - (b) are not merely personal covenants of Developer;
 - (c) shall be and are covenants running with the Property, encumbering the Property for the term of this Declaration, binding upon Developer's successors in title and all subsequent owners and operators of the Property; and
 - (d) shall inure to the benefit of any and all present and future tenants of the Development and their respective successors and assigns.

Developer hereby agrees that any and all requirements of the laws of Guam which must be satisfied so that the provisions of this Declaration constitute valid and binding deed restrictions and covenants running with the Property shall be satisfied in full. Throughout the term of this Declaration, the covenants and restrictions contained herein shall survive and be effective regardless of whether any contract, deed or other instrument hereafter executed conveying the Property or a portion thereof provides that such conveyance is subject to this Declaration. Developer agrees to obtain the consent of any prior recorded lien holder on the Property to this Declaration, which consent shall be in the form set forth on Exhibit B, attached hereto and made a part hereof, and such consent shall be recorded with this Declaration as a condition precedent to the issuance of Form 8609 by the Authority.

5. Representations, Covenants and Warranties of Developer. Developer hereby represents, warrants and covenants during the term hereof that:
 - (a) Developer(i) is a limited liability corporation duly organized and existing under the laws of the State of Guam, and is duly qualified to transact business under the laws of the Territory of Guam, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as contemplated by this Declaration and the Loan Documents, and (iii) has the full legal right, power and authority to execute and deliver this Declaration and to perform all obligations provided hereunder.
 - (b) The execution and performance of this Declaration and the Loan Documents (i) will not violate or, as applicable, have not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and

(ii) will not violate or, as applicable, have not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which Developer is a party or by which it or its property is bound, and (iii) will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.

(c) Developer has insurable title to the Property, free and clear of any lien or encumbrance, subject only to encumbrances created by or permitted pursuant to the Loan Documents.

(d) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the best of its knowledge or belief, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would impair its right to carry on business as now conducted and as contemplated by this Declaration and the Loan Documents, or would adversely affect its financial condition, or would adversely affect the covenants and commitments under this Declaration.

(e) The Development constitutes or will constitute a qualified low-income building or qualified low-income development, as applicable, as provided and defined in the Code.

(f) Developer shall not take, fail to take nor permit to be taken any action which would have the effect, directly or indirectly, of subjecting itself or the Development to non-compliance with the Code.

(g) All units subject to the Credit shall, as required by the Code, be leased, rented or made available to members of the general public who are Qualified Tenants (or otherwise qualify for occupancy of the low-income units) pursuant to the Code.

(h) Developer shall obey, comply with and observe all laws, rules, regulations and executive orders of all federal, state and local governments and regulatory bodies, as from time to time amended, which are applicable to the Development or the Credits available to the Development.

(i) The Development shall comply with the occupancy and rent restriction requirements of the Code and the Allocation Plan which requirements Developer agreed to satisfy pursuant to the initial and final applications (collectively, the "Occupancy Restrictions").

(j) Developer shall maintain and use the Development as residential property and shall not permit the use of any residential rental unit for any purpose other than rental housing, as provided by the Code.

(k) Developer has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and in any event, the requirements of this Declaration are paramount and controlling as to the rights and obligations herein set forth and supersede any other provisions in conflict herewith.

(l) All units occupied by Qualifying Tenants shall be of comparable construction quality to other comparable units in the Development.

(m) THE AUTHORITY AND THE QUALIFYING TENANT(S) (OR EITHER OR ALL OF THEM) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY DEVELOPER OF ITS OBLIGATIONS UNDER THIS DECLARATION IN A COURT OF COMPETENT JURISDICTION. Developer hereby further acknowledges

that the beneficiaries of Developer's obligations hereunder cannot be adequately compensated by monetary damages in the event of any breach hereof.

(n) If at any time the Authority deems it appropriate or necessary to monitor the Development and/or Occupancy Restrictions, then Developer shall cooperate with the Authority and its agents and shall comply with all applicable requirements. Developer shall pay a compliance monitoring fee to the Authority of up to \$50 per unit for all units (for the 1st year full inspection) and \$25 per unit for all units (once every 3 years after the 1st year).

(o) Income certifications consistent with the Code ("Income Certifications") will be maintained on file at the Development or at the principal office of the Developer with respect to each Qualifying Tenant who resides in a Development unit (or resided therein during the immediately preceding calendar year), and Developer will, promptly upon receipt of notice from the Authority, provide a copy thereof to the Authority, together with a true and accurate Certification of Continuing Compliance in the form set forth on Exhibit C, attached hereto and made a part hereof.

(p) The representations and covenants set forth herein may be relied upon by the Authority and all persons interested in Development compliance under the Code.

(q) Developer shall not refuse to lease to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.

(r) Subject to Section 6 of this Declaration, developer shall not evict or terminate the tenancy (other than for good cause) of a tenant of any low-income unit during the Compliance Period or the Extended Use Period; as such terms are respectively defined in the Code.

(s) Subject to Section 6 of this Declaration, developer shall not increase the gross rent of any unit occupied by a low-income tenant above the amount otherwise permitted under the Code during the Compliance Period or the Extended Use Period; as such terms are respectively defined in the Code.

(t) Developer shall not dispose to any person of any portion of any building to which this Declaration applies unless all of such building is disposed of to such person.

6. Term of Declaration.

(a) The terms, conditions, covenants and restrictions of this Declaration shall commence on the first day on which the first residential unit in the Development is placed in service and end on the date which is the close of the Extended Use Period pursuant to the Code.

(b) Notwithstanding paragraph 6(a) above, but subject to paragraph 6(c) below, the extended use period for any building which is a part of the Development shall terminate:

(i) on the date such building is acquired by foreclosure or instrument in lieu of foreclosure, unless the Internal Revenue Service or the Authority determines that such acquisition is part of an arrangement with the Developer, or its successors or assigns, a purpose of which is to terminate the extended use period; or

(ii) on the last day of the fifteen (15) year compliance period if Developer has properly requested, pursuant to the Code and such other requirements of the Authority which may then be applicable, that the Authority present a qualified contract for the acquisition of the low-income portion of any part of the Development and the Authority is unable to procure a qualified contract.

(c) Notwithstanding paragraph 6(b) above, the termination of the extended use period shall not be construed to permit:

(i) The eviction or the termination of tenancy (other than for good cause) of an existing tenant of any low-income unit before the close of the three (3) year period following such termination, or

(ii) Any increase in the gross rent with respect to such unit not otherwise permitted under the Code before the close of the three (3) year period following such termination.

7. Indemnification of Authority

Developer hereby releases, saves harmless and shall indemnify the Authority of and from any and all claims, losses, damages, expenses or judgments which the Authority might incur as a result of allocation of the Credit to the Development or the recapture of any portion of the Credit by any appropriate governmental agency.

ANY ACTION, REVIEW, RECOMMENDATION, APPROVAL, OR OTHER ACTIVITY TAKEN BY OR ON BEHALF OF THE AUTHORITY DOES NOT, EXPRESSLY OR IMPLIEDLY, DIRECTLY OR INDIRECTLY, SUGGEST, REPRESENT OR WARRANT THAT THE DEVELOPER OR THE DEVELOPMENT QUALIFY FOR THE CREDIT, OR THAT THE DEVELOPMENT COMPLIES WITH APPLICABLE STATUTES AND REGULATIONS OR THAT THE DEVELOPMENT IS OR WILL BE ECONOMICALLY FEASIBLE. DEVELOPER ACKNOWLEDGES IT IS SOLELY RESPONSIBLE FOR SUCH MATTERS.

8. Miscellaneous

(a) Successors Bound. Throughout the term hereof, this Declaration and the covenants and conditions contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, Developer and its successors and assigns and all subsequent owners of the Property, the tenants located or to be located on the Property, (as set forth in paragraph 4(d)), the Authority and its successors and assigns.

(b) Amendment. This Declaration may be amended only with the prior written approval of the Authority. No amendment to this Declaration may be made without the prior written approval of the Authority.

(c) Severability. The invalidity of any clause, part or provision of this Declaration shall not affect the validity of the remaining portions thereof.

(d) Notices. All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified mail to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To the Authority:

**Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue
Sinajana, Guam 96910**

To Developer:

**Flora Rosa Gardens, LLC
202 Hilton Rd, PFM #7, Tumon, GU 96913**

The Authority, and Developer, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

(e) No Remedy Exclusive. No remedy herein conferred upon or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Declaration or existing at law or in equity. No delay or failure to exercise any right or power accruing hereunder shall impair any other right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(f) Construction. As used herein, the singular shall be deemed to mean and include the plural and the masculine to mean and to include the feminine and the neuter, where applicable. If there is more than a single Developer, each jointly and severally shall be deemed to be the Developer.


(g) Governing Law. This Declaration shall be governed by the laws of Guam.

(h) Survival of Obligations. The obligations of Developer as set forth herein shall survive the Credit allocation by the Authority and shall continue throughout the term of this Declaration.

IN WITNESS WHEREOF, Developer has caused this Declaration to be signed by duly authorized representatives, on the day and year first written above.

DEVELOPER

FLORES ROSA GARDENS, LLC,
a Guam limited liability company

By: 
Name: Robert Salas II
Title: Managing Member

ATTEST:


(Seal)

TERRITORY of Guam)
) SS:
)

Before me, a Notary Public, in and for said County and State, personally appeared Robert ~~R~~ Salas, the Managing Member of Flores Rosa Gardens, LLC, who acknowledged that the foregoing Declaration of Extended Rental Housing Commitment was executed in such capacity as its voluntary act and deed and that the foregoing representations set forth in the Declaration are true and correct.

WITNESS my hand and seal this 30th day of January, 2025.

My County of Residence:
Guam, USA
My Commission Expires:
FEB 13, 2025


Notary Public
Vanessa R. Aguon
Printed Name

VANESSA R. AGUON
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **FEB. 13, 2025**
275G Farenholt Ave PMB 304 Tamuning, GU 96913



AGREED TO this 3rd day of February, 2025 by the Authority.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

By: *E Napoli*
Elizabeth Napoli, Executive Director

)
) SS:
)

Before me, a Notary Public in and for said County and State, personally appeared ELIZABETH F. NAPOLI the Executive Director of the Guam Housing and Urban Renewal Authority, and who acknowledged that the foregoing Declaration of Extended Rental Housing Commitment was executed in such capacity as its voluntary act and deed.

WITNESS my hand and seal this 3RD day of FEBRUARY, 2025.

My County of Residence:
SINAJANA

KJP
Notary Public
KATHLEEN JEAN P. TAITINGFONG
Printed Name

My Commission Expires:
MAR 12, 2027

KATHLEEN JEAN PEREDA TAITINGFONG
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: MAR. 12, 2027
117 Bien Venida Avenue Sinajana, Guam 96910

EXHIBIT A

LEGAL DESCRIPTION

LOT NUMBER 2144-1D-7 (Subdivision of Lot 2144-1D), MUNICIPALITY OF TAMUNING, (Formerly Dededo), TERRITORY OF GUAM, Estate Number 58815, SUBURBAN, as said Lot is marked and designated on DRAWING NUMBER MSM-519TD71, as L.M. Check Number 541 - FY 71, as described in that Retracement and Parcelling Map, dated JUNE 04, 1971 and recorded JUNE 15, 1951 at the Records Division, Department of Land Management, Government of Guam, under Document Number 102857.

AREA: 4,046.81 +/- SQUARE METERS

There is no mortgagee and no mortgagee was identified in the agreement and the application, and therefore no certification is required.

EXHIBIT C

**RENTAL HOUSING TAX CREDIT PROGRAM
CERTIFICATION OF COMPLIANCE**

The undersigned, having been allocated certain Rental Housing Tax Credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") and having executed a "Declaration of Extended Rental Housing Commitment" pursuant to the allocation with the Guam Housing and Urban Renewal Authority Authority, the housing credit agency for Guam (the "Authority") for the purpose of purchasing, constructing and/or improving a certain low-income housing development (the "Development"), and pursuant to the monitoring requirements of the Authority and the requirements of the Code section 42 and all regulations promulgated thereunder, does hereby certify as follows:

- (i) The Development meets the requirements of (Please mark the appropriate test):
- (A) the 20-50 test under section 42(g)(1)(A) of the code, or
 - (B) the 40-60 test under section 42(g)(1)(B) of the code, or
 - (C) the 15-40 test under sections 42(g)(4) and 142(d)(4)(B) of the Code for "deep rent skewed" developments.
- (ii) There was no change in the applicable fraction (as defined in section 42(c)(1)(B)) of any building in the Development, or that there was a change, and a description of that change.

List the total number of development units: **[30 Units]**

List the number of qualified low-income units: **[30 Units]**

- (iii) The undersigned has received an annual income certification from each low-income tenant in the Development and sufficient documentation to support that certification; or, in the case of a tenant receiving Section 8 housing assistance payments, the statement from the applicable public housing authority to the Development owner declaring that the tenant's income does not exceed the applicable income limited under section 42(g) of the Code.
- (iv) Each low-income unit in the Development was rent restricted under section 42(g)(2) of the Code.
- (v) All units in the Development are for use by the general public and are used on a nontransient basis (except for transitional housing for the homeless provided under section 42(i)(3)(B)(iii).
- (vi) Each building in the Development is suitable for occupancy, taking into account all federal, state and local health, safety and building codes.
- (vii) Please mark the appropriate certification:

(A) There has been no change in the eligible basis of any building in the Development (as defined in section 42(d) of the Code), or

(B) There has been a change in the eligible basis of a building in the Development (as defined in Section 42(d) of the Code). Please attach a separate sheet setting forth the nature and amount of such change (e.g., a common area has become commercial space, or a fee is now charged for a tenant facility formerly provided without charge.

(viii) All tenant facilities included in the eligible basis of the Development under the Code section 42(d), such as swimming pools, other recreational facilities, and parking areas, are provided on a comparable basis without charge to all tenants of the Development.

(ix) Please mark the appropriate certification:

____ (A) No low-income units in the Development became vacant during the applicable year, or

____ (B) One or more low-income units in the Development became vacant during the applicable year and reasonable efforts were or are being made to rent such units or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the Development were or will be rented to tenants not having a qualifying income. While such unit(s) were vacant, no units of comparable or smaller size were rented to tenants not having a qualifying income. Please attach a separate sheet detailing which units were vacant during the applicable year and the nature of efforts to rent such units to tenants with qualifying incomes.

(x) Please mark the appropriate certification:

____ (A) No tenant of any low-income unit in the Development has experienced an increase in income above the limit allowed in the Code section 42(g)(2)(D)(ii), or

____ (B) One or more tenants of low-income units in one or more buildings in the Development have experienced an increase in income above the limit allowed in the Code section 42(g)(2)(D)(ii) and the next available unit or units of comparable size in such building have been or will be rented to tenants having a qualifying income. Please attach a separate sheet detailing the tenants who have experienced such an increase in income and the unit or units which have been or will be rented to tenants having qualifying income and the efforts being made to rent such unit units; and

(xi) That the development has one smoke detector on each level of the rental dwelling unit assisted or insured by HUD and in public and Indian housing units; and

(xii) That there have been no changes in entity ownership or if there have been, the Authority has been provided with details including a copy of the sales agreement and

(xiii) That the Development is in continuing compliance with the Declaration of Extended Rental Housing Commitment applicable to Development and filed in the office of the Recorder of Guam; and

(xiv) The Development is otherwise in compliance with the Code, including any Treasury Regulations pursuant thereto, the applicable laws, rules, regulations and ordinances.

The undersigned has executed this certification, subject to penalties of perjury, and certifies that the foregoing is true, accurate and complete in all respects, this 30 day of January, 2025.

("Owner")

[Signature]
Attest

By: [Signature]

Title: Managing Member

Robert Salas II
(Printed Name of Owner)

GUAM)
) SS:
COUNTY OF Tamuning)

Before me, a Notary Public in and for said County and State, personally appeared Robert Salas II the Managing Member of Flores Rosa Gardens LLC, and who, being duly sworn acknowledge the execution of the foregoing Certification of Continuing Compliance as his/her free and voluntary act and deed.

Witness my hand and Notarial Seal this 30th day of January, 2025

My Commission Expires:

Public FEB 13, 2025

[Signature]

Notary

Vanessa R. Aguon
Printed Name

My County of Residence:

Guam, USA

VANESSA R. AGUON
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: FEB. 13, 2025
275G Farenholt Ave PMB 304 Tamuning, GU 96913



EXHIBIT D

ADDITIONAL DEVELOPMENT REQUIREMENTS

Extended Low-Income Housing Commitment (Please check all that apply)

1. This development will be subject to the standard extended use agreement, which permits early termination (after the mandatory 15-year compliance period) of the extended use period.
2. This development will be subject to an extended use agreement in which the owner's right to an early termination of the extended use provision is waived for 10 or 15 or 25 or 46 (mark appropriate box) additional years after the mandatory 15-year compliance period.
3. This development will be subject to a HOME affordability period for rehabilitation or acquisition of existing housing 10 years or new construction or acquisition of newly constructed housing 20 years (check appropriate box).
4. This development will be subject to the standard 15 year compliance period as part of a Lease Purchase Program (all units must be single family detached structures) and will offer homeownership opportunities to qualified tenants after 15 year compliance period. See IRS Revenue Ruling 95-48.

Special Housing Needs/Leasing Preference (Please check all that apply)

1. No less than one hundred percent (100%) of the total units in this Development be restricted to elderly tenants age 55 and older? Yes No
2. Is this Development designed as a SRO or transitional housing for the homeless? Yes No
3. Will this Development target any other types of special needs populations? Yes No
If yes, please identify:

Special Needs Population	Percentage of Units
Persons with Disabilities	20%
Section 8 Certificates & Vouchers	
Public Housing Waiting List Tenants	
Veterans	
Individuals with Children	

Services

[List provider, service(s) development will offer/provide if any and the year they will expire]

EXHIBIT D

ADDITIONAL DEVELOPMENT REQUIREMENTS (Continued)

Development Design

The Development will include the following property design elements and amenities:

- 1-2 Bedroom Units: Twenty two (22) 2 bedroom units, Eight (8) 1 bedroom units
- Playground, Parking Lot, Community Center, Garbage Disposal
- Solar powered street lights,
- Natural lighting
- Solar panels
- Energy efficient appliances

Unique Unit Features

The Development will include the following unique design/construction features for the residential units:

- Energy Star Appliances
- Fully solar-powered
- LED strip lighting,
- Radon mitigation
- Granite table tops
- Wood-like plank tiles or granite flooring
- Floor to ceiling bedroom windows

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Low Income Housing Tax Credit
2025 Carryover Allocation Agreement
Pursuant to Section 42(h)(1)(E) of the Internal Revenue Code

This Carryover Allocation Agreement is made and entered into by and between the Guam Housing and Urban Renewal Authority ("GHURA") and the Owner identified in Section I below as of the date indicated in Section VI below (the "Agreement"). This agreement provides for the allocation of 2024 Low Income Housing Tax Credits pursuant to Section 42(h)(1)(E) of the Code (as defined below) in the amount specified in Section VI below (the "Tax Credits") or the "housing credit dollar amount". The allocation of Tax Credits made in this agreement is subject to (i) all terms and conditions stated herein, including, without limitation, (ii) all terms and conditions of GHURA's Low Income Housing Tax Credit Qualified Allocation Plan (the "Qualified Allocation Plan"), the application and related materials submitted in connection with this allocation of Tax Credits (collectively, the "Applications"), and (iii) all requirements of Section 42 of the Internal Revenue Code of 1986, as amended, including, without limitation, all subsequent tax legislation duly enacted by the Congress of the United States, United States Treasury, Regulations proposed or in effect with respect to the code and revenue procedures, revenue rulings or other published determinations of the Treasury Department or Internal Revenue Service of the United States (collectively, the "Code").

I. OWNER:

Name: Flora Rosa Gardens, LLC
Attention: Robert P. Salas II
Address: 202 Hilton Road, PFM #7, Tumon, Guam 96913
Contact: (671) 688-8454
Email: rob.salas@pfmguam.com
Federal ID No.: EIN 66-1083040

II. PROJECT:

Name: Flores Rosa Gardens
Number: [Project Number first two letters and 4 digits example: GU-24-00]
Address: LOT NUMBER 2144-1D-7, Tamuning, Guam
(Refer to Exhibit A for legal description.)

III. BUILDING IDENTIFICATION NUMBERS: GU-24-00001 to GU-24-00003
(Refer to Exhibit B for further details.)

IV. ANTICIPATED PLACED-IN-SERVICE DATE: September 30, 2026
(This project must be Placed-in-Service on or before September 30, 2026.)

V. AGENCY:

Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue
Sinajana, Guam 96910
Federal ID No.: 96-0001279

VI. DATE OF ALLOCATION: December 10, 2024

The housing credit dollar amount awarded from the 2024 pool is **[\$1,793,120.00]**. This housing credit dollar amount is derived from GHURA's evaluation of the Project. GHURA will evaluate the Project a final time in connection with the Project being placed-in-service, provided all documentation required by GHURA in connection with a placed-in-service application, including without limitation a final certified cost information acceptable to GHURA, is submitted no later than **June 30, 2027**. As a result of this final evaluation, GHURA will make a final determination of the housing credit dollar amount to be reflected on the IRS form(s) 8609 issued by GHURA for the Project and the housing credit dollar amount may be less than or equal to but never more than the amount supported by the project's reasonable eligible basis.

VII. OWNER'S TOTAL REASONABLY EXPECTED ADJUSTED ELIGIBLE BASIS: **[\$15,325,815.00]**.

The Owner's actual basis, including land costs as of the date of this Agreement is **[\$15,589,553.00]**. The percentage of the actual basis as of the date of this Agreement to the total reasonably expected basis in the Project is **[101.72%]**.

To meet Carryover Allocation requirements, the Owner must submit the Cost Certification for the ten percent (10%) test and the deed vesting title to the property in Owner no later than **June 30, 2025**.

An independent Certified Public Accountant's opinion (or other professional determination satisfactory to the Authority) demonstrating compliance with Section 42 of the Code and Internal Revenue Service carryover regulation, that at least ten percent (10%) of the Owner's total reasonably expected basis in the Project has been incurred, together with such other evidence as the Authority shall deem necessary to permit it to make a determination that such requirement has been met.

VIII. Pursuant to the Housing Assistance Tax Act of 2008 (Division C, Title I, Section 3002 of the Housing and Economic Recovery Act of 2008) the applicable percentage(s) for each building in the Project that is not federally subsidized shall be **nine percent (9%)**.

IX. GHURA may, in its sole discretion, deem the allocation of Tax Credits made in this Agreement cancelled by mutual consent if there is any failure to comply with all terms, conditions, and requirements of this Agreement, the Applications, the Qualified Allocation Plan, or the Code. Once so cancelled, neither the Owner, the Project, nor any other person or entity shall have any right to claim Tax Credits based on this Agreement or the Application and GHURA shall have no liability therefore.

X. GHURA will issue an IRS Form 8609 for each building in the Project only if all terms, conditions, and requirements of the Agreement, the Applications, the Qualified Allocation Plan, Reservation Agreement and Code are met. The total of the housing credit dollar

amounts reflected on the IRS Form 8609 for each building in the Project may be less than or equal to the housing credit dollar amount specified in Section VI above.

- XI. GHURA has made the allocation of Tax Credits reflected in Section VI above and entered into this Agreement solely in reliance on information provided and representations made by or on behalf of the Owner in the Applications. This Agreement and the allocation of Tax Credits reflected herein do not constitute a representation, warranty, guaranty, advise or suggestion by GHURA as to (i) the qualification of the Project, or any building contained within the Project, for Tax Credits, or (ii) the feasibility or viability of the Project and no person or entity in any way now or subsequently with the Project or any other person or entity may rely on this Agreement and the allocation of Tax Credits reflected herein or on any other statements, written or oral of GHURA for such purposes.
- XII. The Owner hereby agrees and acknowledges that the determination made in Section VI above and the sufficiency of evidence supporting the determination may be subject to future revision by GHURA or the Internal Revenue Service.

This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

By: *E. Napoli*
Elizabeth F. Napoli
Executive Director

Date: 02/03/2025

USA Territory of Guam

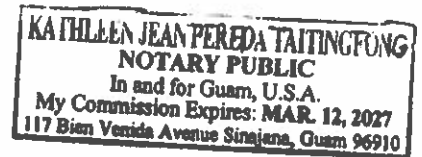
County of SINAJANA
(village)

Before me KATHLEEN JEAN P. TAITINGFONG Notary Public of the state and county mentioned, personally appeared **Elizabeth F. Napoli**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged herself to be the **Executive Director** of the **GUAM HOUSING AND URBAN RENEWAL AUTHORITY**, the within named bargainer, and that she as such, executed the foregoing instrument for the purpose therein contained, by signing the name of the **GUAM HOUSING AND URBAN RENEWAL AUTHORITY** by herself as **Executive Director**.

Witness my hand and seal, at the office, this 3RD day of FEBRUARY, 2025.

K. Pereda Taitingfong

Notary Public
My commission expires: MAR 12, 2027



This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on.

FLORES ROSA GARDENS, LLC

By: 
ROBERT SALAS II
Managing Member


Date: 1/30/2025

USA Territory of Guam

County of Tamuning
(village)

Before me Vanessa R. Aguon, a Notary Public of the state and county mentioned, personally appeared **ROBERT SALAS II**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be the **Managing Member** of **FLORES ROSA GARDENS, LLC**, the within named bargainor, and that he as such, executed the foregoing instrument for the purpose therein contained, by signing the name of the **FLORES ROSA GARDENS, LLC** by himself as the **Managing Member**.

Witness my hand and seal, at the office, this 30th day of January, 2025.



Notary Public
My commission expires: FEB 13, 2025

VANESSA R. AGUON
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **FEB. 13, 2025**
275G Farenholt Ave PMB 304 Tamuning, GU 96913



EXHIBIT A
Legal Description

LOT NUMBER 2144-1D-7 (Subdivision of Lot 2144-1D), MUNICIPALITY OF TAMUNING, (Formerly Dededo), TERRITORY OF GUAM, Estate Number 58815, SUBURBAN, as said Lot is marked and designated on DRAWNING NUMBER MSM-519TD71, as L.M. Check Number 541 - FY 71, as described in that Retracement and Parcelling Map, dated JUNE 04, 1971 and recorded JUNE 15, 1951 at the Records Division, Department of Land Management, Government of Guam, under Document Number 102857.

AREA: 4,046.81 +/- SQUARE METERS

Exhibit

C

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Low Income Housing Tax Credit
2025 Carryover Allocation Agreement
Pursuant to Section 42(h)(1)(E) of the Internal Revenue Code

This Carryover Allocation Agreement is made and entered into by and between the Guam Housing and Urban Renewal Authority ("GHURA") and the Owner identified in Section I below as of the date indicated in Section VI below (the "Agreement"). This agreement provides for the allocation of 2024 Low Income Housing Tax Credits pursuant to Section 42(h)(1)(E) of the Code (as defined below) in the amount specified in Section VI below (the "Tax Credits") or the "housing credit dollar amount". The allocation of Tax Credits made in this agreement is subject to (i) all terms and conditions stated herein, including, without limitation, (ii) all terms and conditions of GHURA's Low Income Housing Tax Credit Qualified Allocation Plan (the "Qualified Allocation Plan"), the application and related materials submitted in connection with this allocation of Tax Credits (collectively, the "Applications"), and (iii) all requirements of Section 42 of the Internal Revenue Code of 1986, as amended, including, without limitation, all subsequent tax legislation duly enacted by the Congress of the United States, United States Treasury, Regulations proposed or in effect with respect to the code and revenue procedures, revenue rulings or other published determinations of the Treasury Department or Internal Revenue Service of the United States (collectively, the "Code").

I. OWNER:

Name: Flora Rosa Gardens, LLC
Attention: Robert P. Salas II
Address: 202 Hilton Road, PFM #7, Tumon, Guam 96913
Contact: (671) 688-8454
Email: rob.salas@pfmguam.com
Federal ID No.: EIN 66-1083040

II. PROJECT:

Name: Flores Rosa Gardens
Number: [Project Number first two letters and 4 digits example: GU-24-00]
Address: LOT NUMBER 2144-1D-7, Tamuning, Guam
(Refer to Exhibit A for legal description.)

III. BUILDING IDENTIFICATION NUMBERS: GU-24-00001 to GU-24-00003
(Refer to Exhibit B for further details.)

IV. ANTICIPATED PLACED-IN-SERVICE DATE: September 30, 2026
(This project must be Placed-in-Service on or before September 30, 2026.)

V. AGENCY:

Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue
Sinajana, Guam 96910
Federal ID No.: 96-0001279

VI. DATE OF ALLOCATION: December 10, 2024

The housing credit dollar amount awarded from the 2024 pool is **[\$1,793,120.00]**. This housing credit dollar amount is derived from GHURA's evaluation of the Project. GHURA will evaluate the Project a final time in connection with the Project being placed-in-service, provided all documentation required by GHURA in connection with a placed-in-service application, including without limitation a final certified cost information acceptable to GHURA, is submitted no later than **June 30, 2027**. As a result of this final evaluation, GHURA will make a final determination of the housing credit dollar amount to be reflected on the IRS form(s) 8609 issued by GHURA for the Project and the housing credit dollar amount may be less than or equal to but never more than the amount supported by the project's reasonable eligible basis.

VII. OWNER'S TOTAL REASONABLY EXPECTED ADJUSTED ELIGIBLE BASIS: **[\$15,325,815.00]**.

The Owner's actual basis, including land costs as of the date of this Agreement is **[\$15,589,553.00]**. The percentage of the actual basis as of the date of this Agreement to the total reasonably expected basis in the Project is **[101.72%]**.

To meet Carryover Allocation requirements, the Owner must submit the Cost Certification for the ten percent (10%) test and the deed vesting title to the property in Owner no later than **June 30, 2025**.

An independent Certified Public Accountant's opinion (or other professional determination satisfactory to the Authority) demonstrating compliance with Section 42 of the Code and Internal Revenue Service carryover regulation, that at least ten percent (10%) of the Owner's total reasonably expected basis in the Project has been incurred, together with such other evidence as the Authority shall deem necessary to permit it to make a determination that such requirement has been met.

VIII. Pursuant to the Housing Assistance Tax Act of 2008 (Division C, Title I, Section 3002 of the Housing and Economic Recovery Act of 2008) the applicable percentage(s) for each building in the Project that is not federally subsidized shall be **nine percent (9%)**.

IX. GHURA may, in its sole discretion, deem the allocation of Tax Credits made in this Agreement cancelled by mutual consent if there is any failure to comply with all terms, conditions, and requirements of this Agreement, the Applications, the Qualified Allocation Plan, or the Code. Once so cancelled, neither the Owner, the Project, nor any other person or entity shall have any right to claim Tax Credits based on this Agreement or the Application and GHURA shall have no liability therefore.

X. GHURA will issue an IRS Form 8609 for each building in the Project only if all terms, conditions, and requirements of the Agreement, the Applications, the Qualified Allocation Plan, Reservation Agreement and Code are met. The total of the housing credit dollar

amounts reflected on the IRS Form 8609 for each building in the Project may be less than or equal to the housing credit dollar amount specified in Section VI above.

XI. GHURA has made the allocation of Tax Credits reflected in Section VI above and entered into this Agreement solely in reliance on information provided and representations made by or on behalf of the Owner in the Applications. This Agreement and the allocation of Tax Credits reflected herein do not constitute a representation, warranty, guaranty, advise or suggestion by GHURA as to (i) the qualification of the Project, or any building contained within the Project, for Tax Credits, or (ii) the feasibility or viability of the Project and no person or entity in any way now or subsequently with the Project or any other person or entity may rely on this Agreement and the allocation of Tax Credits reflected herein or on any other statements, written or oral of GHURA for such purposes.

XII. The Owner hereby agrees and acknowledges that the determination made in Section VI above and the sufficiency of evidence supporting the determination may be subject to future revision by GHURA or the Internal Revenue Service.

This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

By: *E. Napoli*
Elizabeth F. Napoli
Executive Director

Date: 02/03/2025

USA Territory of Guam

County of SINAJANA
(village)

Before me KATHLEEN JEAN P. TAITINGFONG, a Notary Public of the state and county mentioned, personally appeared **Elizabeth F. Napoli**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged herself to be the **Executive Director** of the **GUAM HOUSING AND URBAN RENEWAL AUTHORITY**, the within named bargainor, and that she as such, executed the foregoing instrument for the purpose therein contained, by signing the name of the **GUAM HOUSING AND URBAN RENEWAL AUTHORITY** by herself as **Executive Director**.

Witness my hand and seal, at the office, this 3RD day of FEBRUARY, 2025.

K. Pereda Taitingfong
Notary Public
My commission expires: MAR 12, 2027



This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on.

FLORES ROSA GARDENS, LLC

By: 
ROBERT SALAS II
Managing Member

Date: 1/30/2025

USA Territory of Guam

County of Tamuning
(village)

Before me Vanessa R. Aguon, a Notary Public of the state and county mentioned, personally appeared **ROBERT SALAS II**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be the **Managing Member** of **FLORES ROSA GARDENS, LLC**, the within named bargainor, and that he as such, executed the foregoing instrument for the purpose therein contained, by signing the name of the **FLORES ROSA GARDENS, LLC** by himself as the **Managing Member**.

Witness my hand and seal, at the office, this 30th day of January, 2025.



Notary Public
My commission expires: FEB 13, 2025

VANESSA R. AGUON
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: FEB. 13, 2025
275G Farenholt Ave PMB 304 Tamuning, GU 96913



EXHIBIT A
Legal Description

LOT NUMBER 2144-1D-7 (Subdivision of Lot 2144-1D), MUNICIPALITY OF TAMUNING, (Formerly Dededo), TERRITORY OF GUAM, Estate Number 58815, SUBURBAN, as said Lot is marked and designated on DRAWNING NUMBER MSM-519TD71, as L.M. Check Number 541 - FY 71, as described in that Retracement and Parcelling Map, dated JUNE 04, 1971 and recorded JUNE 15, 1951 at the Records Division, Department of Land Management, Government of Guam, under Document Number 102857.

AREA: 4,046.81 +/- SQUARE METERS

Exhibit

D

PLR 200351024 (IRS PLR), 2003 WL 22977845

Internal Revenue Service (I.R.S.)

IRS PLR
Private Letter Ruling

Issue: December 19, 2003
September 11, 2003

[Section 61](#) -- Gross Income v. Not Gross Income

61.00-00 Gross Income v. Not Gross Income

[Section 451](#) -- General Rule for Taxable Year of Inclusion (Year Received v. Not Year Received)

451.00-00 General Rule for Taxable Year of Inclusion (Year Received v. Not Year Received)

CC:ITA:Br05 // [PLR-122091-03](#)

Legend:

M (Taxpayer) =

N (Program) =

A (State) =

Statute A =

QAP (2003) §§ :

l =

m =

n =

o =

p =

Dear Taxpayer:

This is in response to your authorized representative's letters and submissions of March 11, 2003, and other correspondence and submissions, in which he requested on your behalf a ruling regarding a certain election available to participants in your, M's, N program, a State low-income housing tax credit program. We are pleased to address your concerns.

[Section 42 of the Internal Revenue Code](#) (Code) provides rules concerning the federal low-income housing tax credit (§ 42 credit), including the formula used to establish the aggregate credit dollar amount allocated to state housing agencies. State housing agencies, such as M, are authorized to allocate § 42 credits to qualified housing projects located in their jurisdiction. Each state agency allocates § 42 credits pursuant to the terms of its Qualified Allocation Plan (QAP). The § 42 credit is claimed over a period of ten years, generally beginning with the year in which the building is placed in service or, if the taxpayer makes an election, beginning in the following year.

In order to supplement the federal program, State A provides a low-income housing tax credit (state credit) to certain taxpayers who are allocated a § 42 credit on or after January 1, 2003. Statute A. This state credit “piggybacks” on the § 42 credit, as described further below. The state credit can be taken either in the form of a refundable credit or a loan. Taxpayers who file applications with M to obtain an allocation of the § 42 credit may be either using the cash receipts and disbursements method of accounting or an accrual method of accounting.

You, M, have inquired whether a taxpayer/applicant that represents on its full application for a § 42 credit allocation (submitted to M) that it will subsequently elect under Statute A to receive a loan from M instead of the refundable state credit, will nonetheless be considered to have received, or be entitled to, the state credit for purposes of §§ 61 and 451 of the Code. The answer affects the analysis of M's information reporting requirements under § 6041 of the Code.

Section 42 credit procedure in State A

M is a self-supporting public agency created under the laws of State A to operate federal and state housing programs. In order to obtain an allocation of the § 42 credit, taxpayer/applicants file preliminary applications, followed by full applications, with M in accordance with the provisions of the annual QAP. The 2003 Low-Income Housing Tax Credit Qualified Allocation Plan for the State of A, as amended (2003 QAP), provides that preliminary applications were due during January of 2003 and full applications were due during May of 2003. (QAP § 1.)

After M reviews the full applications, it awards a reservation of credit authority to the projects that best meet the QAP criteria. Pursuant to the 2003 QAP, this occurred during August of 2003. **The fact that a credit amount has been reserved does not mean that the actual allocation of the credit has been made; that occurs at a subsequent time during the same calendar year.**

There are two methods for allocating § 42 credits. One method of allocating is by the issuance of a Form 8609, Low-Income Housing Credit Allocation Certification. The Form 8609 also serves as an information reporting document. The other method of allocating is by the issuance of a carryover allocation document.

The general rule under § 42 of the Code is that an allocation of credit is effective only if it is made by the close of the year that the building is placed in service. Under § 42(m)(2), the state agency is responsible for ensuring that the amount of credit allocated (or received, in the case of credit predicated upon tax-exempt bond financing) does not exceed the amount necessary to ensure project feasibility. As a result, final cost certifications for the project are required before the state agency will issue a Form 8609. Because final cost certifications are usually not obtained before the close of the year a building is placed-in-service and the information on Part I of the Form 8609 must reflect the proper amount of credit allocated (or received), the Form 8609 is rarely used as the document to allocate § 42 credit. Rather, the issuance of a carryover allocating document is the prevalent method by which a state agency makes an allocation of § 42 credit.

A “carryover allocation” does not require completion of the project in the same year as the allocation. A carryover allocation can be made if (1) at least 10% of the reasonably anticipated costs of the project are incurred by the later of six months after the allocation is made or the end of the calendar year in which the allocation is made and (2) the building is placed in service by the end of the second calendar year following the year of the allocation. In this scenario, after a credit reservation award has been made, the taxpayer applies for a carryover allocation, and the state housing agency issues a carryover allocation document pursuant to § 1.42-6 of the Income Tax Regulations. Once the building is placed in service and the final costs have been certified, the taxpayer applies for the Form 8609 which, at this point, serves as an information reporting document.

State credit procedure

State A law provides that a taxpayer may elect to receive the state credit in the form of either a refundable credit or a loan from M. When a taxpayer submits to M a request to receive a carryover allocation of § 42 credit, the taxpayer must elect a

method for receiving the state credit. A taxpayer may elect to receive the state credit in the form of either a direct tax refund or a loan generated by transferring the state credit to M. See subsection (d) of Statute A. As discussed above, a taxpayer submits a request to receive a carryover allocation after the taxpayer submits a full application to M and is notified by M that a § 42 credit reservation has been made.¹

Statute A provides the general rule that a taxpayer may claim the state credit on a return filed for the taxable year in which the taxpayer receives a carryover allocation of a § 42 credit.² When a taxpayer has elected the refund method, the refundable excess of the credit (over the amount that is applied to reduce state tax liability) is transferred by the State A Department of Revenue (ADOR) to M, which holds the refund in escrow until certain conditions related to project completion are satisfied.

When a taxpayer/applicant has elected the loan method, the credit is transferred by ADOR to M, and the taxpayer receives a loan from M. The terms of the loan are specified by M in accordance with the annual QAP. The entire loan must be used to pay down a portion of the then existing construction debt, and the loan will not be closed until the outstanding balance on the first-tier construction financing exceeds the total state credit amount.

The 2003 QAP requires applicants to indicate, as part of the full application process, whether the state credit loan option or refund option will apply to the project. This decision may not be changed for the carryover allocation. (QAP § p.) An applicant's representation that it will elect to receive the loan option or refund option is an important part of the financing for an applicant's project. Any misrepresentation in an application document may result in disqualification of that application and revocation of a § 42 credit allocation. (QAP § m.) Also, M may revoke § 42 credits after the project has been placed in service if it determines that the owner has failed to implement all representations in the application to M's satisfaction. (QAP § n.) Additionally, a Form 8609 will not be issued until M confirms that the project has adhered to all representations made in the application. (QAP § o.)

Prior to August of 2003, M adopted a policy pursuant to QAP § p that it will always revoke a § 42 credit allocation if an applicant purports to make an election under Statute A inconsistent with its representation on its full application. M has represented that it will enforce that policy.

Section 451(a) of the Code provides the general rule that the amount of any item of gross income shall be included in the gross income for the taxable year in which received by the taxpayer, unless, under the method of accounting used in computing taxable income, such amount is to be properly accounted for as of a different period. Section 1.451-1(a) of the regulations provides, in part, that gains, profits, and income are to be included in gross income for the taxable year in which they are actually or constructively received by the taxpayer, unless includible for a different year in accordance with the taxpayer's method of accounting. Under the cash receipts and disbursements method of accounting, income is includible in gross income for the taxable year in which it is actually or constructively received by the taxpayer. See also § 1.451-2. Under an accrual method of accounting, income is includible in gross income when all the events have occurred that fix the right to receive such income and the amount thereof can be determined with reasonable accuracy.

Statute A requires a taxpayer/applicant to make the election between the loan option or refund option when it submits to M a request to receive a carryover allocation or, if a taxpayer does not submit to M a request to receive a carryover allocation, at the time specified in subsection (e) of Statute A. However, the 2003 QAP requires applicants to indicate whether the loan option or refund option under Statute A will apply to the project when the applicant submits its full application to M. A full application is submitted before the times specified in Statute A. M will always revoke a § 42 credit allocation if a taxpayer/applicant purports to make an election at the times specified in Statute A inconsistent with its representation on its full application. If a taxpayer does not have a § 42 credit allocation, that taxpayer is not entitled to the state credit.

Based on the information and representations provided, and assuming that the actual application process is conducted substantially as described above, we conclude that taxpayer/applicants who represent on their full application for a § 42 credit allocation submitted to M that they will subsequently elect under Statute A to receive a loan from M instead of the refundable state credit, will not be considered to have received, or be entitled to, the state credit for purposes of §§ 61 and 451.

This letter ruling is based on facts and representations provided by M, and is limited to the matters specifically addressed. No opinion is expressed as to the tax treatment of the transactions considered herein under the provisions of any other sections of the Code or regulations which may be applicable thereto, or the tax treatment of any conditions existing at the time of, or effects resulting from, such transactions which are not specifically addressed herein. More specifically, no opinion is expressed as to whether any particular “loan” elected by an N program participant under the “loan option” described herein constitutes a true loan or true indebtedness for federal income tax purposes, as represented by the Taxpayer. This determination is inherently factual, must be made on a case-by-case basis, and is subject to verification upon examination by M's IRS Industry Director.

Because it could help resolve possible federal tax issues, a copy of this letter ruling should be maintained with M's permanent records.

Pursuant to a power of attorney currently on file with this office, a copy of this letter is being sent to M's designated authorized representative. A copy of this letter ruling is also being forwarded to the Taxpayer's Industry Director.

This ruling is directed only to the taxpayer who requested it. [Section 6110\(k\)\(3\) of the Internal Revenue Code](#) provides that it may not be used or cited as precedent.

Sincerely yours,

Associate Chief Counsel (Income Tax & Accounting)

By

William A. Jackson
Chief, Branch 5

Enclosures:

Copy of this letter

Copy for [section 6110](#) purposes

[Section 6110\(k\)\(3\) of the Internal Revenue Code](#)This document may not be used or cited as precedent. .

Footnotes

- 1 In the unusual case in which the taxpayer/applicant does not request a carryover allocation, subsection (e) of Statute A provides that the taxpayer must make the election at a particular time specified in that subsection. Such time would occur after the taxpayer submits a full application to M and is notified by M that a [§ 42](#) credit reservation has been made.
- 2 Subsection (e) of Statute A provides that a taxpayer/applicant subject to the provisions of that subsection claims the state credit at a particular time specified in that subsection.

PLR 200351024 (IRS PLR), 2003 WL 22977845

End of Document

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Exhibit

E

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

2024 LOW INCOME HOUSING TAX CREDIT QUALIFIED ALLOCATION PLAN

**Approved by GHURA BOC
7/23/2024**

GHURA developed this Qualified Allocation Plan (QAP) which sets forth (1) the criteria to evaluate and allocate tax credits to projects which best meet the housing needs of Guam, and (2) the procedure to monitor for compliance with the provisions of the Low-Income Housing Tax Credit Program.

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I. Introduction

A. Low Income Housing Tax Credit

The Low-Income Housing Tax Credit (LIHTC) Program, created by the Tax Reform Act of 1986, is intended to encourage the construction or rehabilitation of low-income rental units. The LIHTC program provides tax incentives to developers who build or rehabilitate affordable rental housing for low-income households. The LIHTC program is administered by the Internal Revenue Service (IRS) and state housing finance agencies (HFAs). GHURA has been designated the HFA responsible for administering the LIHTC program.

The LIHTC program is authorized under Section 42 of the Internal Revenue Code. The QAP is authorized under Section 42(m)(1)(A) of the Internal Revenue Code. This section requires each state to develop a QAP that is consistent with the LIHTC program's overall goals and objectives.

B. Purpose and Scope

The purpose of this QAP is to establish the policies and procedures for the allocation of Low-Income Housing Tax Credits (LIHTCs) in Guam. The QAP provides guidance to developers, investors, and other stakeholders on the criteria and priorities that the Guam Housing and Urban Renewal Authority (the "Agency") will use to award LIHTCs to eligible affordable housing projects.

This QAP is intended to support GHURA's mission of promoting the development of safe, decent, and affordable housing for low-income households in Guam. Through the LIHTC program, the Agency seeks to incentivize the private sector to invest in the development and preservation of affordable rental housing that serves the needs of low-income households.

The QAP establishes the eligibility requirements, scoring criteria, and other policies and procedures that the Agency will use to allocate LIHTCs to eligible projects. The QAP also describes the public input process, the application process, and the compliance and monitoring procedures that the Agency will use to ensure that LIHTC projects meet the program's requirements.

The QAP is based on the Agency's analysis of the state's housing needs, market conditions, and other relevant factors. The QAP reflects the Agency's priorities for this year and is subject to change based on changes in housing needs, LIHTC demand, and other factors.

The QAP is not intended to establish binding rules or regulations, but rather to provide guidance to developers, investors, and other stakeholders on the Agency's LIHTC allocation process. The Agency may make exceptions or modifications to the QAP on a case-by-case basis if it determines that such exceptions or modifications are necessary to further the program's goals and objectives.

C. The Public Input Process

The public input process for LIHTC typically involves several steps. First, GHURA will hold a public meeting or hearing to gather input from interested parties, including developers, community organizations, and residents. These meetings provide an opportunity for stakeholders to share their perspectives on the state's affordable housing needs, and to offer suggestions for how LIHTC can be used to address those needs.

Once GHURA has received input from stakeholders, it will develop the QAP based on Guam's priorities and criteria for awarding tax credits to developers. The QAP is then made available to the public for comment which is hosted by the agency. After the public comment hearing, GHURA will consider the feedback, finalize the QAP and open it up for developers to submit an application.

D. Housing Needs Assessment

Guam's current rental market is strong due to the driven presence of military personnel and the rising costs for residential construction. Individuals and families are finding rental units are for more desirable than mortgages due to the high cost of living. Despite the numerous LIHTC projects throughout island, public housing, and housing assistance programs, there is still a high demand for affordable housing. In addition, populations such as the disabled, elderly, veterans, and the homeless are finding a scarcity in affordable housing to meet their special needs.

In order to alleviate the pressures or demand, Guam through this QAP should consider the following:

- 1- or 2-Bedroom units for individuals/smaller families
- 3- or 4-Bedroom units for larger families
- Veteran Affairs units
- Elderly Housing units

II. Allocation of Credits

This QAP sets forth (1) the criteria to evaluate and allocate tax credits to projects which best meet the housing needs of Guam, and (2) the procedure to monitor for compliance with the provisions of the LIHTC Program.

This allocation plan shall be effective for LIHTC reservations and awards in calendar years 2023/2024. The QAP is subject to amendment by the GHURA Board of Commissioners.

The QAP will utilize a point system to rank projects based upon the evaluation criteria established. The ranking of projects, along with all other relevant data, will determine the priorities to be followed by GHURA in allocating tax credits to the projects under consideration. The scores derived from the point system will be a component of the overall evaluation, and not the sole determining factor for the awarding of tax credits. In addition to the scores derived, GHURA will review all relevant data required in the application. GHURA retains the option to approve or reject applications based on GHURA's assessment of Guam's housing needs during the period covered by the QAP. Projects selected under this QAP shall be evaluated as to the minimum amount of tax credits required in order to make the project feasible.

The 2024 Guam QAP will focus on housing for smaller families, deconcentration of poverty and prevention of disparate impact to the neighborhood and surrounding community.

GHURA provides greater emphasis on larger projects wherein 80% of the project will consist of 1-to-2-bedroom units. There will be no cap as to how many units for the development, however, projects will be encouraged to maximize the number of units developed using the maximum number of credits possible.

Guam's 2024 tax credit allocation total is \$6,545,000 (\$3,185,000 issued on October 18, 2022 under Rev. Proc. 2022-38 for CY2023 allocation and \$3,360,000 issued on November, 2023 under Rev. Proc.

2023-34 for CY2024 allocation). Applicants seeking housing credit allocations in excess of the 2024 total must demonstrate the financial capability to complete the project or show that the project can be scaled to fit the available 2024 funding. Although forward commitments of future allocation funds are permitted, those commitments are subject to approval by the GHURA Board of Commissioners and are not guaranteed. GHURA supports and encourages applicants to consider the merits of mixed financing in pursuit of sustainable affordable development.

A. QAP Timetable

The QAP timeline is as follows:

- June 24, 2024 to July 05, 2024 – Public Comment Period
- July 23, 2024 – Presentation to GHURA BOC for approval
- July 25, 2024 to October 25, 2024 – QAP/Application Open to the Public
- October 25, 2024 – Application Closes/Final Submissions
- October 28, 2024 to November 8, 2024 – Evaluation Panel Review/Final Scoring
- November 12, 2024 – Final Recommendation to the GHURA BOC/Award Decision
- December 31, 2024 – Final day Carryover Allocation Submission

B. Threshold Requirements

There are several threshold requirements for housing developments receive tax credits both on the federal and state level.

1. Federal Threshold Requirements

- a) The project must be a residential rental property (either new construction or rehab).
- b) The property owner must commit to one of two possible low-income occupancy rules—the 20-50 rule, which stipulates that at least 20 percent of the units must be occupied by households with incomes at or below 50 percent of the area median income, or the 40-60 rule, which requires at least 40 percent of the units must be occupied by households at or below 60 percent of the area median income.
- c) The affordable units have maximum rent levels (including utilities) set at 30 percent of gross household income for households at the maximum income limit. For example, if a unit is restricted to households earning 60 percent of AMI, a household with a gross income of 50 percent of AMI would have to spend more than 30 percent of their income on rent. Some households fill that gap with other housing assistance, such as housing vouchers.
- d) Tax credits are allocated only for the construction costs of the affordable units—so-called “qualified construction costs”—though the project could have a mix of affordable and market-rate units, and could include commercial and/or community space.
- e) Property owners must operate under the income and rent restrictions for at least 30 years.

2. GHURA’s Threshold Requirements

- a) **Set Asides** – Applicants will determine which set aside they will utilize for the project.
 - i. **9% Credits Set Aside:** Applicants are advised that the agency will administer 9% LIHTC credits only to be used for the following:

- a. Construction of a New Building. The term “New Building”, as defined by Section 42 of the IRC, is “a building the original use of which begins with the taxpayer.” Rehabilitation of existing inventory but excluding acquisition costs of real estate, buildings, and depreciable assets from eligible basis (no acquisition LIHTC).
- b. Substantial Rehabilitation projects that do not have other federal funds. Federal funds include loans and bonds with below market-rate interest. Rehabilitation is “substantial” if a minimum amount is spent on each rent-restricted lower-income unit or 10% is spent on the “eligible basis” (Eligible Basis = Total Development Costs – Land Acquisition) during a 24-month period, whichever is greater.

ii. **Income Averaging Set Aside**

The Consolidated Appropriations of 2018 established a new income averaging set aside for LIHTC developments. (Please refer to Appendix 1 for income average guidelines.)

- b) **Market Study:** A comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project by a disinterested third party must be submitted as part of this application. The Market Study shall be completed at the Owner’s expense. Any applicant failing to submit a Market Study or submits a Market Study with a date older than 6 months before the date of application submission will not be considered for an award of tax credits. (Market Study requirements are specified in Appendix 2.)
- c) **Site Control and Zoning:** To receive consideration for an award of LIHTC, the applicant must have control of the site in a form acceptable to GHURA. Evidence of site control shall be submitted with the application for Low Income Housing Tax Credits. Site control shall be substantiated by providing evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other documentation acceptable to GHURA. Evidence of site control must be provided for all proposed sites. Applicant should have a site that is properly zoned and ready for development. Zoning should include the description, land use classification, whether your project will conform to existing zoning for the property and documentation.

All lease terms must extend a minimum of five (5) years past the minimum affordability period.

- d) **Capital Needs Assessment** (For projects acquiring an existing property. All Units need to be reviewed.)

To ensure that the proposed rehabilitation of the project is adequate and that the property will have a useful life that exceeds the compliance and additional use period (collectively the Extended Use Period). A capital needs assessment of the property by a competent third party shall be submitted with the application. A capital needs assessment is a qualified professional’s opinion of a property’s current physical condition. It identifies deferred maintenance, physical needs and deficiencies, and material building code violations that

affect the property's use, structural and mechanical integrity, and future physical and financial needs. The Capital Needs Assessment shall identify any work that must be completed immediately to address health and safety issues, violation of Federal or local law, violation of local code, or any work necessary to ensure that the building can continue to operate as affordable housing.

- e) **Public Housing Waitlist/Homeless Services Programs:** Applicant shall certify that all low-income units will be made available to people on the waiting list for public housing, and/or acceptable homeless service programs. The following shall be submitted with the application:
 - i. Copy of the letter submitted to the local public housing authority which administers the public housing waiting lists that units will be available.
 - ii. Copy of the letter submitted to the Guam Homeless Coalition that provides services and programs to participating homeless services providers that units will be available.
- f) **Smoke Free:** All projects will be smoke free. Owners must prohibit smoking in all indoor common areas, individual living areas (including balconies and car ports), and within 20 feet of building entries or ventilation intakes. A non-smoking clause must be included in the lease for each household.
- g) **Phase I Environmental Assessment**
Required for all applications. For acquisition/rehabilitation projects, the Phase I Environmental Assessment should address lead-based paint and asbestos.
- h) **Proof of Non-Profit Status**
If applying under the Federal non-profit set aside, submit the following:
 - i. Articles of Incorporation
 - ii. Copy of a current 501(c)(3) IRS Tax Exemption Letter
- i) **Minimum Affordability Period:**
 - i. Applicants requesting an award of 9% LIHTC must commit to a minimum affordability period of 45 years.
 - ii. Acquisition/Rehabilitation of an Existing Building used for housing applicants: affordability period must also exceed any pre-existing affordability period by no less than 30 years.

III. Selection Criteria

Each application will be evaluated and awarded points in accordance with the following criteria. Unless otherwise indicated, all references to low-income unit(s) or low-income rental unit(s) shall mean low-income housing tax credit unit(s).

Application must have a minimum score of 77 out of 111 points to be considered for award. Selection Criteria are as follows:

	CRITERIA	POINTS
1	Project Location and Proximity	20
2	Project Financial Feasibility/Viability	18
3	Project Characteristics	12
4	The populations served by the Project	15
5	Developer, owner, and management team experience and capacity	12
6	The community support and involvement for the project and its impact on the neighborhood	5
7	The affordability of the rents and the length of the affordability period	14
8	Local/Federal Government Support	2
9	Qualified Non-Profit Organization	1
10	Qualified Census Tract	2
11	Replacement of existing public housing units	1
12	Project will receive project-based rental assistance	1
13	Historic Nature of the Project	1
14	Developer Fee	7

Criteria 1. (20 Points) Project Location and Proximity

The location of the project and its proximity to amenities, services, transportation, and jobs will have an impact on the quality of life and economic opportunities for low-income households. Please note this criterion consists of four subcategories: (1) proximity to public transportation; (2) proximity to grocery stores; (3) proximity to health care facilities; and (4) proximity to employment hubs. Each subcategory will be worth up to 5 points, depending on the distance from the proposed location to the nearest amenity or service. Distance is measured by driving distance using Google maps or a similar service. Please provide evidence through market study Points will be awarded as follows:

Subcategory	Distance	Points Available
Public Transportation	Less than 5 miles	5 Points
	5 – 10 miles	4 Points
	10 – 15 miles	3 Points
	More than 15 miles	0 Points
Grocery Store/Shopping	Less than 5 miles	5 Points
	5 – 10 miles	4 Points
	10 – 15 miles	3 Points
	More than 15 miles	0 Points
Health Care Facilities	Less than 5 miles	5 Points
	5 – 10 miles	4 Points
	10 – 15 miles	3 Points
	More than 15 miles	0 Points
Employment Hubs	Less than 5 miles	5 Points
	5 – 10 miles	4 Points
	10 – 15 miles	3 Points
	More than 15 miles	0 Points

Criteria 2. (18 Points) Project Financial Feasibility/Viability

The financial feasibility and viability of the project and its sources and uses of funds helps ensure that project is economically sound, has sufficient funding resources, and can sustain its operations and affordability over time. Applicants should consider including commitment letters, letters of interest or term sheets from experienced LIHTC investors. This criterion is worth 18 points and will consists of three subcategories: (1) debt coverage ratio; (2) operating expense ratio; and (3) sources and uses of funds. The points are awarded as follows:

Subcategory	Standard or Benchmark	Points Available
Debt Coverage Ratio	The ratio of net operating income to debt service payments. A higher ratio indicates ability to repay debt	<p>6 points for a ratio 1.2</p> <p>4 points for a ratio between 1.15 and 1.19</p> <p>2 points for a ratio between 1.10 and 1.14</p> <p>0 points for a ratio below 1.10</p>
Operating Expense ratio	The ratio of operating expenses to effective gross income. A lower ratio indicates greater efficiency in managing costs.	<p>6 points for a ratio 45%</p> <p>4 points for a ratio between 46% and 50%</p> <p>2 points for a ratio between 51% and 55%</p> <p>0 points for a ratio above 55%</p>
Sources and uses of funds	The amount and type of funding sources and how they are allocated to different project costs. A higher percentage of equity indicates greater financial strength and commitment.	<p>6 points for percentage of equity above 80%</p> <p>4 points for percentage of equity between 70% and 80%</p> <p>2 points for percentage of equity between 60% and 70%</p> <p>0 points for percentage of equity below 60%</p>

Criteria 3. (12 Points) Project Characteristics

The design and quality of the project are important in providing affordable housing that is attractive, functional, durable and comfortable for the residents and the community. The energy efficiency, accessibility, and sustainability features of a project are important for reducing the environmental impact of the housing, lowering the operating costs, and enhancing the health and well-being of the residents. Projects are encouraged to incorporate as much features as possible.

Subcategory	Description	Points Available
Unit Layout/Space Efficiency	<p>Efficient floor plans that maximize usable space, adequate storage space in each unit, optimal natural lighting and ventilation, and innovative design solutions to optimize small spaces.</p> <p>80% of the project should consist of 1-to-2-bedroom units.</p>	2 points
Universal Design and Accessibility	<p>Barrier-free access to units and common areas, adherence to accessibility guidelines for doorways, hallways, and bathroom, and inclusion of adaptive design features for individuals with disabilities.</p> <p>If development is a multi-family multi-story project, ground level units should incorporate designs for individual with disabilities.</p>	2 points
Architectural Compatibility and Neighborhood Integration	<p>Design that complements the existing architectural style of the neighborhood; use of materials and colors that blend well with the surroundings; and engagement with community stakeholders to incorporate their feedback.</p>	2 points
Energy Efficiency and Sustainability Design	<p>Integration of energy-efficient building envelope and insulations, specification of high-efficiency HVAC systems and lighting, incorporation of renewable energy generation systems, and use of sustainable materials and construction practices.</p> <p>Projects are encouraged to incorporate green building certifications i.e. energy efficiency, LEED certifications and should provide evidence.</p>	2 points
Community Spaces and Amenities	<p>Provision of common areas for social interaction and communication, inclusion of amenities such as playgrounds, gardens, or fitness facilities.</p>	2 points

Durability and Maintenance	Selection of high-quality construction materials and finishes and implementation of durable and low maintenance building systems.	2 points
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Criteria 4. (15 Points) The populations served by the Project

Successful LIHTC projects service populations of variety both to address the housing needs of the community and give opportunities for special populations to live in affordable housing. Points will be awarded to populations with special housing needs, homeless and at-risk populations, and certain preferences. Projects are encouraged to incorporate one or more types of populations and provide evidence to what extent of services or amenities will be available to each in the application.

Subcategory	Description	Points Available
Special Needs	<p>Physical Disabilities: preference may be given to projects that allocate a percentage of units to individuals or households with physical disabilities, ensuring accessibility features and accommodations.</p> <p>Mental Health Conditions: projects that provide supportive housing or partner with service providers to offer mental health services may receive additional points.</p> <p>Seniors: preference may be given to projects specifically designed for elderly individuals or households with features that support aging in place, such as grab bars, accessible entrances, or proximity to senior centers.</p> <p>The project will set-aside at least 20% of all units for tenant populations with special housing needs. Persons with special housing needs may include the physically and mentally disabled. Units intended to serve the homeless must be used as permanent supportive housing, as regulation forbids the use of LIHTC projects as transient homeless shelters. To receive consideration for this criterion:</p> <p>A. The project must commit to provide case management or services specific to this population or special facilities to accommodate the physically disabled. (Please provide details of the services and/or special facilities i.e. what ADA standards and designs will be incorporated in unit construction or facilities? How many units will meet ADA standards, if any?)</p> <p>B. The Market Study shall specifically address the housing needs for the special needs group.</p>	5 Points
Homeless and At-Risk Populations	Homelessness: projects that reserve units for individuals or households transitioning from homelessness may receive priority.	5 Points

	<p>Foster Youth or Emancipated Youth: preference may be given to projects that allocate a portion of units specifically for foster youth aging out of the system or supportive services for these individuals.</p> <p>Domestic Violence Survivors: projects that prioritize housing for survivors of domestic violence and offer supportive services may receive additional points.</p>	
Preferences	<p>Local Residents: preference may be given to individuals or families who currently reside in the local community or have strong ties to the area, promoting community stability and integration.</p> <p>Veterans: projects that allocate units or collaborate with veteran support organizations to provide housing for military veterans may receive preference.</p> <p>Displaced Individuals or Families: special consideration may be given to households that have been displaced due to natural disasters, eminent domain, or other emergencies, ensuring they have access to affordable housing.</p> <p>Individuals with Children: The Project will serve tenant populations of individuals with children and provide evidence through the service of programs for children.</p>	5 Points

Criteria 5. (3-12 Points) Developer/Owner, and Management Team experience and capacity.

	Description	Points Available
Developer/Owner Experience	<p>Developer/Owner (or any member/staff of the development team) has a record of successfully completing LIHTC projects.</p> <p>Developer/Owner has an understanding of the LIHTC program, application process, and compliance requirements.</p> <p>Developer/Owner has the financial stability and capacity i.e., the ability to secure financing, managing costs, and handle any unexpected expenses that may arise during the project.</p>	6 points

	<p>Developer/Owner (or any member/staff of the development team) has no record of LIHTC projects but has experience of building affordable housing projects of similar design.</p> <p>Developer/Owner has made efforts to research and understand the LIHTC program, the application process and compliance requirements</p> <p>Developer/Owner has the financial stability and capacity i.e., the ability to secure financing, managing costs, and handle any unexpected expenses that may arise during the project.</p>	3 points
	<p>Developer who have a track record of chronic or substantive non-compliance, returned allocations or failed projects.</p> <p>Developer has no experience in LIHTC projects or the LIHTC program</p>	0 points
Management Team	<p>Management team has experience with LIHTC properties, a track record of successfully meeting LIHTC compliance requirements, understanding of income certifications and handling the unique challenges that come with managing affordable housing</p> <p>Management team can assess the property for maintenance and upkeep to maintain high-quality standards, addressing maintenance issues promptly and can conduct regular inspections to ensure property remains in good condition</p> <p>Management team has the ability to provide supportive services to low-income residents, can emphasize tenant satisfaction, communication, and responsiveness.</p>	6 points
	<p>Management team has no experience in servicing LIHTC properties but has experience in servicing projects of similar design.</p> <p>Management team will be able assess the property for maintenance and upkeep to maintain high-quality standards, addressing maintenance issues promptly and can conduct regular inspections to ensure property remains in good condition</p> <p>Management team will have the ability to provide supportive services to low-income residents, can emphasize tenant satisfaction, communication, and responsiveness.</p>	3 points

Criteria 6. (5 Points) The community support and involvement for the project and its impact on the neighborhood

LIHTC projects should take into consideration the following in regards to the community support and involvement:

Subcategory	Description	Points Available
Community Engagement Strategy	Project will include local stakeholders and decision-making processes	1 Point
Partnerships with Local Organizations	Project will partner with local organizations that provide support services to residents	1 Point
Community Development Initiatives	Projects developer/management team will support community development initiatives beyond the LIHTC property, such as support for economic development or neighborhood revitalization projects.	1 Point
Community Outreach and Education	Project will make efforts to educate the community about the LIHTC program and affordable housing options, including hosting informational sessions or participating in community events.	1 Point
Tenant Input and Feedback	Project management team will consider mechanisms for collection and incorporating tenant input and feedback. This could include tenant meetings, surveys, suggestion boxes or other channels of communication. The management team that actively seeks and values tenant input demonstrates the commitment to resident empowerment and community building for better LIHTC projects.	1 Point

Criteria 7. (14 Points) The affordability of the rents and the length of the affordability period

The affordability of rents and the length of the affordability period are critical for the LIHTC developments. Factors such as the percentage of units set aside for low-income tenants compared to the Area Median Gross Income (AMGI) helps ensure the commitment to maintain affordable rents and to keep it within the LIHTC program guidelines. LIHTC developments typically have minimum affordability period of 15 years, but some developments may have longer commitments.

Subcategory	Description	Points Available
Affordability of Rents	100% of the project to households earning 60% or less of AMGI	8 Points
	60% of the project to households earning 60% or less of AMGI, or 80% of the project to households earning 50% of less of AMGI.	4 Points
	40% of the project to households earning 60% or less of AMGI, or 60% of the project to households earning 50% or less of AMGI	2 Points
Length of Affordability Period	15-year compliance period plus 46 years or more	6 Points
	15-year compliance period plus 30 years extended use period	4 Points
	15-year compliance period plus 15 years extended use period	2 Points
	15-year compliance period no extended use period	0 Points

Criteria 8. (0-2 Points) Local/Federal Government Support

The project will receive a below market loan or grant from a federal agency or Government of Guam agency other than GHURA which, in total amounts to 10% or more of the total development cost.

Description	Points Available
The project has not applied for a below market loan or grant from a federal agency or Government of Guam agency, or if the total amount applied for is less than 10% of total development costs.	0 Points
The project has applied for a below market loan or grant from a federal agency or Government of Guam agency. Documentation must provide evidence that an application for financing has been submitted.	1 Point
The project has received a commitment from a federal agency or Government of Guam agency. A copy of a commitment letter or contractual agreement must be included in the application.	2 Points

Criteria 9. (1 Point) Qualified Non-Profit Organization

The project will be owned by a qualified non-profit organization as defined in Section 42(h)(5)(B), (C) of the Internal Revenue Code.

Description	Points Available
If the answer to the question is NO	0 Points

<p>If the answer to the question is YES, the organization must be a qualified non-profit organization at time of application submission. Organization must exist in and be qualified to do business in Guam. In addition, the following must be submitted:</p> <ol style="list-style-type: none"> 1. Articles of Incorporation 2. Copy of a current 501(c)(3) IRS Tax Exemption Letter for the Qualified Non-Profit Organization 3. Most recent Treasury Form 990 with all supporting documentation, as filed with the IRS 4. The Qualified Non-Profit Organization is required to have a physical office on Guam 	<p>1 Point</p>
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Criteria 10. (0-2 Points) Qualified Census Tract

Project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan

Project is located in Qualified Census Tract. The project will redevelop existing housing, which contributes to a concerted community revitalization plan as determined by GHURA.

Description	Points Available
The project is located in a Qualified Census Tract.	1 Point
The project will contribute to a community revitalization plan. (Copy of the plan to be submitted with the completed Application for GHURA's review to claim the point.)	1 Point
The project is neither located in a Qualified Census Tract nor contributing to a community revitalization plan.	0 Points

To receive consideration for this criterion, applicant must provide an explanation on how this project is in compliance with such plan and its benefit to the overall community. The applicant must provide a letter of interest or a binding agreement with the government agency administering the community revitalization plan.

Criteria 11. (1 Point) Replacement of existing public housing units

Project includes the development of new housing to replace existing public housing units.

	Points Available
If the answer to the question is NO	0 Points
If the answer to the question is YES	1 Point

To receive consideration for this criterion, the applicant must provide a letter of interest or a binding agreement from the local administering Public Housing Authority to participate in a HUD-approved activity.

Criteria 12. (0-1 Points) Project will receive project-based rental assistance.

Project will be receiving project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs shall include, but not be limited to, the Rural Development 515 Loan Program and HUD Housing Choice Voucher/Section 8 Project-Based Rental Assistance Program.

	Points Available
If the answer to the question is NO	0 Points
If the answer to the question is YES If the whole project has a secured authorization for project-based subsidies then 1 point will be awarded.	1 Point

Criteria 13. (0-1 Points) Historic Nature of the Project

The proposed project will preserve the historic nature of an existing building.

The proposed project involves the preservation of a building(s) on a national or state historic registry.

	Points Available
If the answer to the question is NO	0 Points
If the answer to the question is YES	1 Point

Criteria 14. (0 to 7 Points) Developer Fee

The applicant elects to limit the total Developer Fee as a percentage of the total development cost (excluding developer fee and reserves) as presented in the application. The Developer Fee includes total fees paid to the Developer, including, but is not limited to, consulting fees, project management fees, developer overhead, and developer fees. Architectural, Engineering, Accounting, and Legal fees are not included as the Developer Fee.

Applicants receive scores for this criterion based on the table below. Please note the different categories for New Construction vs. Acquisition / Rehabilitation applications.

New Construction		Acquisition / Rehabilitation			
		Fee on Acquisition		Fee on Rehabilitation	
Fee	Points	Fee	Points	Fee	Points
18% > Fee ≥ 16%	0	13% > Fee ≥ 11%	0	18% > Fee ≥ 16%	0
16% > Fee ≥ 14%	1	11% > Fee ≥ 9%	1	16% > Fee ≥ 14%	1
14% > Fee ≥ 12%	2	Fee < 9%	3	14% > Fee ≥ 12%	2
12% > Fee ≥ 10%	3			Fee < 9%	4
10% > Fee ≥ 8%	5				
Fee < 8%	7				

IV. Rights of GHURA

The awarding of tax credits rests solely with the GHURA Board of Commissioners. Further, GHURA retains its discretionary authority to approve or disapprove any post-award modifications to the project.

GHURA reserves the right to disapprove any application or project for any tax credit reservation or allocation, regardless of ranking under the criteria and point system as contained in Sections III of this QAP. GHURA shall have the authority to defer consideration of any application if such deferral is deemed in the best interest of meeting housing needs.

GHURA reserves the right, in its sole discretion, to do the following:

- (i) Hold back a portion of the annual federal housing credit ceiling for use during later reservation cycles,
- (ii) Carryover a portion of the current year's housing credit ceiling for allocation to a project which has not yet been Placed in Service, and
- (iii) Issue a reservation for the next year's housing credit ceiling.

GHURA is required under the IRC of 1986, as amended, to allocate the minimum amount of tax credits required to make a project feasible. The determination of the amount of tax credits to be reserved or allocated to a project shall be made solely at the discretion of GHURA. GHURA may, at the time of issuance of the IRS Form(s) 8609 for the project, decrease the amount of tax credits allocated to a project based on the actual cost and financing of the project.

GHURA may, at its sole discretion, conduct a special round after the final scheduled round for a year for projects (i) where the applicant's tax counsel has attested to an itemization of how the ten percent test prescribed by Internal Revenue Code Section 42(h)(1)(E) will be met; (ii) which have no deficient application items; and (iii) for which all exhibits have been submitted ("Year-End Round"). Year-End Round projects will receive a Carryover Allocation, not a reservation of LIHTCs, which may contain certain conditions and time periods for satisfying them. The circumstances for conducting a Year-End Round are (1) availability of LIHTCs and (2) potential loss of LIHTCs to the national pool. When a Year-End Round is being conducted, applicants need to satisfy the above requirements in order to receive a Carryover Allocation; and LIHTCs will be processed on a first-come-first-served basis and allocated to the extent available and to the extent applications can be processed.

GHURA in no way represents or warrants to any interested party which may include, but is not limited to, any developer, project owner, investor or lender that the project is, in fact, feasible or viable.

No GHURA member, officer, agent or employee shall be personally liable concerning any matters arising out of, or in relation to, the reservation or allocation of Low-Income Housing Tax Credits.

V. Fees

The following fees are associated with the Low-Income Housing Tax Credit program. GHURA reserves the right to adjust the fees due to changing circumstances annually each January 1. All fees shall be paid via Cashier's Check and made payable to **Guam Housing and Urban Renewal Authority**.

Application Fee

An Application Fee of **\$1,500 per application** shall be payable at the time of submission of the application. The fee shall be the same for all applicants.

Good Faith Deposit

A good faith deposit of ten percent (10%) of the first year's federal tax credits reserved shall be payable at the time the executed binding agreement is submitted to GHURA. Upon allocation and issuance of the IRS Form 8609, eighty percent (80%) of the good faith deposit shall be retained by GHURA as an administrative fee. The remainder of the good faith deposit may be refunded to the applicant in the sole discretion of GHURA. Failure to meet any of the elections made in the scoring criteria, participation elements, or requests for additional credits at the time of application or after may result in the retention of the entire good faith deposit by GHURA.

Compliance Monitoring Fee

Please refer to Section 'VI. Compliance Monitoring Plan' for more details regarding the Compliance Monitoring Fee.

Qualified Contract Processing Fee

Qualified Contract Fee of \$150 per unit for all units

Attorney's Fees and Costs:

In the event of a dispute or litigation regarding a QAP Agreement, the prevailing party shall be entitled to collect reasonable attorney's fees, costs, and expenses.

VI. Compliance Monitoring Plan

Summary

GHURA shall monitor compliance with all applicable Federal Program requirements for the period a project is committed to providing low-income rental units. GHURA will require that all qualified tenants of a project be certified upon occupancy and be re-certified annually to ensure compliance. Projects shall be required to maintain copies of the income certification for each tenant on forms approved by GHURA. Projects will also be required to maintain records regarding number of rental units (including number of bedrooms and size of square footage of each bedroom); percentage of total rental units that are low-income units; rent charged on each rental unit including utility allowances; number of occupants in each low-income unit for those buildings receiving tax credits prior to 1990; documentation regarding vacancies in the building; eligible and qualified basis of the building at the end of the first year of the credit period, and at the end of each year until required set-asides are met; and character and use of the nonresidential portion

of the building that is included in the building's eligible basis, all in accordance with the rules published by the Internal Revenue Service.

GHURA may perform an audit annually but at a minimum, once every three years, and shall have access to all books and records upon notice to the project owner.

Annually, owners of low-income housing tax credit projects will be required to certify to GHURA that for the previous year,

- the minimum set-aside requirement was met;
- there was no change in the applicable fraction, or an explanation if there was a change; appropriate income certifications and documentation have been received for each low-income tenant;
- each low-income unit was rent-restricted in accordance with the Code;
- all units were for use by the general public and used on a no transient basis (except for transitional housing for the homeless as provided for in the Code);
- each building was suitable for occupancy, taking into account local health, safety and building codes;
- there was no change in the eligible basis in the project, or an explanation if there was a change;
- all tenant facilities included in the eligible basis were provided on a comparable basis without charge;
- rentals of vacancies were done in accordance with the Code;
- rentals of units were done in accordance with the Code if any tenant's income increased above the limit allowed by the Code;
- a Restrictive Covenant document was in effect for the project, for those buildings receiving credits after 1989, all in accordance with the rules published by the Internal Revenue Service.

If GHURA becomes aware of non-compliance, the Internal Revenue Service shall be notified in accordance with the rules published by the Internal Revenue Service.

Please consult with your tax attorney and/or LIHTC consultant regarding Internal Revenue Code regulations. Owners are responsible for keeping abreast of current LIHTC Program requirements.

The guidelines outlined below in sections B through K pertain to projects allocated Low Income-Housing Tax Credits in Guam.

Compliance

Owner/Manager Training

Owners, managing agents, and on-site managers should attend or document that they have recently attended training on management and compliance prior to leasing any units, but no later than receipt of IRS Form 8609, which certifies an allocation of tax credits. Training may be required following significant or repeated noncompliance events. At minimum, such training should cover key compliance terms, qualified basis rules, determination of rents, tenant eligibility, file documentation, next available unit procedures and unit vacancy rules, agency reporting requirements, record retention requirements, and site visits.

Set Aside

The project must comply with the low-income set-aside requirements of Section 42 of the Internal Revenue Code- as chosen by the owner at the time of receiving the credits. The minimum requirements are either:

1. 20 percent or more of the units are occupied by tenants having a household income of 50 percent or less of the area median gross income (the "20-50 requirement"), or
2. 40 percent or more of the units in the project are occupied by tenants having a household income of 60 percent or less of the area median gross income (the "40-60 requirement").
3. Election of income averaging for new LIHTC developments where LIHTC Qualified Units (Units) may serve households earning up to 80% of the Area Median Income (AMI) so long as the average income limit of the Qualified Units is 60% or less of AMI. Designated income levels for Qualified Units may be set at 10% increments between 20% and 80% of AMI. See Appendix 1 for further guidance.

Tenant income is calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937, as directed by the Internal Revenue Code. Area median incomes are determined annually by the U.S. Department of Housing & Urban Development (HUD), and are available from GHURA.

Rent

Units in the project must be rent-restricted to thirty (30) percent of the imputed income limitations based on unit size as provided in Code Section 42(g)(1). This rent restriction must be maintained throughout the Term of the Compliance and Extended-use period. See 'Rent Restrictions' in this section for further information.

Term of Compliance

Projects receiving a LIHTC allocation after January 1, 1990, must comply with eligibility requirements for the extended use period [initial 15-year period (compliance period), in addition to the 15 or more years (extended use period)] determined by elections indicated in the Restrictive Covenant Document. The Restrictive Covenant Document must be recorded before credits are allocated.

Annual Certification

These and other compliance requirements as listed in Section 'A. Summary' must be certified annually by the owner through the submission of the Annual Report. The Annual Report includes the Owner's Certificate of Continuing Program Compliance and shall be submitted by February 1 of each year throughout the compliance/extended-use period.

Records Retention

The Annual Report and the supporting documentation verifying the information on the Annual Report must be kept for a minimum of six (6) years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period,

however, must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building, in accordance with published IRS guidelines.

IRS Form 8609

Owner shall complete Part II of IRS Form 8609 and submit with subsequent Annual Reports.

Qualified Basis Tracking Sheet (QBTS)

This form shall be submitted annually until the required set-asides are established. Documents will provide information on original tenants qualifying each building for tax credits minimum set-asides, and other set-asides.

Status Reports

This report is to be submitted annually by owners in such format as required by GHURA or its Authorized Delegate to document and track the continuous compliance of tax credit units. The documents report data that tenants are income eligible at move-in, that the occupants of LIHTC units are re-certified at least on an annual basis and that the unit rents are restricted. Documentation will also indicate compliance with the vacant unit rule and 140% rule. The tracking of tax credit units substantiates the maintenance, increase or reduction of each BIN's qualified basis.

Qualifying Households

Applicants for low-income units should be advised early in their initial visit to the project that there are maximum income limits which apply to these tax credit qualified units. Management should explain to the tenants that the anticipated income of all persons expecting to occupy the unit must be verified and included on a Tenant Income Certification (TIC) prior to occupancy, and re-certified on an annual basis. Applicants should be informed of other Internal Revenue Service requirements such as the Student Rule and Recertification.

Unborn Children

In accordance with the HUD Handbook 4350.3, owner shall include unborn children in determining household size and applicable income limits. If permitted by state laws, owner shall require documentation of pregnancy in such circumstances.

Student Households

In accordance with the Internal Revenue Code, a household comprised entirely of full-time students may not be counted as a qualified household, unless the household meets at least one exception. Refer to the Internal Revenue Code for additional guidelines on the exceptions. Owner shall utilize a lease provision requiring tenants to notify managing agent of any change in student status.

Calculating Anticipated Tenant Income

Owner shall qualify tenants by calculating household income using the gross income the household anticipates it will receive in the 12-month period following the effective date of the

income verification or Recertification. Anticipated income should be documented in the tenant file by third party verification whenever possible, or by an acceptable alternate method of verification with documentation as to why third-party verification was not available. Owner shall use current circumstances to project income, unless verification forms or other verifiable documentation indicate that an imminent change will occur. Owner shall refer to HUD Handbook 4350.3 for guidance on the proper calculation and verification of income and assets per IRC regulations.

Certification

Upon acceptance of an applicant to the project, a TIC must be completed for the applicant and certified to by the applicant and the owner. The form is a legal document which, when fully executed, qualifies the applicants to live in the set-aside units in the project.

The TIC must be executed along with the lease prior to move-in. No one may live in a unit in the project unless certified and under lease.

The original copy of the executed TIC form is to be retained in the applicant's file. The TIC and the supporting documentation verifying the TIC must be kept for a minimum of six (6) years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period, however, must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building, in accordance with published IRS guidelines.

Recertification

For 100% LIHTC set-aside projects, annual recertifications are not required after January 1, 2014. However, Owners **must recertify** households **at least once** on the first anniversary of their initial tenancy.

For projects with less than 100% set-aside:

To ensure each unit is complying with the LIHTC income restrictions, GHURA requires (a) the owner to annually recertify each tenant's income and household composition and (b) each tenant is to report certain changes in income and household composition which occur between regularly scheduled recertification.

If the income of the tenants in a unit who have been previously verified increases above 140 percent of the applicable income limitation, the unit may continue to be counted as a low-income unit as long as the next available unit of comparable or smaller size is occupied by a qualified low-income tenant, and the rent continues to be restricted for the initial unit.

Each tenant's annual recertification is to be completed within one year of last recertification. The request for recertification shall be made between 60 and 90 days before the effective date, and it must clearly state that the tenant has ten (10) calendar days in which to contact the owner to begin recertification processing. The notice must also state the days and hours available for the interview, the information the tenant should bring to the interview, and how and whom to contact to schedule the interview.

Upon re-verification of the tenant's income, the owner shall complete a new TIC, which shall be certified to by the owner or owner's designee.

Past-Due Recertification

A recertification is considered past due if the TIC form for the tenant is not certified by tenant and owner within twelve months of the last recertification.

Rent Restrictions

Projects receiving Low-Income Housing Tax Credits after January 1, 1990 must comply with the following procedures:

- Units in the project must be rent-restricted to 30% of the imputed income limitations for each unit, based upon HUD area median incomes and size of units. Rents are imputed by bedroom size in the following manner: a unit which does not have a separate bedroom - 1 individual; and a unit with 1 or more separate bedrooms - 1.5 individuals per bedroom.
- Gross rent does not include any payment for various rental assistance programs and supportive service assistance as outlined in Section 42 of the Code. Gross rent must include any allowance for utilities.

HUD publishes the area median incomes for each state and territory annually. Updated income limits must be implemented pursuant to IRS Revenue Ruling 94-57, "Taxpayers may rely on a list of income limits released by HUD until 45 days after HUD releases a new list of income limits, or until HUD's effective date for the new list, whichever is later." Rents may be increased accordingly as the area median income increases.

If the income of the tenants in a unit who have been previously verified increases above 140 percent of the applicable income limitation, the unit may continue to be counted as a low-income unit as long as the next unit of comparable or smaller size is occupied by a qualified low-income tenant, and the rent continues to be restricted for the initial unit.

Eviction of Tenants

Once an eligible tenant has been certified and admitted to the project, the tenant may not be displaced solely due to an increase in the tenant's household income beyond the restricted limit.

Audits

The project may be subject to a management audit by GHURA or its Authorized Delegate annually but, at a minimum, once every three years. Notification of an audit shall be given to the owner at least 30 days prior to such audit. The results of the management audit and the recommendations for corrective action to protect and maintain the project shall be transmitted to the owner within thirty (30) days following the completion of the audit.

The purpose of the audit will be to conduct a physical inspection of the building and/or project, and, for at least 20 percent of the project's low-income units, to inspect the units and review the low-income certifications, documentation supporting the certifications, and rent records for the tenants in those units. The audit may also consist of a review of first year tenant records, a review of the documentation supporting the Annual Report, and any other documentation necessary for GHURA to make a determination as to whether the project is not in compliance with the Code.

When conducting tenant file reviews, GHURA's and its Authorized Delegate's reviews shall include, but not be limited to:

- completed rental application, including certification of assets and disposal of assets, if applicable;
- tenant income certification completed for move-in and current year, including all required signatures and dates;
- income verification(s) completed and documented;
- assets verified in accordance with IRC regulations;
- student eligibility documentation;
- lease and lease addendums completed at move-in;
- utility allowance on file;
- review of first year tenant records which qualified the project initially for tax credits

The owner shall have a period of thirty (30) days in which to respond to the findings of the management audit. GHURA shall review the owner's response to determine the extent to which the issues raised in the management audit letter are addressed. Findings, whether corrected or not, will be reported to the IRS.

See Section 'Non-compliance Penalties' for information on notification to the IRS of any non-compliance found in the management audit.

[Rural Housing Service \(RHS\) and Tax-exempt Bond Issue Projects](#)

In accordance with the published IRS guidelines on compliance monitoring, an exception may be granted to RHS projects under its section 515 program and buildings or projects of which 50 percent or more of the aggregate basis is financed with the proceeds of tax-exempt bonds.

The IRC regulations allow for exception of a building from the inspection requirement if the building is financed by RHS under the section 515 program, the RHS inspects the building [under 7 CFR part 1930(C)], and the RHS and the allocating agency enter into a memorandum of understanding, or other similar arrangement, under which the RHS agrees to notify the allocating agency of the inspection results. Irrespective of the physical inspection standard selected by the allocating agency, a low-income housing project under section 42 of the Internal Revenue Code must continue to satisfy local health, safety and building codes. A memorandum of understanding has not been executed between GHURA and RHS.

Annual Reports, QBTS, Compliance Monitoring Status Reports and other reports are still required of RHS projects. Although GHURA has allowed the use of the RD 1944-8, the form does not determine eligibility for specific LIHTC requirements. Owners need to determine whether the TIC will be used or a worksheet will be attached to RD 1944-8 to determine eligibility under the IRC. Management audits will still be conducted as indicated herein.

An owner who for some reason is not able to make any of the required certifications stated on the Annual Report or other requirements must inform the Agency immediately of such inability, as well as explain the reason for said inability.

Reporting Requirements

- a. The LIHTC Annual Report must be submitted annually by February 1 of each year throughout the compliance/extended use period.
- b. Part II of the IRS Form 8609 must be completed by the owner and submitted with initial Annual Report.
- c. Qualified Basis Tracking Sheets (QBTS) are submitted at a minimum annually with LIHTC Annual Report until all set-asides are established.
- d. Status Reports are submitted annually by owners with Annual Report to document and track the continuance compliance of tax credit units throughout the compliance/extended-use period.

These forms must be sent in to GHURA or its Authorized Delegate at the address shown in Section II.

The Certification of Eligibility and LIHTC forms listed above are available from GHURA. Additionally, GHURA has data regarding HUD area median incomes, maximum rental rates, income verification information and third-party verification forms.

Fees

A compliance monitoring fee of up to \$50 per unit for all units (for the 1st year full inspection) and \$25 per unit for all units (once every 3 years after 1st year full inspection) within each project shall be charged annually for administrative expenses. This fee shall be submitted with the LIHTC Annual Report for each year of the compliance/extended-use period. GHURA reserves the right to adjust fees due to changing circumstances annually each January 1. It will be the responsibility of GHURA to inform the owner of any changes in the annual compliance fee prior to the submission of fees. The compliance monitoring fee will be effective as of the Placed-in-Service date for the first building.

Non-compliance Penalties

The penalty for non-compliance with the LIHTC Program is the potential recapture of the credits awarded and interest on the amount recaptured. The Internal Revenue Service shall determine penalties for non-compliance.

Upon determination by GHURA of non-compliance with the LIHTC Program, the owner shall be notified and given thirty (30) days to correct any discovered violations. In accordance with the Internal Revenue Service's published guidelines on compliance monitoring, GHURA will be required to notify the IRS within forty-five (45) days after the end of the thirty-day correction period, whether or not the non-compliance is corrected. GHURA will be given the opportunity on the IRS form to indicate whether the owner has corrected the non-compliance. GHURA may extend the correction period, up to a total of six (6) months, if it is determined by GHURA that good cause exists for granting such an extension. In such case, the IRS will not be notified until the end of the extended correction period.

Extended Use Period

After the initial 15-year compliance period is the Extended Use Period, GHURA is no longer required to report instances of non-compliance to the IRS. Compliance during the Extended Use Period (EU Compliance Policy) will concentrate on enforcing the requirements of the LIHTC program through the term of the Declaration of Restrictive Covenants for Low Income Housing Credit recorded on the property. The EU Compliance Policy is largely based on the procedures of the initial compliance period. Unless noted below, the policy and procedure for compliance during the initial compliance period shall continue to apply to the extended use period.

Effective Date

The EU Compliance Policy shall be effective on the first day after the expiration of the initial 15-year compliance period for the last building placed in service in the project. Generally, the extended use compliance period will begin on January 1 of the year after the expiration of the initial 15-year compliance period of the last building placed in service and be in effect until the end of the extended use period.

Income and Rent Set Aside

Owners are subject to the Section 42 occupancy and rent restrictions required in the Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits.

Student Households

As GHURA wants to ensure that properties in the extended use period are not used as dormitory housing, a modified student eligibility requirement will be enforced. During the extended use period, a household comprised entirely of full-time students will qualify as long as at least one member of the household is an independent student or is a student in grades Kindergarten through 12 (including home schooled minors studying course material within these grades). An independent student is defined as one who is not claimed as a dependent on his/her parent's tax return (proof required).

Available Unit Rule / 140% Rule

For projects which include market rate units, the Available Unit Rule and the 140% Rule do not apply during the extended use period. The percentage of tax credit units as specified in the Declaration of Restrictive Covenants for Low Income Housing Credits must be maintained throughout the extended use period.

Certification and Recertification

Certification of tenants at the time of move-in shall be required during the extended use period according to the same procedure as the compliance period. Recertification of tenants will not be required during the extended use period. However, if any adults are added to the household, then the household must be re-certified.

Unit Transfers

During the extended use period, unit transfers are allowed without a new income qualification. Documentation of all unit transfers that occur shall be submitted as part of the Reporting Requirements.

Reporting Requirements

1. The **LIHTC Annual Report** must be submitted annually by February 1 of each year throughout the extended use period.
2. **Status Reports** are submitted annually by owners with the Annual Report to document and track the continuing compliance of tax credit units throughout the extended use period.

Site Audits

Commencing within three years after the expiration of the Compliance Period, site audits for projects may be conducted at least once every **five** years. Projects that have substantial outstanding non-compliance beyond the correction period based on the findings of the most recent site audit may be subject to more frequent site audits.

Owner Inspection

Owners shall conduct an annual physical inspection of each unit and common areas in the project.

Correction Period and Non-compliance Penalties

Upon determination by GHURA of non-compliance with the LIHTC Program during the extended use period, the owner shall be notified and given thirty (30) days to correct any discovered violations. GHURA may extend the correction period on a case-by-case basis, up to a total of six (6) months, if it is determined by GHURA that good cause exists for granting such an extension. Owners may request GHURA to review all outstanding non-compliance issues for a property once per calendar year after the initial correction period. Any owner and constituent entities involved in management and ownership of a project with an unresolved finding of non-compliance beyond the initial correction period may be deemed to be Not in Good Standing by GHURA's Fiscal Department. Owners must clear all outstanding non-compliance issues to be deemed in Good Standing with GHURA.

Appeal

All appeals shall be resolved in accordance with GHURA's Appeals and Process Procedure, copies of which are maintained at GHURA's office.

Other

High-Cost Area Designation. Newly constructed buildings located outside of designated Difficult to Develop Areas or Qualified Census Tracts qualify as a high cost area. The additional LIHTC available from the "basis boost" will be used to offset the high cost of construction and land throughout the island.

Appendix 1 Income Averaging Guidelines

GHURA Guidelines for Utilizing the Income Averaging Minimum Set-Aside for Applications under Consideration or Already Approved

The Consolidated Appropriations Act of 2018 establishes income averaging as a new minimum set-aside election for new LIHTC developments. It allows LIHTC Qualified Units to serve households earning as much as 80% of Area Median Income (AMI) so long as the average income limit of the Qualified Units is 60% or less of AMI. Designated income levels for Qualified Units may be set at 10% increments between 20% and 80% of AMI. GHURA will accept proposals for utilizing income averaging in application that are under consideration, have already been approved or have already initially closed, subject to the requirements outlined below.

General Requirements for All Income Averaging Proposals:

- Utilization of income averaging requires GHURA consent
- Proposals will not be accepted without evidence of approval by the syndicator/investor
- Changes in the AMI bands must be supported by a market study
- Proposals must maintain the requirements of any GHURA funding award
- A revised application and associated exhibits may be required
- If the use of income averaging triggers higher fees for compliance monitoring, the increase will need to be incorporated in the project budget

Additional Requirements for Developments that have already initially closed:

- Proposals will only be considered for Developments that have not yet executed Form 8609
- The proposal must continue to meet the requirements of the Section 42 of the Internal Revenue Code
- Set-aside elections made in the Extended Housing Commitment executed at initial closing and recorded at the Recorder's Office may need to be amended

Appendix 2

Market Study

In accordance with Section 42(m)(1)(A)(iii) of the Internal Revenue Code, GHURA requires a comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project. The Market Study is to be conducted by a disinterested party approved by GHURA and must be submitted as part of the application. The Market Study shall be completed at the Owner's expense. Any applicant that fails to submit a Market Study, or submits a Market Study dated more than 6 months earlier than the date of application shall be returned to the applicant and the application will not receive further consideration.

The Market Study shall address the following information:

- A statement of the competence of the market analyst.
- A description of the proposed site.
- Demographic analysis of the number of households in the market area which are income eligible and can afford to pay the rent. Estimate of capture rates for the market areas.
- Geographic definition and analysis of the market area.
- Identification of the project including location, unit counts, income levels and target population. Market Study must be consistent with the proposed project.
- Analysis of household sizes and types in the market.
- A description of comparable developments in the market area.
- Analysis of practically available rents, vacancy rates, operating expenses and turnover rates of comparable properties in the market area.
- Analysis of practically available rents, vacancy rates and turnover rates of market rate properties in the market area. Projected operating funds and expenses, when available at the time of the study.
- Expected market absorption of the proposed rental housing, including a description of the effect of the market area.
- Identification and commentary of proposed projects in the market areas.
- Analysis of market demand for tenants with special housing needs when applicable.
- Analysis of impacts of development to the area's existing education, public safety, and utilities infrastructure.

Projects that are requesting credits from eligible basis generated from a Community Service Facility as defined in Section 42(d)(4)(C)(iii) must provide a market study that addresses the following:

- A description of Services provided that improve the quality of life for community residents.
- The market area and demand for services provided.
- The applicability of service provided to the community.
- The affordability of the services provided to persons of 60% AMGI or less.

Exhibit

F



Guam Housing and Urban Renewal Authority
Aturidat Ginima' Yan Rinueban Siudat Guahan
117 Bien Venida Avenue, Sinajana, GU 96910
Phone: (671) 477-9851 · Fax: (671) 300-7565 · TTY: (671) 472-3701
Website: www.ghura.org



Lourdes A. Leon Guerrero
Governor of Guam

December 18, 2024

Joshua F. Tenorio
Lt. Governor of Guam

Robert Salas, II
President

John J. Rivera
Chairman

Flores Rosa, L.L.C.
202 Hilton Rd., PFM #7
Tumon, Guam 96913

Nathanael P. Sanchez
Vice Chairman

Greetings, Mr. Salas:

Anisia S. Delia
Commissioner

Congratulations. We are pleased to notify you that Flores Rosa, L.L.C., has been awarded the amount of \$1,793,120.00 of the Low Income Housing Tax Credit (LIHTC) allocation in the 2024 application cycle, for the Flores Rosa Project. This award was approved by the Guam Housing and Urban Renewal Authority's Board of Commissioners in a regularly scheduled meeting on December 10, 2024.

Emilia F. Rice
Commissioner

Victor R. Torres
Commissioner

Karl E. Corpus
Resident Commissioner

As an award recipient of we will be working with you to execute the proper documentation by December 31, 2024, for the allocation of credits. The IRS guidance requires that allocations be awarded before the calendar year ends.

Elizabeth F. Napoli
Executive Director

Fernando B. Esteves
Deputy Director

Should you have any questions, please feel free to contact me at 671-472-1442, or email me at efnapoli@ghura.org. Thank you for your participation in the 2024 LIHTC Program.

Sincerely,

Elizabeth F. Napoli
Executive Director

Exhibit

H

Haig Huynh

From: Audrey Aguon <aaaguon@ghura.org>
Sent: Friday, February 7, 2025 3:42 PM
To: jtang@civilletang.com
Subject: GHURA's Response to Sunshine Act Request received on January 24, 2025
Attachments: Declaration of Extended Rental Housing Commitment by Flores Rosa Gardens.pdf;
GHURA LIHTC 2025 Carryover Allocation Agreement Section 42(h)(1)(E) of the Internal Revenue Code.pdf

Hafa adai and good afternoon, Ms. Tang.

My name is Audrey Aguon, special assistant to Director Elizabeth Napoli. During yesterday's GHURA Board meeting, you indicated that you had not received a response to a **Sunshine Act Request sent on January 24, 2025**
Re: LIHTC 2024 Award and Contracts.

I do apologize for having missed this request. It is always my intention to get FOIA responses out timely and truly apologize for this oversight.

I have attached documents relative to the original request dated January 24, 2025. Should you require further assistance, please let me know. Thank you and have a safe day.

Respectfully,



Audrey Aguon
Special Assistant
(671) 475-1378
Guam Housing & Urban Renewal Authority
117 Bien Venida Avenue, Sinajana, GU 96910

**DECLARATION OF
EXTENDED RENTAL HOUSING COMMITMENT
BY
FLORES ROSA GARDENS, LLC**

Dated: 01/30/2025

Development Name: **Flores Rosa Gardens**

Development Location: **LOT NUMBER 2144-1D-7, TAMUNING, GUAM. Full legal description attached as Exhibit "A"**

Development Building Identification Number ("BIN"): **GU-24-00001 to GU-24-00003**

**DECLARATION OF
EXTENDED RENTAL HOUSING COMMITMENT
BY
FLORES ROSA GARDENS, LLC**

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**DECLARATION OF
EXTENDED RENTAL HOUSING COMMITMENT**

THIS DECLARATION OF EXTENDED RENTAL HOUSING COMMITMENT (this "Declaration"), dated this **30th day of January, 2025** by **Flores Rosa Gardens, LLC** (the "Developer"), is made as a condition precedent to the allocation and availability of rental housing tax credits for residential rental developments including developments financed by qualified tax-exempt bonds.

WITNESSETH That:

WHEREAS, Developer is or shall be the owner of a **[30]-unit** rental housing development known as **Flores Rosa Gardens**, generally located in **Tumon Heights, Guam**, as more particularly described in **Exhibit A**, attached hereto and made a part hereof (the "Development");

WHEREAS, the development, rehabilitation, maintenance and operation of the Development may now or hereafter be financed through a mortgage loan (the "Loan"), the indebtedness of which may be evidenced by a note and may be secured by a first mortgage lien on the Development and other security instruments (collectively, the "Loan Documents");

WHEREAS, the **Guam Housing and Urban Renewal Authority**, a public body corporate and politic of Guam (the "Authority") has been designated by the Governor of Guam as the housing tax credit agency for Guam responsible for the allocation of rental housing tax credit dollars (the "Credit");

WHEREAS, Developer has applied to the Authority for a Credit allocation for the Development in an amount not to exceed **One-million seven hundred ninety-three thousand one hundred twenty Dollars (\$1,793,120.00)** from the Authority's **2024** allocation pool, further, not to exceed **Seventeen million nine hundred thirty-one thousand two hundred Dollars (\$17,931,200.00)** over the ten (10) year credit period.

WHEREAS, Developer and the Development must continuously comply with Section 42 and other applicable sections of the Internal Revenue Code of 1986 and the Treasury Regulations and rulings thereunder relating to the Credit, each as amended from time to time (collectively, the "Code") and the Qualified Allocation Plan for Guam (the "Allocation Plan");

WHEREAS, compliance with the Code and the Allocation Plan is the sole responsibility of Developer;

WHEREAS, Developer has represented to the Authority in Developer's Low Income Housing Tax Credit Application for **2024** (the "Application") that it shall comply with all leasing requirements of the Code and it shall lease not less than **100%** of the units in the Development to individuals or families whose income is **60%** or less of **area median gross income** (including adjustments for family size) as determined in accordance with the Code ("Qualifying Tenants") and that the "applicable fraction" (as defined in Section 42(c)(1)(B) of the Code) of each building in the Development is **100%**;

WHEREAS, Developer has represented to the Authority in Developer's Application for Reservation of **2024** (year of allocation) Credits and Application for Final Allocation of Credits (the "Application") that it shall lease not less than **100%** of the units in the Development where rent is charged at or below the **60% AMI rent**.

WHEREAS, the Code requires, as a condition precedent to the availability of Credits for the Development, that Developer execute, deliver and record this Declaration in the official real property records of the county in which the Development is located, to create certain covenants running with the land upon which the Development is situated (the "Property") for the purpose of enforcing the requirements of the Code; and

WHEREAS, Developer intends, declares and covenants that the terms and conditions set forth herein governing the use, occupancy and transfer of the Development shall be and are covenants running with the Property for the term stated herein, to be binding upon all subsequent owners of the Property for such term;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, Developer covenants and declares as follows:

1. Incorporation of Recital Provisions. The recital provisions set forth above are hereby incorporated into this Declaration.
2. Definitions. Unless otherwise defined herein, all words and phrases defined in the Code shall have the same meanings in this Declaration.
3. Recording and Filing. Developer shall cause this Declaration and all amendments hereto approved by the Authority, if any, to be recorded and filed in the office of the Recorder of Guam, and Developer shall pay all fees and charges in connection therewith. Upon recording, Developer shall immediately transmit to the Authority an executed original of the recorded Declaration showing the recording date and instrument number or deed book and page numbers of record. Developer acknowledges that the Authority will not issue Internal Revenue Service Form 8609 ("Form 8609"), unless and until the Authority has received the executed, recorded original of this Declaration.
4. Covenants to Run with the Property. Developer intends, declares and covenants, on behalf of itself and all future owners and operators of the Property during the term of this Declaration, that this Declaration and the terms, conditions, covenants and restrictions set forth herein:
 - (a) regulate and restrict the use, occupancy and transfer of the Property;
 - (b) are not merely personal covenants of Developer;
 - (c) shall be and are covenants running with the Property, encumbering the Property for the term of this Declaration, binding upon Developer's successors in title and all subsequent owners and operators of the Property; and
 - (d) shall inure to the benefit of any and all present and future tenants of the Development and their respective successors and assigns.

Developer hereby agrees that any and all requirements of the laws of Guam which must be satisfied so that the provisions of this Declaration constitute valid and binding deed restrictions and covenants running with the Property shall be satisfied in full. Throughout the term of this Declaration, the covenants and restrictions contained herein shall survive and be effective regardless of whether any contract, deed or other instrument hereafter executed conveying the Property or a portion thereof provides that such conveyance is subject to this Declaration. Developer agrees to obtain the consent of any prior recorded lien holder on the Property to this Declaration, which consent shall be in the form set forth on Exhibit B, attached hereto and made a part hereof, and such consent shall be recorded with this Declaration as a condition precedent to the issuance of Form 8609 by the Authority.

5. Representations, Covenants and Warranties of Developer. Developer hereby represents, warrants and covenants during the term hereof that:
 - (a) Developer(i) is a limited liability corporation duly organized and existing under the laws of the State of Guam, and is duly qualified to transact business under the laws of the Territory of Guam, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as contemplated by this Declaration and the Loan Documents, and (iii) has the full legal right, power and authority to execute and deliver this Declaration and to perform all obligations provided hereunder.
 - (b) The execution and performance of this Declaration and the Loan Documents (i) will not violate or, as applicable, have not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and

(ii) will not violate or, as applicable, have not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which Developer is a party or by which it or its property is bound, and (iii) will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.

(c) Developer has insurable title to the Property, free and clear of any lien or encumbrance, subject only to encumbrances created by or permitted pursuant to the Loan Documents.

(d) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the best of its knowledge or belief, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would impair its right to carry on business as now conducted and as contemplated by this Declaration and the Loan Documents, or would adversely affect its financial condition, or would adversely affect the covenants and commitments under this Declaration.

(e) The Development constitutes or will constitute a qualified low-income building or qualified low-income development, as applicable, as provided and defined in the Code.

(f) Developer shall not take, fail to take nor permit to be taken any action which would have the effect, directly or indirectly, of subjecting itself or the Development to non-compliance with the Code.

(g) All units subject to the Credit shall, as required by the Code, be leased, rented or made available to members of the general public who are Qualified Tenants (or otherwise qualify for occupancy of the low-income units) pursuant to the Code.

(h) Developer shall obey, comply with and observe all laws, rules, regulations and executive orders of all federal, state and local governments and regulatory bodies, as from time to time amended, which are applicable to the Development or the Credits available to the Development.

(i) The Development shall comply with the occupancy and rent restriction requirements of the Code and the Allocation Plan which requirements Developer agreed to satisfy pursuant to the initial and final applications (collectively, the "Occupancy Restrictions").

(j) Developer shall maintain and use the Development as residential property and shall not permit the use of any residential rental unit for any purpose other than rental housing, as provided by the Code.

(k) Developer has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and in any event, the requirements of this Declaration are paramount and controlling as to the rights and obligations herein set forth and supersede any other provisions in conflict herewith.

(l) All units occupied by Qualifying Tenants shall be of comparable construction quality to other comparable units in the Development.

(m) THE AUTHORITY AND THE QUALIFYING TENANT(S) (OR EITHER OR ALL OF THEM) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY DEVELOPER OF ITS OBLIGATIONS UNDER THIS DECLARATION IN A COURT OF COMPETENT JURISDICTION. Developer hereby further acknowledges

that the beneficiaries of Developer's obligations hereunder cannot be adequately compensated by monetary damages in the event of any breach hereof.

(n) If at any time the Authority deems it appropriate or necessary to monitor the Development and/or Occupancy Restrictions, then Developer shall cooperate with the Authority and its agents and shall comply with all applicable requirements. Developer shall pay a compliance monitoring fee to the Authority of up to \$50 per unit for all units (for the 1st year full inspection) and \$25 per unit for all units (once every 3 years after the 1st year).

(o) Income certifications consistent with the Code ("Income Certifications") will be maintained on file at the Development or at the principal office of the Developer with respect to each Qualifying Tenant who resides in a Development unit (or resided therein during the immediately preceding calendar year), and Developer will, promptly upon receipt of notice from the Authority, provide a copy thereof to the Authority, together with a true and accurate Certification of Continuing Compliance in the form set forth on Exhibit C, attached hereto and made a part hereof.

(p) The representations and covenants set forth herein may be relied upon by the Authority and all persons interested in Development compliance under the Code.

(q) Developer shall not refuse to lease to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.

(r) Subject to Section 6 of this Declaration, developer shall not evict or terminate the tenancy (other than for good cause) of a tenant of any low-income unit during the Compliance Period or the Extended Use Period; as such terms are respectively defined in the Code.

(s) Subject to Section 6 of this Declaration, developer shall not increase the gross rent of any unit occupied by a low-income tenant above the amount otherwise permitted under the Code during the Compliance Period or the Extended Use Period; as such terms are respectively defined in the Code.

(t) Developer shall not dispose to any person of any portion of any building to which this Declaration applies unless all of such building is disposed of to such person.

6. Term of Declaration.

(a) The terms, conditions, covenants and restrictions of this Declaration shall commence on the first day on which the first residential unit in the Development is placed in service and end on the date which is the close of the Extended Use Period pursuant to the Code.

(b) Notwithstanding paragraph 6(a) above, but subject to paragraph 6(c) below, the extended use period for any building which is a part of the Development shall terminate:

(i) on the date such building is acquired by foreclosure or instrument in lieu of foreclosure, unless the Internal Revenue Service or the Authority determines that such acquisition is part of an arrangement with the Developer, or its successors or assigns, a purpose of which is to terminate the extended use period; or

(ii) on the last day of the fifteen (15) year compliance period if Developer has properly requested, pursuant to the Code and such other requirements of the Authority which may then be applicable, that the Authority present a qualified contract for the acquisition of the low-income portion of any part of the Development and the Authority is unable to procure a qualified contract.

(c) Notwithstanding paragraph 6(b) above, the termination of the extended use period shall not be construed to permit:

(i) The eviction or the termination of tenancy (other than for good cause) of an existing tenant of any low-income unit before the close of the three (3) year period following such termination, or

(ii) Any increase in the gross rent with respect to such unit not otherwise permitted under the Code before the close of the three (3) year period following such termination.

7. Indemnification of Authority

Developer hereby releases, saves harmless and shall indemnify the Authority of and from any and all claims, losses, damages, expenses or judgments which the Authority might incur as a result of allocation of the Credit to the Development or the recapture of any portion of the Credit by any appropriate governmental agency.

ANY ACTION, REVIEW, RECOMMENDATION, APPROVAL, OR OTHER ACTIVITY TAKEN BY OR ON BEHALF OF THE AUTHORITY DOES NOT, EXPRESSLY OR IMPLIEDLY, DIRECTLY OR INDIRECTLY, SUGGEST, REPRESENT OR WARRANT THAT THE DEVELOPER OR THE DEVELOPMENT QUALIFY FOR THE CREDIT, OR THAT THE DEVELOPMENT COMPLIES WITH APPLICABLE STATUTES AND REGULATIONS OR THAT THE DEVELOPMENT IS OR WILL BE ECONOMICALLY FEASIBLE. DEVELOPER ACKNOWLEDGES IT IS SOLELY RESPONSIBLE FOR SUCH MATTERS.

8. Miscellaneous

(a) Successors Bound. Throughout the term hereof, this Declaration and the covenants and conditions contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, Developer and its successors and assigns and all subsequent owners of the Property, the tenants located or to be located on the Property, (as set forth in paragraph 4(d)), the Authority and its successors and assigns.

(b) Amendment. This Declaration may be amended only with the prior written approval of the Authority. No amendment to this Declaration may be made without the prior written approval of the Authority.

(c) Severability. The invalidity of any clause, part or provision of this Declaration shall not affect the validity of the remaining portions thereof.

(d) Notices. All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified mail to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To the Authority:

**Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue
Sinajana, Guam 96910**

To Developer:

**Flora Rosa Gardens, LLC
202 Hilton Rd, PFM #7, Tumon, GU 96913**

The Authority, and Developer, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

(e) No Remedy Exclusive. No remedy herein conferred upon or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Declaration or existing at law or in equity. No delay or failure to exercise any right or power accruing hereunder shall impair any other right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(f) Construction. As used herein, the singular shall be deemed to mean and include the plural and the masculine to mean and to include the feminine and the neuter, where applicable. If there is more than a single Developer, each jointly and severally shall be deemed to be the Developer.


(g) Governing Law. This Declaration shall be governed by the laws of Guam.

(h) Survival of Obligations. The obligations of Developer as set forth herein shall survive the Credit allocation by the Authority and shall continue throughout the term of this Declaration.

IN WITNESS WHEREOF, Developer has caused this Declaration to be signed by duly authorized representatives, on the day and year first written above.

DEVELOPER


FLORES ROSA GARDENS, LLC,
a Guam limited liability company

By: 
Name: Robert Salas II
Title: Managing Member

ATTEST:


(Seal)

TERRITORY of Guam)
) SS:
)

Before me, a Notary Public, in and for said County and State, personally appeared , the Managing Member of Flores Rosa Gardens, LLC, who acknowledged that the foregoing Declaration of Extended Rental Housing Commitment was executed in such capacity as its voluntary act and deed and that the foregoing representations set forth in the Declaration are true and correct.

WITNESS my hand and seal this 30th day of January, 2025.

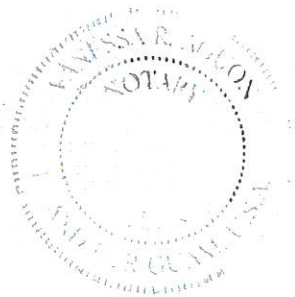
My County of Residence:
Guam, USA


Notary Public

My Commission Expires:
FEB 13, 2025

Vanessa R. Aguon
Printed Name

VANESSA R. AGUON
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **FEB. 13, 2025**
275G Farenholt Ave PMB 304 Tamuning, GU 96913



AGREED TO this 3rd day of February, 2025 by the Authority.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

By: *E. Napoli*
Elizabeth Napoli, Executive Director

)
) SS:
)

Before me, a Notary Public in and for said County and State, personally appeared ELIZABETH F. NAPOLI, the **Executive Director of the Guam Housing and Urban Renewal Authority**, and who acknowledged that the foregoing Declaration of Extended Rental Housing Commitment was executed in such capacity as its voluntary act and deed.

WITNESS my hand and seal this 3RD day of FEBRUARY, 2025.

My County of Residence:
SINAJANA

Kathleen Jean P. Taitingfong
Notary Public
KATHLEEN JEAN P. TAITINGFONG
Printed Name

My Commission Expires:
MAR 12, 2027

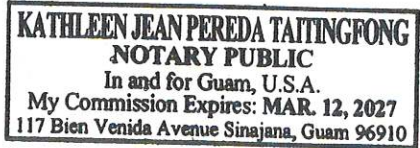


EXHIBIT A

LEGAL DESCRIPTION

LOT NUMBER 2144-1D-7 (Subdivision of Lot 2144-1D), MUNICIPALITY OF TAMUNING, (Formerly Dededo), TERRITORY OF GUAM, Estate Number 58815, SUBURBAN, as said Lot is marked and designated on DRAWNING NUMBER MSM-519TD71, as L.M. Check Number 541 - FY 71, as described in that Retracement and Parcelling Map, dated JUNE 04, 1971 and recorded JUNE 15, 1951 at the Records Division, Department of Land Management, Government of Guam, under Document Number 102857.

AREA: 4,046.81 +/- SQUARE METERS

There is no mortgagee and no mortgagee was Identified in the agreement and the application, and therefore no certification is required.

EXHIBIT C

**RENTAL HOUSING TAX CREDIT PROGRAM
CERTIFICATION OF COMPLIANCE**

The undersigned, having been allocated certain Rental Housing Tax Credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") and having executed a "Declaration of Extended Rental Housing Commitment" pursuant to the allocation with the Guam Housing and Urban Renewal Authority Authority, the housing credit agency for Guam (the "Authority") for the purpose of purchasing, constructing and/or improving a certain low-income housing development (the "Development"), and pursuant to the monitoring requirements of the Authority and the requirements of the Code section 42 and all regulations promulgated thereunder, does hereby certify as follows:

- (i) The Development meets the requirements of (Please mark the appropriate test):
- (A) the 20-50 test under section 42(g)(1)(A) of the code, or
- (B) the 40-60 test under section 42(g)(1)(B) of the code, or
- (C) the 15-40 test under sections 42(g)(4) and 142(d)(4)(B) of the Code for "deep rent skewed" developments.
- (ii) There was no change in the applicable fraction (as defined in section 42(c)(1)(B)) of any building in the Development, or that there was a change, and a description of that change.

List the total number of development units: **[30 Units]**

List the number of qualified low-income units: **[30 Units]**

- (iii) The undersigned has received an annual income certification from each low-income tenant in the Development and sufficient documentation to support that certification; or, in the case of a tenant receiving Section 8 housing assistance payments, the statement from the applicable public housing authority to the Development owner declaring that the tenant's income does not exceed the applicable income limited under section 42(g) of the Code.
- (iv) Each low-income unit in the Development was rent restricted under section 42(g)(2) of the Code.
- (v) All units in the Development are for use by the general public and are used on a nontransient basis (except for transitional housing for the homeless provided under section 42(i)(3)(B)(iii).
- (vi) Each building in the Development is suitable for occupancy, taking into account all federal, state and local health, safety and building codes.
- (vii) Please mark the appropriate certification:

(A) There has been no change in the eligible basis of any building in the Development (as defined in section 42(d) of the Code), or

(B) There has been a change in the eligible basis of a building in the Development (as defined in Section 42(d) of the Code). Please attach a separate sheet setting forth the nature and amount of such change (e.g., a common area has become commercial space, or a fee is now charged for a tenant facility formerly provided without charge.

- (viii) All tenant facilities included in the eligible basis of the Development under the Code section 42(d), such as swimming pools, other recreational facilities, and parking areas, are provided on a comparable basis without charge to all tenants of the Development.
- (ix) Please mark the appropriate certification:
- ____(A) No low-income units in the Development became vacant during the applicable year, or
- ____(B) One or more low-income units in the Development became vacant during the applicable year and reasonable efforts were or are being made to rent such units or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the Development were or will be rented to tenants not having a qualifying income. While such unit(s) were vacant, no units of comparable or smaller size were rented to tenants not having a qualifying income. Please attach a separate sheet detailing which units were vacant during the applicable year and the nature of efforts to rent such units to tenants with qualifying incomes.
- (x) Please mark the appropriate certification:
- ____(A) No tenant of any low-income unit in the Development has experienced an increase in income above the limit allowed in the Code section 42(g)(2)(D)(ii), or
- ____(B) One or more tenants of low-income units in one or more buildings in the Development have experienced an increase in income above the limit allowed in the Code section 42(g)(2)(D)(ii) and the next available unit or units of comparable size in such building have been or will be rented to tenants having a qualifying income. Please attach a separate sheet detailing the tenants who have experienced such an increase in income and the unit or units which have been or will be rented to tenants having qualifying income and the efforts being made to rent such unit units; and
- (xi) That the development has one smoke detector on each level of the rental dwelling unit assisted or insured by HUD and in public and Indian housing units; and
- (xii) That there have been no changes in entity ownership or if there have been, the Authority has been provided with details including a copy of the sales agreement and
- (xiii) That the Development is in continuing compliance with the Declaration of Extended Rental Housing Commitment applicable to Development and filed in the office of the Recorder of Guam; and
- (xiv) The Development is otherwise in compliance with the Code, including any Treasury Regulations pursuant thereto, the applicable laws, rules, regulations and ordinances.

The undersigned has executed this certification, subject to penalties of perjury, and certifies that the foregoing is true, accurate and complete in all respects, this 30 day of January, 2025.

("Owner")

[Signature]

Attest

By: [Signature]

Title: Managing Member

Robert Salas II
(Printed Name of Owner)

GUAM)
) SS:
COUNTY OF Tamuning)

Before me, a Notary Public in and for said County and State, personally appeared Robert Salas II the Managing Member of Flores Rosa Gardens LLC, and who, being duly sworn acknowledge the execution of the foregoing Certification of Continuing Compliance as his/her free and voluntary act and deed.

Witness my hand and Notarial Seal this 30th day of January, 2025

My Commission Expires:

Public FEB 13, 2025

My County of Residence:

Guam, USA

[Signature]

Notary

Vanessa R. Aguon
Printed Name

VANESSA R. AGUON
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **FEB. 13, 2025**
275G Farenholt Ave PMB 304 Tamuning, GU 96913



EXHIBIT D

ADDITIONAL DEVELOPMENT REQUIREMENTS

Extended Low-Income Housing Commitment (Please check all that apply)

1. This development will be subject to the standard extended use agreement, which permits early termination (after the mandatory 15-year compliance period) of the extended use period.
2. This development will be subject to an extended use agreement in which the owner's right to an early termination of the extended use provision is waived for 10 or 15 or 25 or 46 (mark appropriate box) additional years after the mandatory 15-year compliance period.
3. This development will be subject to a HOME affordability period for rehabilitation or acquisition of existing housing 10 years or new construction or acquisition of newly constructed housing 20 years (check appropriate box).
4. This development will be subject to the standard 15 year compliance period as part of a Lease Purchase Program (all units must be single family detached structures) and will offer homeownership opportunities to qualified tenants after 15 year compliance period. See IRS Revenue Ruling 95-48.

Special Housing Needs/Leasing Preference (Please check all that apply)

1. No less than one hundred percent (100%) of the total units in this Development be restricted to elderly tenants age 55 and older? Yes No
2. Is this Development designed as a SRO or transitional housing for the homeless? Yes No
3. Will this Development target any other types of special needs populations? Yes No
If yes, please identify:

Special Needs Population	Percentage of Units
Persons with Disabilities	20%
Section 8 Certificates & Vouchers	
Public Housing Waiting List Tenants	
Veterans	
Individuals with Children	

Services

[List provider, service(s) development will offer/provide if any and the year they will expire]

EXHIBIT D

ADDITIONAL DEVELOPMENT REQUIREMENTS (Continued)

Development Design

The Development will include the following property design elements and amenities:

- 1-2 Bedroom Units: Twenty two (22) 2 bedroom units, Eight (8) 1 bedroom units
- Playground, Parking Lot, Community Center, Garbage Disposal
- Solar powered street lights,
- Natural lighting
- Solar panels
- Energy efficient appliances

Unique Unit Features

The Development will include the following unique design/construction features for the residential units:

- Energy Star Appliances
- Fully solar-powered
- LED strip lighting,
- Radon mitigation
- Granite table tops
- Wood-like plank tiles or granite flooring
- Floor to ceiling bedroom windows

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Low Income Housing Tax Credit
2025 Carryover Allocation Agreement
Pursuant to Section 42(h)(1)(E) of the Internal Revenue Code

This Carryover Allocation Agreement is made and entered into by and between the Guam Housing and Urban Renewal Authority ("GHURA") and the Owner identified in Section I below as of the date indicated in Section VI below (the "Agreement"). This agreement provides for the allocation of 2024 Low Income Housing Tax Credits pursuant to Section 42(h)(1)(E) of the Code (as defined below) in the amount specified in Section VI below (the "Tax Credits") or the "housing credit dollar amount". The allocation of Tax Credits made in this agreement is subject to (i) all terms and conditions stated herein, including, without limitation, (ii) all terms and conditions of GHURA's Low Income Housing Tax Credit Qualified Allocation Plan (the "Qualified Allocation Plan"), the application and related materials submitted in connection with this allocation of Tax Credits (collectively, the "Applications"), and (iii) all requirements of Section 42 of the Internal Revenue Code of 1986, as amended, including, without limitation, all subsequent tax legislation duly enacted by the Congress of the United States, United States Treasury, Regulations proposed or in effect with respect to the code and revenue procedures, revenue rulings or other published determinations of the Treasury Department or Internal Revenue Service of the United States (collectively, the "Code").

I. OWNER:

Name: Flora Rosa Gardens, LLC
Attention: Robert P. Salas II
Address: 202 Hilton Road, PFM #7, Tumon, Guam 96913
Contact: (671) 688-8454
Email: rob.salas@pfmguam.com
Federal ID No.: EIN 66-1083040

II. PROJECT:

Name: Flores Rosa Gardens
Number: [Project Number first two letters and 4 digits example: GU-24-00]
Address: LOT NUMBER 2144-1D-7, Tamuning, Guam
(Refer to Exhibit A for legal description.)

III. BUILDING IDENTIFICATION NUMBERS: GU-24-00001 to GU-24-00003
(Refer to Exhibit B for further details.)

IV. ANTICIPATED PLACED-IN-SERVICE DATE: September 30, 2026
(This project must be Placed-in-Service on or before September 30, 2026.)

V. AGENCY:

Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue
Sinajana, Guam 96910
Federal ID No.: 96-0001279

VI. DATE OF ALLOCATION: December 10, 2024

The housing credit dollar amount awarded from the 2024 pool is **[\$1,793,120.00]**. This housing credit dollar amount is derived from GHURA's evaluation of the Project. GHURA will evaluate the Project a final time in connection with the Project being placed-in-service, provided all documentation required by GHURA in connection with a placed-in-service application, including without limitation a final certified cost information acceptable to GHURA, is submitted no later than **June 30, 2027**. As a result of this final evaluation, GHURA will make a final determination of the housing credit dollar amount to be reflected on the IRS form(s) 8609 issued by GHURA for the Project and the housing credit dollar amount may be less than or equal to but never more than the amount supported by the project's reasonable eligible basis.

VII. OWNER'S TOTAL REASONABLY EXPECTED ADJUSTED ELIGIBLE BASIS: **[\$15,325,815.00]**.

The Owner's actual basis, including land costs as of the date of this Agreement is **[\$15,589,553.00]**. The percentage of the actual basis as of the date of this Agreement to the total reasonably expected basis in the Project is **[101.72%]**.

To meet Carryover Allocation requirements, the Owner must submit the Cost Certification for the ten percent (10%) test and the deed vesting title to the property in Owner no later than **June 30, 2025**.

An independent Certified Public Accountant's opinion (or other professional determination satisfactory to the Authority) demonstrating compliance with Section 42 of the Code and Internal Revenue Service carryover regulation, that at least ten percent (10%) of the Owner's total reasonably expected basis in the Project has been incurred, together with such other evidence as the Authority shall deem necessary to permit it to make a determination that such requirement has been met.

VIII. Pursuant to the Housing Assistance Tax Act of 2008 (Division C, Title I, Section 3002 of the Housing and Economic Recovery Act of 2008) the applicable percentage(s) for each building in the Project that is not federally subsidized shall be **nine percent (9%)**.

IX. GHURA may, in its sole discretion, deem the allocation of Tax Credits made in this Agreement cancelled by mutual consent if there is any failure to comply with all terms, conditions, and requirements of this Agreement, the Applications, the Qualified Allocation Plan, or the Code. Once so cancelled, neither the Owner, the Project, nor any other person or entity shall have any right to claim Tax Credits based on this Agreement or the Application and GHURA shall have no liability therefore.

X. GHURA will issue an IRS Form 8609 for each building in the Project only if all terms, conditions, and requirements of the Agreement, the Applications, the Qualified Allocation Plan, Reservation Agreement and Code are met. The total of the housing credit dollar

amounts reflected on the IRS Form 8609 for each building in the Project may be less than or equal to the housing credit dollar amount specified in Section VI above.

XI. GHURA has made the allocation of Tax Credits reflected in Section VI above and entered into this Agreement solely in reliance on information provided and representations made by or on behalf of the Owner in the Applications. This Agreement and the allocation of Tax Credits reflected herein do not constitute a representation, warranty, guaranty, advise or suggestion by GHURA as to (i) the qualification of the Project, or any building contained within the Project, for Tax Credits, or (ii) the feasibility or viability of the Project and no person or entity in any way now or subsequently with the Project or any other person or entity may rely on this Agreement and the allocation of Tax Credits reflected herein or on any other statements, written or oral of GHURA for such purposes.

XII. The Owner hereby agrees and acknowledges that the determination made in Section VI above and the sufficiency of evidence supporting the determination may be subject to future revision by GHURA or the Internal Revenue Service.

This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

By: *E. Napoli*
Elizabeth F. Napoli
Executive Director

Date: 02/03/2025

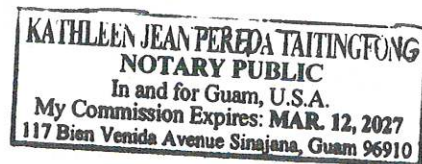
USA Territory of Guam

County of SINAJANA
(village)

Before me KATHLEEN JEAN P. TAITINGFONG, a Notary Public of the state and county mentioned, personally appeared **Elizabeth F. Napoli**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged herself to be the **Executive Director** of the **GUAM HOUSING AND URBAN RENEWAL AUTHORITY**, the within named bargainor, and that she as such, executed the foregoing instrument for the purpose therein contained, by signing the name of the **GUAM HOUSING AND URBAN RENEWAL AUTHORITY** by herself as **Executive Director**.

Witness my hand and seal, at the office, this 3RD day of FEBRUARY, 2025.

K. Pereda Taitingfong
Notary Public
My commission expires: MAR 12, 2027



This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on.

FLORES ROSA GARDENS, LLC

By: 
ROBERT SALAS II
Managing Member

Date: 1/30/2025

USA Territory of Guam

County of Tamuning
(village)

Before me Vanessa R. Aguon, a Notary Public of the state and county mentioned, personally appeared **ROBERT SALAS II**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be the **Managing Member** of **FLORES ROSA GARDENS, LLC**, the within named bargainor, and that he as such, executed the foregoing instrument for the purpose therein contained, by signing the name of the **FLORES ROSA GARDENS, LLC** by himself as the **Managing Member**.

Witness my hand and seal, at the office, this 30th day of January, 2025.



Notary Public
My commission expires: Feb 13, 2025

VANESSA R. AGUON
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: FEB. 13, 2025
275G Farenholt Ave PMB 304 Tamuning, GU 96913

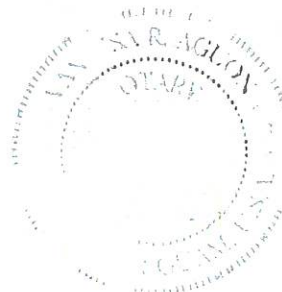


EXHIBIT A
Legal Description

LOT NUMBER 2144-1D-7 (Subdivision of Lot 2144-1D), MUNICIPALITY OF TAMUNING, (Formerly Dededo), TERRITORY OF GUAM, Estate Number 58815, SUBURBAN, as said Lot is marked and designated on DRAWNING NUMBER MSM-519TD71, as L.M. Check Number 541 - FY 71, as described in that Retracement and Parcelling Map, dated JUNE 04, 1971 and recorded JUNE 15, 1951 at the Records Division, Department of Land Management, Government of Guam, under Document Number 102857.

AREA: 4,046.81 +/- SQUARE METERS

Exhibit

J



GHURA

Guam Housing and Urban Renewal Authority
Aturidat Ginima' Yan Rinueban Siudad Guahan
117 Bien Venida Avenue, Sinajana, GU 96910
Phone: (671) 477-9851 · Fax: (671) 300-7565 · TTY: (671) 472-3701
Website: www.ghura.org



Lourdes A. Leon Guerrero
Governor of Guam

Joshua F. Tenorio
Lt. Governor of Guam

John J. Rivera
Chairman

Nathanael P. Sanchez
Vice Chairman

Anisia S. Delia
Commissioner

Emilia F. Rice
Commissioner

Victor R. Torres
Commissioner

Karl E. Corpus
Resident Commissioner

Elizabeth F. Napoli
Executive Director

Fernando B. Esteves
Deputy Director

March 21, 2025

Joyce C.H. Tang
330 Hernan Cortez Avenue, Suite 200
Hagåtña, Guam 96910
Email: jtang@cevilletang.com

***Re: GHURA's RESPONSE- Sunshine Act Request Regarding LIHTC 2024
Application and Award received on March 14, 2025***

Hafa adai, Ms. Tang,

Please see the following GHURA responses to the Sunshine Act Request for information on the LIHTC 2024 Application and Award received on March 14. Should you require further assistance, please let our office know:

1. All communications and documents by and between Pacific Federal Management, Inc. ("PFM") of Flores Rosa Gardens L.L.C. (Flores Rosa, LLC) representatives, employees, consultants and agents, on the one hand, and the Guam Housing and Urban Renewal Authority ("GHURA") on the other hand, relating to the execution of the 2025 GHURA Low Income Housing Tax Credit Carryover Allocation Agreement entered into by GHURA and Flores Rosa, LLC on February 3, 2025.

GHURA's RESPONSE: Please see attachment labeled "Response to question #1"

2. Any GHURA Low Income Housing Tax Credit Carryover Allocation Agreement entered into by GHURA and Flores Rosa, LLC, dated and/or signed in the calendar year 2024.

GHURA's RESPONSE: GHURA does not have any documents responsive to this request.

3. Any and all communications, memos, and documents submitted to GHURA to the United States Internal Revenue Service ("IRS") to report GHURA's annual Low-Income Housing Tax Credit allocations and carryovers to the IRS, including but not limited to IRS Form 8610 and Schedule A to IRS Form 8610, for the years 2020, 2021, 2022, 2023, and 2024.

GHURA's RESPONSE: Please see attachments labeled "Response to question #3 and Response to question #3 con't."



4. Any and all communications, memos, and documents made and/or relied upon by the GHURA Board of Commissioners at the GHURA Board meeting held on February 6, 2025, including the documents Chairman John Rivera and Commissioner Victor Torres read from in making a motion to “award no other projects and hold back the balance from the 2024 cycle to be allotted during the coming 2025 application cycles for a total of \$8,206,880.00”

GHURA’s RESPONSE: Please see the attachment labeled “Response to question #4 and #5

5. Any and all communications, memos, and documents prepared for you or by you, that was relied upon by you and/or Deputy Director Esteves in making recommendations to the GHURA Board at the February 6, 2025 Board meeting regarding the 2024 LIHTC QAP Application Cycle.

GHURA’s RESPONSE: Please see the attachment labeled “Response to question #4 and #5

Sincerely,

Elizabeth F. Napoli
Executive Director

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Low Income Housing Tax Credit
2025 Carryover Allocation Agreement
Pursuant to Section 42(h)(1)(E) of the Internal Revenue Code

This Carryover Allocation Agreement is made and entered into by and between the Guam Housing and Urban Renewal Authority ("GHURA") and the Owner identified in Section I below as of the date indicated in Section VI below (the "Agreement"). This agreement provides for the allocation of 2024 Low Income Housing Tax Credits pursuant to Section 42(h)(1)(E) of the Code (as defined below) in the amount specified in Section VI below (the "Tax Credits") or the "housing credit dollar amount". The allocation of Tax Credits made in this agreement is subject to (i) all terms and conditions stated herein, including, without limitation, (ii) all terms and conditions of GHURA's Low Income Housing Tax Credit Qualified Allocation Plan (the "Qualified Allocation Plan"), the application and related materials submitted in connection with this allocation of Tax Credits (collectively, the "Applications"), and (iii) all requirements of Section 42 of the Internal Revenue Code of 1986, as amended, including, without limitation, all subsequent tax legislation duly enacted by the Congress of the United States, United States Treasury, Regulations proposed or in effect with respect to the code and revenue procedures, revenue rulings or other published determinations of the Treasury Department or Internal Revenue Service of the United States (collectively, the "Code").

I. OWNER:

Name: Flora Rosa Gardens, LLC
Attention: Robert P. Salas II
Address: 202 Hilton Road, PFM #7, Tumon, Guam 96913
Contact: (671) 688-8454
Email: rob.salas@pfmgum.com
Federal ID No.: EIN 66-1083040

II. PROJECT:

Name: Flores Rosa Gardens
Number: [Project Number first two letters and 4 digits example: GU-24-00]
Address: LOT NUMBER 2144-1D-7, Tamuning, Guam
(Refer to Exhibit A for legal description.)

III. BUILDING IDENTIFICATION NUMBERS: GU-24-00001 to GU-24-00003
(Refer to Exhibit B for further details.)

IV. ANTICIPATED PLACED-IN-SERVICE DATE: September 30, 2026
(This project must be Placed-in-Service on or before September 30, 2026.)

V. AGENCY:

Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue
Sinajana, Guam 96910
Federal ID No.: 96-0001279

VI. DATE OF ALLOCATION: December 10, 2024

The housing credit dollar amount awarded from the 2024 pool is **[\$1,793,120.00]**. This housing credit dollar amount is derived from GHURA's evaluation of the Project. GHURA will evaluate the Project a final time in connection with the Project being placed-in-service, provided all documentation required by GHURA in connection with a placed-in-service application, including without limitation a final certified cost information acceptable to GHURA, is submitted no later than **June 30, 2027**. As a result of this final evaluation, GHURA will make a final determination of the housing credit dollar amount to be reflected on the IRS form(s) 8609 issued by GHURA for the Project and the housing credit dollar amount may be less than or equal to but never more than the amount supported by the project's reasonable eligible basis.

VII. OWNER'S TOTAL REASONABLY EXPECTED ADJUSTED ELIGIBLE BASIS: **[\$15,325,815.00]**.

The Owner's actual basis, including land costs as of the date of this Agreement is **[\$15,589,553.00]**. The percentage of the actual basis as of the date of this Agreement to the total reasonably expected basis in the Project is **[101.72%]**.

To meet Carryover Allocation requirements, the Owner must submit the Cost Certification for the ten percent (10%) test and the deed vesting title to the property in Owner no later than **June 30, 2025**.

An independent Certified Public Accountant's opinion (or other professional determination satisfactory to the Authority) demonstrating compliance with Section 42 of the Code and Internal Revenue Service carryover regulation, that at least ten percent (10%) of the Owner's total reasonably expected basis in the Project has been incurred, together with such other evidence as the Authority shall deem necessary to permit it to make a determination that such requirement has been met.

VIII. Pursuant to the Housing Assistance Tax Act of 2008 (Division C, Title I, Section 3002 of the Housing and Economic Recovery Act of 2008) the applicable percentage(s) for each building in the Project that is not federally subsidized shall be **nine percent (9%)**.

IX. GHURA may, in its sole discretion, deem the allocation of Tax Credits made in this Agreement cancelled by mutual consent if there is any failure to comply with all terms, conditions, and requirements of this Agreement, the Applications, the Qualified Allocation Plan, or the Code. Once so cancelled, neither the Owner, the Project, nor any other person or entity shall have any right to claim Tax Credits based on this Agreement or the Application and GHURA shall have no liability therefore.

X. GHURA will issue an IRS Form 8609 for each building in the Project only if all terms, conditions, and requirements of the Agreement, the Applications, the Qualified Allocation Plan, Reservation Agreement and Code are met. The total of the housing credit dollar

amounts reflected on the IRS Form 8609 for each building in the Project may be less than or equal to the housing credit dollar amount specified in Section VI above.

- XI. GHURA has made the allocation of Tax Credits reflected in Section VI above and entered into this Agreement solely in reliance on information provided and representations made by or on behalf of the Owner in the Applications. This Agreement and the allocation of Tax Credits reflected herein do not constitute a representation, warranty, guaranty, advise or suggestion by GHURA as to (i) the qualification of the Project, or any building contained within the Project, for Tax Credits, or (ii) the feasibility or viability of the Project and no person or entity in any way now or subsequently with the Project or any other person or entity may rely on this Agreement and the allocation of Tax Credits reflected herein or on any other statements, written or oral of GHURA for such purposes.
- XII. The Owner hereby agrees and acknowledges that the determination made in Section VI above and the sufficiency of evidence supporting the determination may be subject to future revision by GHURA or the Internal Revenue Service.

This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

By: 
Elizabeth F. Napoli
Executive Director

Date: 02/03/2025

USA Territory of Guam

County of SINAJANA
(village)

Before me KATHLEEN JEAN P. TAITINGFONG, a Notary Public of the state and county mentioned, personally appeared **Elizabeth F. Napoli**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged herself to be the **Executive Director** of the **GUAM HOUSING AND URBAN RENEWAL AUTHORITY**, the within named bargainer, and that she as such, executed the foregoing instrument for the purpose therein contained, by signing the name of the **GUAM HOUSING AND URBAN RENEWAL AUTHORITY** by herself as **Executive Director**.

Witness my hand and seal, at the office, this 3RD day of FEBRUARY, 2025.



Notary Public
My commission expires: MAR 12, 2027

KATHLEEN JEAN PEREDA TAITINGFONG
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **MAR. 12, 2027**
117 Bien Venida Avenue Sinajana, Guam 96910



This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on.

FLORES ROSA GARDENS, LLC

By: 
ROBERT SALAS II
Managing Member

Date: 1/30/2025

USA Territory of Guam

County of Tamuning
(village)

Before me Vanessa R. Aguon, a Notary Public of the state and county mentioned, personally appeared **ROBERT SALAS II**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be the **Managing Member** of **FLORES ROSA GARDENS, LLC**, the within named bargainor, and that he as such, executed the foregoing instrument for the purpose therein contained, by signing the name of the **FLORES ROSA GARDENS, LLC** by himself as the **Managing Member**.

Witness my hand and seal, at the office, this 30th day of January, 2025.



Notary Public
My commission expires: Feb 13, 2025

VANESSA R. AGUON
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **FEB. 13, 2025**
275G Farenholt Ave PMB 304 Tamuning, GU 96913



EXHIBIT A
Legal Description

LOT NUMBER 2144-1D-7 (Subdivision of Lot 2144-1D), MUNICIPALITY OF TAMUNING, (Formerly Dededo), TERRITORY OF GUAM, Estate Number 58815, SUBURBAN, as said Lot is marked and designated on DRAWING NUMBER MSM-519TD71, as L.M. Check Number 541 - FY 71, as described in that Retracement and Parcelling Map, dated JUNE 04, 1971 and recorded JUNE 15, 1951 at the Records Division, Department of Land Management, Government of Guam, under Document Number 102857.

AREA: 4,046.81 +/- SQUARE METERS

Department of the Treasury
Internal Revenue Service

▶ Under section 42(l)(3) of the Internal Revenue Code.
▶ Go to www.irs.gov/Form8610 for the latest information.

2020

Name of housing credit agency GUAM HOUSING AND URBAN RENEWAL AUTHORITY	Employer identification number of agency 96-0001279
Address of housing credit agency 117 BIEN VENIDA AVENUE SINAJANA, GUAM 96910	Check box if amended report ▶ <input checked="" type="checkbox"/>
FOR IRS USE ONLY	

Part I Reconciliation of Attached Forms and Schedules

1 Enter the number of attached Forms 8609 used to allocate credit in 2020	1	0
2 Enter the number of attached Forms 8609 for credits allocated prior to 2020	2	23
3 Enter the number of attached Forms 8609 for credits attributable under section 42(h)(4) to projects financed by tax-exempt bonds	3	0
4 Enter the total dollar amount of credits attributable to projects financed by tax-exempt bonds as described in line 3 above ▶ \$ _____ 0		
5 Enter the number of attached Schedules A (Form 8610) reporting 2020 carryover allocations	5	0
6 Total number of attached forms and schedules. Add lines 1, 2, 3, and 5	6	23

Part II Reconciliation of Credit Ceilings and Allocations (see instructions)

7a Enter the larger of \$2.8125 multiplied by the state's population or \$3,217,500	7a	3,217,500.00
b Enter the amount of credit ceiling returned in 2020 from allocations prior to 2020. See instructions	7b	2,988,316.00
c Enter the amount (if any) allocated to the state from the 2020 National Pool	7c	0
d Add lines 7a through 7c	7d	6,205,816.00
e Enter the unused state housing credit ceiling (if any) from the 2019 Form 8610, line 9	7e	197,832.00
f Total state housing credit ceiling for 2020. Add lines 7d and 7e	7f	6,403,648.00
g Enter the total amount included on line 7f that was allocated during 2020 to qualified nonprofit organizations under section 42(h)(5). See instructions ▶ \$ _____ 0		
8a Enter the total dollar amount of credits from Forms 8609, identified on line 1 above , used to allocate credit in 2020 where the year of allocation and placed-in-service year are the same	8a	0
b Enter the total dollar amount of credits from Schedules A (Form 8610), line 5	8b	0
c Total credits allocated during 2020. Add lines 8a and 8b. (Total can't exceed line 7f.)	8c	0
9 Enter the smaller of line 7e or line 8c	9	0
10 Subtract line 9 from line 8c	10	0
11 State's unused housing credit ceiling carryover to 2021. Subtract line 10 from line 7d. If zero or less, enter -0-	11	6,205,816.00
12 Unused 2019 carryover assigned to the 2021 National Pool. Subtract line 9 from line 7e	12	197,832.00

Part III Compliance With Low-Income Housing Requirements (see instructions)

- 13 Does the state's qualified allocation plan in effect for 2020 include compliance monitoring procedures as required in section 42(m)(1)(B)(iii) and Regulations section 1.42-5(a)(2), including monitoring for habitability standards through regular site visits? (If "No," attach an explanation.) Yes No
- 14 Has the housing credit agency, for 2020 (or its most recent 12-month operating period), complied with all applicable requirements under the compliance monitoring procedures in its qualified allocation plan? (If "No," attach an explanation.) Yes No
- 15 Has the housing credit agency, for 2020 (or its most recent 12-month operating period), complied with the requirements of its monitoring procedures to fulfill its notification of noncompliance responsibilities under Regulations section 1.42-5(e)? (If "No," attach an explanation.) Yes No

Under penalties of perjury, I declare that I have examined this report and accompanying forms, schedules, binding agreements, and election statements, and other attachments, and to the best of my knowledge and belief, they are true, correct, and complete.


Signature of Authorizing Official

RAY S. TOPASNA / EXECUTIVE DIRECTOR
Print Name and Title

05/07/21
Date

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8610 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form8610.

What's New

The population component of the state housing credit ceiling for 2020 is the greater of \$2.8125 times the state's population or \$3,217,500.

For calendar year 2020, the state housing credit ceiling for California has been increased. See P.L. 116-94, section 207, for more information.

Purpose of Form

Housing credit agencies use Form 8610 to transmit Forms 8609, Low-Income Housing Credit Allocation and Certification, and Schedules A (Form 8610) to the IRS. Form 8610 is also used to report the dollar amount of housing credits allocated during the calendar year. The housing credit agency must not allocate more credits than it is authorized to allocate during the calendar year.

Generally, the state housing credit ceiling for 2020 for any state is the sum of:

1. The larger of \$3,217,500 or \$2.8125 multiplied by the state's population;
 2. The amount of state housing credit ceiling returned in 2020 from allocations made prior to 2020;
 3. The amount, if any, allocated to the state from the National Pool; plus
 4. The unused state housing credit ceiling, if any, for 2019.
- See Regulations section 1.42-14 for more information.

Who Must File

Any housing credit agency authorized to make an allocation of the credit (even if no credit is actually allocated) on a Form 8609 or carryover allocation reported on a Schedule A (Form 8610) to an owner of a qualified low-income building during the calendar year must complete and file Form 8610. In states with multiple housing credit agencies (including states with constitutional home rule cities), the agencies must coordinate and file one Form 8610.

If a housing credit agency has granted any project relief for carryover allocations discussed in section 6 of Rev. Proc. 2014-49, 2014-37 I.R.B. 535, the agency must attach to Form 8610 a copy of Schedule A (Form 8610) for each project for which it has approved relief. The attached copy of Schedule A (Form 8610) must have the box checked that indicates the housing credit agency granted carryover allocation relief under Rev. Proc. 2014-49. The housing credit agency should only include Schedules A (Form 8610) for projects receiving approval of the carryover allocation relief since the agency last filed Form 8610. The information from these particular Schedules A (Form 8610) isn't included on any line in Part I or Part II of Form 8610.

If a housing credit agency has granted any project relief to toll the beginning of the first year of the credit period as discussed in section 10 of Rev. Proc. 2014-49, the agency must attach to the Form 8610 filed for the calendar year in

which the President declared the area a major disaster area a statement containing the following information: (1) the name, address, and TIN of the building owner; (2) the address of the building; (3) the building identification number (BIN); and (4) the agency-approved first year of the credit period. The statement should be labeled "Relief Under Section 10 of Rev. Proc. 2014-49." The statement should be signed by an agency-authorized official and a copy of the statement should be provided to the building owner.

When To File

File the 2020 Form 8610 with accompanying Forms 8609 (with only Part I completed) and Schedules A (Form 8610) by February 28, 2021.

Where To File

Send Form 8610 and attached forms and schedules to:

Department of the Treasury
Internal Revenue Service Center
Philadelphia, PA 19255-0549

Penalty

The \$100 penalty under section 6652(j) applies to any failure to file Form 8610 when due.

Specific Instructions

Note: The primary housing credit agency may rely on information provided by any constitutional home rule city or local housing credit agency under Temporary Regulations section 1.42-1T(c)(3) or (4).

To ensure that Form 8610 is correctly processed, attach all forms and schedules to Form 8610 in the following order.

1. Forms 8609.
2. Schedules A (Form 8610), not including those for projects approved for carryover allocation relief under Rev. Proc. 2014-49.
3. Schedules A (Form 8610) for projects approved for carryover allocation relief under Rev. Proc. 2014-49.

Amended Report

If this is an amended Form 8610, check the "amended report" box. Use the same version of the form that was originally filed (for example, a 2020 Form 8610 to amend the 2020 report, a 2019 Form 8610 to amend the 2019 report, etc.).

Complete only those lines that are being amended by entering the correct information. Attach any additional documentation necessary to explain why an amended Form 8610 is being filed.

Part I

Line 1

Enter the total number of Forms 8609 attached to this Form 8610 that were used to allocate credit during 2020. Don't include Forms 8609 issued to taxpayers that reflect credit allocations made prior to 2020 on section 42(h)(1)(E) or 42(h)(1)(F) carryover allocation documents.

Line 2

Enter the total number of Forms 8609 attached to this Form 8610 for credit allocations made prior to 2020 on section 42(h)(1)(E) or 42(h)(1)(F) carryover allocation documents.

Line 3

Enter the total number of Forms 8609 attached to this Form 8610 for credits attributable to projects financed by tax-exempt bonds subject to the volume cap under section 42(h)(4).

Part II

Line 7a

A state's population is determined according to section 146(j). See Notice 2020-10, 2020-10 I.R.B. 456, for applicable population figures.

Note: For more information on the increase to the state housing credit ceiling for California for calendar year 2020, see P.L. 116-94, section 207.

Line 7b

Don't include on this line allocations made and returned in the same year.

Line 7c

Enter the "Amount Allocated," if any, for your state in Rev. Proc. 2020-42, 2020-41 I.R.B. 891.

Line 7e

If the 2019 Form 8610 was amended, enter the amount (if any) from the amended Form 8610, line 9.

Line 7f

This is the state housing credit ceiling available for allocations during 2020.

Line 7g

Not more than 90% of the line 7f amount is allowed to be allocated to projects other than qualified low-income housing projects described in section 42(h)(5)(B).

Enter the sum of the following amounts.

- Any amount reported on line 1b of an attached Form 8609 with box 6f checked.
- Any amount reported on line 5 of an attached Schedule A (Form 8610) with question 3b answered "Yes."

Lines 8a and 8b

Enter on the applicable line the dollar amount actually allocated during 2020. Don't include the following.

- Credits allowed to tax-exempt bond financed projects under section 42(h)(4). These credits don't count against the total state housing ceiling authorized on line 7f.
- Amounts allocated and returned during the year, unless such amounts are reallocated by the close of the year.

On line 8a, enter the total amounts reported on all Forms 8609, Part I, line 1b, that are included on line 1 of this Form 8610. On line 8b, enter the total amounts reported as carryover allocations that are included on line 5 of this Form 8610.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file the following forms will vary depending on individual circumstances. The estimated average times are:

	Form 8610	Schedule A (Form 8610)
Recordkeeping	7 hr., 39 min.	3 hr., 49 min.
Learning about the law or the form	1 hr., 59 min.	24 min.
Preparing and sending the form to the IRS	2 hr., 12 min.	28 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from www.irs.gov/FormComments. Or you can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR - 6526, Washington, DC 20224. Don't send the form to this office. Instead, see *Where To File*, earlier.

Form **8610**

Annual Low-Income Housing Credit Agencies Report

(under section 42(l)(3) of the Internal Revenue Code)

OMB No. 1545-0990

2021

Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form8610 for the latest information.

Name of housing credit agency
GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Address of housing credit agency
**117 BIEN VENIDA AVENUE
SINAJANA, GUAM 96910**

Employer identification number of agency
96-0001279

Check box if amended report ▶

FOR IRS USE ONLY

Part I Reconciliation of Attached Forms and Schedules

1	Enter the number of attached Forms 8609 used to allocate credit in 2021	1	17
2	Enter the number of attached Forms 8609 for credits allocated prior to 2021	2	0
3	Enter the number of attached Forms 8609 for credits attributable under section 42(h)(4) to projects financed by tax-exempt bonds	3	0
4	Enter the total dollar amount of credits attributable to projects financed by tax-exempt bonds as described on line 3 above ▶ \$ <u>0</u>		
5	Enter the number of attached Schedules A (Form 8610) reporting 2021 carryover allocations	5	1
6	Total number of attached forms and schedules. Add lines 1, 2, 3, and 5	6	18

Part II Reconciliation of Credit Ceilings and Allocations (see instructions)

7a	Housing credit dollar amounts allocated to buildings in qualified disaster zones: Enter housing credit dollar amounts allocated due to additional state housing credit authority. See instructions	7a	0
b	Enter the larger of \$2.8125 multiplied by the state's population or \$3,245,625	7b	3,245,625.00
c	Enter the amount of credit ceiling returned in 2021 from allocations prior to 2021. See instructions	7c	3,217,500.00
d	Enter the amount (if any) allocated to the state from the 2021 National Pool	7d	0
e	Add lines 7a through 7d	7e	6,463,125.00
f	Enter the unused state housing credit ceiling (if any) from the 2020 Form 8610, line 9	7f	0
g	Total state housing credit ceiling for 2021. Add lines 7e and 7f	7g	6,463,125.00
h	Enter the total amount included on line 7g that was allocated during 2021 to qualified nonprofit organizations under section 42(h)(5). See instructions ▶ \$ <u>3,663,526.00</u>		
8a	Enter the total dollar amount of credits from Forms 8609, identified on line 1 above , used to allocate credit in 2021 where the year of allocation and the placed-in-service year are the same	8a	336,200.00
b	Enter the total dollar amount of credits from Schedules A (Form 8610), line 5	8b	3,663,526.00
c	Total credits allocated during 2021. Add lines 8a and 8b. (Total can't exceed line 7g.)	8c	3,999,726.00
9	Enter the smaller of line 7f or line 8c	9	0
10	Subtract line 9 from line 8c	10	3,999,726.00
11	State's unused housing credit ceiling carryover to 2022. Subtract line 10 from line 7e. If zero or less, enter -0-	11	2,463,399.00
12	Unused 2020 carryover assigned to the 2022 National Pool. Subtract line 9 from line 7f	12	0

Part III Compliance With Low-Income Housing Requirements (see instructions)

- 13 Does the state's qualified allocation plan in effect for 2021 include compliance monitoring procedures as required in section 42(m)(1)(B)(iii) and Regulations section 1.42-5(a)(2), including monitoring for habitability standards through regular site visits? (If "No," attach an explanation.) Yes No
- 14 Has the housing credit agency, for 2021 (or its most recent 12-month operating period), complied with all applicable requirements under the compliance monitoring procedures in its qualified allocation plan? (If "No," attach an explanation.) Yes No
- 15 Has the housing credit agency, for 2021 (or its most recent 12-month operating period), complied with the requirements of its monitoring procedures to fulfill its notification of noncompliance responsibilities under Regulations section 1.42-5(e)? (If "No," attach an explanation.) Yes No

Under penalties of perjury, I declare that I have examined this report and accompanying forms, schedules, binding agreements, and election statements, and other attachments, and to the best of my knowledge and belief, they are true, correct, and complete.


Signature of Authorizing Official

Ray S. Topasna / Executive Director
Print Name and Title

02/10/2022
Date

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8610 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form8610.

What's New

The population component of the state housing credit ceiling for 2021 is the greater of \$2.8125 times the state's population or \$3,245,625.

For calendar year 2021, the state housing credit ceiling for California has been increased. See P.L. 116-94, section 207, for more information. In addition, certain states are able to increase their housing credit ceiling. The guidelines for these increases are explained in *Credit ceiling increases under Purpose of Form* below.

Purpose of Form

Housing credit agencies use Form 8610 to transmit Forms 8609, Low-Income Housing Credit Allocation and Certification, and Schedules A (Form 8610) to the IRS. Form 8610 is also used to report the dollar amount of housing credits allocated during the calendar year. The housing credit agency must not allocate more credits than it is authorized to allocate during the calendar year.

Generally, the state housing credit ceiling for 2021 for any state is the sum of:

1. The larger of \$3,245,625 or \$2.8125 multiplied by the state's population;
2. The amount of state housing credit ceiling returned in 2021 from allocations made prior to 2021;
3. The amount, if any, allocated to the state from the National Pool; plus
4. The unused state housing credit ceiling, if any, for 2020.

See Regulations section 1.42-14 for more information.

Credit ceiling increases. For 2021, the housing credit ceiling for eleven states and Puerto Rico is increased to the extent of the aggregate housing credit dollar amount allocated by a state's housing credit agency to buildings located in a qualified disaster zone. Any increase is limited to the lesser of \$3.50 multiplied by the state's 2020 population residing in qualified disaster zones in the state, or 65% of the state's 2020 credit ceiling. See the instructions under *Line 7a*, later.

Note: The Consolidated Appropriations Act of 2021 (P.L. 116-260) defines a qualified disaster zone as that portion of any qualified disaster area which was determined by the President, during the period beginning on January 1, 2020, and ending on the date which is 60 days after the date of the enactment of this Act (February 25, 2021), to warrant individual or individual and public assistance from the federal government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of the qualified disaster with respect to such disaster area. COVID-19 related disasters are not included in this definition.

Who Must File

Any housing credit agency authorized to make an allocation of the credit (even if no credit is actually allocated) on a Form 8609 or carryover allocation reported on a Schedule A (Form 8610) to an owner of a qualified low-income building during the calendar year must complete and file Form 8610. In states with multiple housing credit agencies (including states with constitutional home rule cities), the agencies must coordinate and file one Form 8610.

If a housing credit agency has granted any project relief for carryover allocations discussed in section 6 of Rev. Proc. 2014-49, 2014-37 I.R.B. 535, the agency must attach to Form 8610 a copy of Schedule A (Form 8610) for each project for which it has approved relief. The attached copy of Schedule A (Form 8610) must have the box checked that indicates the housing credit agency granted carryover allocation relief under Rev. Proc. 2014-49. The housing credit agency should only include Schedules A (Form 8610) for projects receiving approval of the carryover allocation relief since the agency last filed Form 8610. The information from these particular Schedules A (Form 8610) isn't included on any line in Part I or Part II of Form 8610.

If a housing credit agency has granted any project relief to toll the beginning of the first year of the credit period as discussed in section 10 of Rev. Proc. 2014-49, the agency must attach to the Form 8610 filed for the calendar year in which the President declared the area a major disaster area a statement containing the following information: (1) the name, address, and TIN of the building owner; (2) the address of the building; (3) the building identification number (BIN); and (4) the agency-approved first year of the credit period. The statement should be labeled "Relief Under Section 10 of Rev. Proc. 2014-49." The statement should be signed by an agency-authorized official and a copy of the statement should be provided to the building owner.

When To File

File the 2021 Form 8610 with accompanying Forms 8609 (with only Part I completed) and Schedules A (Form 8610) by February 28, 2022.

Where To File

Send Form 8610 and attached forms and schedules to:

Department of the Treasury
Internal Revenue Service Center
Philadelphia, PA 19255-0549

Penalty

The \$100 penalty under section 6652(j) applies to any failure to file Form 8610 when due.

Specific Instructions

Note: The primary housing credit agency may rely on information provided by any constitutional home rule city or local housing credit agency under Temporary Regulations section 1.42-1T(c)(3) or (4).

To ensure that Form 8610 is correctly processed, attach all forms and schedules to Form 8610 in the following order.

1. Forms 8609.
2. Schedules A (Form 8610), not including those for projects approved for carryover allocation relief under Rev. Proc. 2014-49.
3. Schedules A (Form 8610) for projects approved for carryover allocation relief under Rev. Proc. 2014-49.

Amended Report

If this is an amended Form 8610, check the "amended report" box. Use the same version of the form that was originally filed (for example, a 2021 Form 8610 to amend the 2021 report, a 2020 Form 8610 to amend the 2020 report, etc.).

Complete only those lines that are being amended by entering the correct information. Attach any additional documentation necessary to explain why an amended Form 8610 is being filed.

Part I

Line 1

Enter the total number of Forms 8609 attached to this Form 8610 that were used to allocate credit during 2021. Don't include Forms 8609 issued to taxpayers that reflect credit allocations made prior to 2021 on section 42(h)(1)(E) or 42(h)(1)(F) carryover allocation documents.

Line 2

Enter the total number of Forms 8609 attached to this Form 8610 for credit allocations made prior to 2021 on section 42(h)(1)(E) or 42(h)(1)(F) carryover allocation documents.

Line 3

Enter the total number of Forms 8609 attached to this Form 8610 for credits attributable to projects financed by tax-exempt bonds subject to the volume cap under section 42(h)(4).

Part II

Line 7a

If applicable, enter the aggregate housing credit dollar amount allocated by the state's housing credit agency to buildings located in a qualified disaster zone.

For 2021, this amount is limited to the lesser of \$3.50 multiplied by the state's 2020 population residing in qualified disaster zones in the state, or 65% of the state's 2020 credit ceiling. See Notice 2021-45 for state populations residing in qualified disaster zones.

Note: Based on the presidentially declared disaster areas (other than COVID-19) that occurred during the designated time frame, additional housing credit authority was provided to eleven states (Alabama, California, Florida, Iowa, Louisiana, Michigan, Mississippi, Oregon, South Carolina, Tennessee, and Utah) and Puerto Rico.

Line 7b

A state's population is determined according to section 146(j). See Notice 2021-19 for applicable population figures.

Note: For more information on the increase to the state housing credit ceiling for California for calendar year 2021, see P.L. 116-94, section 207.

Line 7c

Don't include on this line allocations made and returned in the same year.

Line 7d

Enter the "Amount Allocated," if any, for your state in Rev. Proc. 2021-44, 2021-41 I.R.B. 469.

Line 7f

If the 2020 Form 8610 was amended, enter the amount (if any) from the amended Form 8610, line 9.

Line 7g

This is the state housing credit ceiling available for allocations during 2021.

Line 7h

Not more than 90% of the line 7g amount is allowed to be allocated to projects other than qualified low-income housing projects described in section 42(h)(5)(B).

Enter the sum of the following amounts.

- Any amount reported on line 1b of an attached Form 8609 with box 6f checked.
- Any amount reported on line 5 of an attached Schedule A (Form 8610) with question 3b answered "Yes."

Lines 8a and 8b

Enter on the applicable line the dollar amount actually allocated during 2021. Don't include the following.

- Credits allowed to tax-exempt bond financed projects under section 42(h)(4). These credits don't count against the total state housing ceiling authorized on line 7g.
- Amounts allocated and returned during the year, unless such amounts are reallocated by the close of the year.

On line 8a, enter the total amounts reported on all Forms 8609, Part I, line 1b, that are included on line 1 of this Form 8610. On line 8b, enter the total amounts reported as carryover allocations that are included on line 5 of this Form 8610.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file the following forms will vary depending on individual circumstances. The estimated average times are:

	Form 8610	Schedule A (Form 8610)
Recordkeeping	7 hr., 39 min.	3 hr., 49 min.
Learning about the law or the form	1 hr., 59 min.	24 min.
Preparing and sending the form to the IRS	2 hr., 12 min.	28 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from www.irs.gov/FormComments. Or you can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send the form to this office. Instead, see *Where To File*, earlier.

**Carryover Allocation of
Low-Income Housing Credit**

OMB No. 1545-0990

▶ Attach to Form 8610.
▶ Go to www.irs.gov/Form8610 for the latest information.

Name of housing credit agency GUAM HOUSING AND URBAN RENEWAL AUTHORITY		Employer identification number of agency 96-0001279
Address of housing credit agency 117 BIEN VENIDA AVENUE SINAJANA, GUAM 96910		Check box if amended carryover allocation . . . ▶ <input type="checkbox"/>
		FOR IRS USE ONLY
1a Name of building owner receiving carryover allocation SUMMER BREEZE I, LLC	2 Taxpayer identification number of building owner (include dash or dashes) 66-0854379	
1b Address of building owner receiving carryover allocation 388 SOUTH MARINE CORPS DRIVE, STE 400 TAMUNING, GUAM 96913		
3a Check if the carryover allocation is: <input checked="" type="checkbox"/> Building based or <input type="checkbox"/> Project based		
b If the carryover allocation is subject to the nonprofit set-aside under section 42(h)(5), you must check "Yes." Otherwise, you must check "No" <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
c For calendar year 2021 or 2022 carryover allocations, if the building is located in a qualified disaster zone and designated for purposes of section 42(h)(1)(E) to receive a placed-in-service date extension of 1 year, you must check this box ▶ <input type="checkbox"/>		
4 Date of carryover allocation ▶ <u>12/30/2021</u>		5 3,663,526
5 Amount of carryover allocation		
6 If a binding agreement (see instructions) was entered into, enter the maximum applicable credit percentage for:		
a Acquisition cost		6a 0 %
b Rehabilitation expenses		6b 0 %
c New construction expenses		6c 0 %

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

State housing credit agencies use Schedule A (Form 8610) to report carryover allocations.

Major Disaster Declarations

If a housing credit agency has granted any project relief for carryover allocations discussed in section 6 of Rev. Proc. 2014-49, 2014-37 I.R.B. 535, the agency must attach to Form 8610 a copy of the Schedule A (Form 8610) for the projects for which it has approved relief. These attached copies of Schedule A (Form 8610) must have the box checked that indicates the housing credit agency granted carryover allocation relief under Rev. Proc. 2014-49. The housing credit agency should only include Schedules A (Form 8610) for projects receiving approval of the carryover allocation relief since the agency last filed Form 8610. The information from these particular Schedules A (Form 8610) is not included on any line in Part I or Part II of Form 8610.

Specific Instructions

Line 3c

Check the box for a 2021 or 2022 credit allocation if the building is located in a

qualified disaster zone and designated for purposes of section 42(h)(1)(E) to receive a placed-in-service extension of 1 year.

Note: The term "qualified disaster zone" means "that portion of any qualified disaster area which was determined by the President, during the period beginning on January 1, 2020, and ending on the date which is 60 days after the date of the enactment of this Act, to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of the qualified disaster with respect to such disaster area." See section 301 of the Taxpayer Certainty and Disaster Act of 2020 (Division EE of P.L. 116-260). See Notice 2021-45, 2021-31 I.R.B. 170, for state populations residing in qualified disaster zones.

Line 4

Enter the date of allocation. This is the date the authorized official of the state housing agency signs and dates the carryover allocation document.

Line 5

Enter the amount of carryover allocation. If you checked the "building based" box on line 3a, enter the amount of credit allocated to the building under section 42(h)(1)(E). If you checked the "project based" box on line 3a, enter the amount

of credit allocated to all the buildings in the project under section 42(h)(1)(F).

Lines 6a, 6b, and 6c

Complete these lines only if both of the following apply.

- There is a binding agreement between the housing credit agency and the building owner for a specific housing credit dollar amount.
- An election is made to use an applicable percentage for a month other than the month in which the property is placed in service.

See Regulations sections 1.42-6 and 1.42-8 for requirements that must be met.

The applicable percentage cannot be less than 9% for any building that (1) is not federally subsidized, and (2) is placed in service after July 30, 2008. See section 42(b)(2) and Notice 2008-106, 2008-49 I.R.B. 1239.

The applicable percentage cannot be less than 4% for any new or existing federally subsidized building that is placed in service by the taxpayer after December 31, 2020. For the minimum 4% rate to apply, a building must also receive an allocation of housing credit dollar amount after December 31, 2020, or have a portion of the building financed with an obligation described in section 42(h)(4)(A) that is issued after December 31, 2020. See section 42(b)(3) and section 201(b) of the Taxpayer Certainty and Disaster Act of 2020 (Division EE of P.L. 116-260).

Name of housing credit agency
GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Address of housing credit agency
**117 BIEN VENIDA AVENUE
SINAJANA, GUAM 96910**

Employer identification number of agency
96-0001279

Check box if amended report

FOR IRS USE ONLY

Part I Reconciliation of Attached Forms and Schedules

1	Enter the number of attached Forms 8609 used to allocate credit in 2022	1	0
2	Enter the number of attached Forms 8609 for credits allocated prior to 2022	2	0
3	Enter the number of attached Forms 8609 for credits attributable under section 42(h)(4) to projects financed by tax-exempt bonds	3	0
4	Enter the total dollar amount of credits attributable to projects financed by tax-exempt bonds as described on line 3 above \$ <u>0</u>		
5	Enter the number of attached Schedules A (Form 8610) reporting 2022 carryover allocations	5	1
6	Total number of attached forms and schedules. Add lines 1, 2, 3, and 5	6	1

Part II Reconciliation of Credit Ceilings and Allocations (see instructions)

7a	Housing credit dollar amounts allocated to buildings in qualified disaster zones: Enter housing credit dollar amounts allocated due to additional state housing credit authority. See instructions	7a	0
b	Enter the larger of \$2.60 multiplied by the state's population or \$2,975,000	7b	2,975,000
c	Enter the amount of credit ceiling returned in 2022 from allocations prior to 2022. See instructions	7c	0
d	Enter the amount (if any) allocated to the state from the 2022 National Pool	7d	0
e	Add lines 7a through 7d	7e	2,975,000
f	Enter the unused state housing credit ceiling (if any) from the 2021 Form 8610, line 11	7f	3,245,625
g	Total state housing credit ceiling for 2022. Add lines 7e and 7f	7g	6,220,625
h	Enter the total amount included on line 7g that was allocated during 2022 to qualified nonprofit organizations under section 42(h)(5). See instructions \$ <u>5,438,399</u>		
8a	Enter the total dollar amount of credits from Forms 8609, identified on line 1 above , used to allocate credit in 2022 where the year of allocation and the placed-in-service year are the same	8a	0
b	Enter the total dollar amount of credits from Schedules A (Form 8610), line 5	8b	5,438,399
c	Total credits allocated during 2022. Add lines 8a and 8b. (Total can't exceed line 7g.)	8c	5,438,399
9	Enter the smaller of line 7f or line 8c	9	3,245,625
10	Subtract line 9 from line 8c	10	2,192,774
11	State's unused housing credit ceiling carryover to 2023. Subtract line 10 from line 7e. If zero or less, enter -0-	11	782,226
12	Unused 2021 carryover assigned to the 2023 National Pool. Subtract line 9 from line 7f	12	0

Part III Compliance With Low-Income Housing Requirements (see instructions)

- 13 Does the state's qualified allocation plan in effect for 2022 include compliance monitoring procedures as required in section 42(m)(1)(B)(iii) and Regulations section 1.42-5(a)(2), including monitoring for habitability standards through regular site visits? (If "No," attach an explanation.) Yes No
- 14 Has the housing credit agency, for 2022 (or its most recent 12-month operating period), complied with all applicable requirements under the compliance monitoring procedures in its qualified allocation plan? (If "No," attach an explanation.) Yes No
- 15 Has the housing credit agency, for 2022 (or its most recent 12-month operating period), complied with the requirements of its monitoring procedures to fulfill its notification of noncompliance responsibilities under Regulations section 1.42-5(e)? (If "No," attach an explanation.) Yes No

Under penalties of perjury, I declare that I have examined this report and accompanying forms, schedules, binding agreements, and election statements, and other attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Elizabeth F. Napoli
Signature of Authorizing Official

ELIZABETH F. NAPOLI / EXECUTIVE DIRECTOR
Print Name and Title

02/15/2023
Date

Part I

Line 1

Enter the total number of Forms 8609 attached to this Form 8610 that were used to allocate credit during 2022. Don't include Forms 8609 issued to taxpayers that reflect credit allocations made prior to 2022 on section 42(h)(1)(E) or 42(h)(1)(F) carryover allocation documents.

Line 2

Enter the total number of Forms 8609 attached to this Form 8610 for credit allocations made prior to 2022 on section 42(h)(1)(E) or 42(h)(1)(F) carryover allocation documents.

Line 3

Enter the total number of Forms 8609 attached to this Form 8610 for credits attributable to projects financed by tax-exempt bonds subject to the volume cap under section 42(h)(4).

Part II

Line 7a

If applicable, enter the aggregate housing credit dollar amount allocated by the state's housing credit agency to buildings located in a qualified disaster zone.

For 2022, this amount is limited to the lesser of \$3.50 multiplied by the state's 2020 population residing in qualified disaster zones in the state, or 65% of the state's 2020 credit ceiling. For 2022, this amount is further limited by any amount allocated in 2021 by the state's housing credit agency to buildings located in a qualified disaster zone. See Notice 2021-45, 2021-31 I.R.B. 170, for state populations residing in qualified disaster zones.

Note: Based on the presidentially declared disaster areas (other than COVID-19) that occurred during the designated time frame, additional housing credit authority was provided to eleven states (Alabama, California, Florida, Iowa, Louisiana, Michigan, Mississippi, Oregon, South Carolina, Tennessee, and Utah) and Puerto Rico.

Line 7b

A state's population is determined according to section 146(j). See Notice 2022-12, 2022-12 I.R.B. 906, for applicable population figures.

Line 7c

Don't include on this line allocations made and returned in the same year.

Line 7d

Enter the "Amount Allocated," if any, for your state in Rev. Proc. 2022-37, 2022-43 I.R.B. 337.

Line 7f

If the 2021 Form 8610 was amended, enter the amount (if any) from the amended Form 8610, line 11.

Line 7g

This is the state housing credit ceiling available for allocations during 2022.

Line 7h

Not more than 90% of the line 7g amount is allowed to be allocated to projects other than qualified low-income housing projects described in section 42(h)(5)(B).

Enter the sum of the following amounts.

- Any amount reported on line 1b of an attached Form 8609 with box 6f checked.
- Any amount reported on line 5 of an attached Schedule A (Form 8610) with question 3b answered "Yes."

Lines 8a and 8b

Enter on the applicable line the dollar amount actually allocated during 2022. Don't include the following.

- Credits allowed to tax-exempt bond financed projects under section 42(h)(4). These credits don't count against the total state housing ceiling authorized on line 7g.
- Amounts allocated and returned during the year, unless such amounts are reallocated by the close of the year.

On line 8a, enter the total amounts reported on all Forms 8609, Part I, line 1b, that are included on line 1 of this Form 8610. On line 8b, enter the total amounts reported as carryover allocations that are included on line 5 of this Form 8610.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file the following forms will vary depending on individual circumstances. The estimated average times are:

	Form 8610	Schedule A (Form 8610)
Recordkeeping	7 hr., 39 min.	3 hr., 49 min.
Learning about the law or the form	1 hr., 59 min.	24 min.
Preparing and sending the form to the IRS	2 hr., 12 min.	28 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from www.irs.gov/FormComments. Or you can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send the form to this office. Instead, see *Where To File*, earlier.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8610 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form8610.

What's New

The population component of the state housing credit ceiling for 2022 is the greater of \$2.60 times the state's population or \$2,975,000.

Purpose of Form

Housing credit agencies use Form 8610 to transmit Forms 8609, Low-Income Housing Credit Allocation and Certification, and Schedules A (Form 8610) to the IRS. Form 8610 is also used to report the dollar amount of housing credits allocated during the calendar year. The housing credit agency must not allocate more credits than it is authorized to allocate during the calendar year.

Generally, the state housing credit ceiling for 2022 for any state is the sum of:

1. The larger of \$2,975,000 or \$2.60 multiplied by the state's population;
2. The amount of state housing credit ceiling returned in 2022 from allocations made prior to 2022;
3. The amount, if any, allocated to the state from the National Pool; plus
4. The unused state housing credit ceiling, if any, for 2021.

See Regulations section 1.42-14 for more information.

Credit ceiling increases. For 2022, the housing credit ceiling for eleven states and Puerto Rico is increased to the extent of the aggregate housing credit dollar amount allocated by a state's housing credit agency to buildings located in a qualified disaster zone. Any increase is limited to the lesser of \$3.50 multiplied by the state's 2020 population residing in qualified disaster zones in the state, or 65% of the state's 2020 credit ceiling reduced by the amount of any increase with respect to such state for 2021. See the instructions under *Line 7a*, later.

Note: The Consolidated Appropriations Act of 2021 (P.L. 116-260) defines a qualified disaster zone as that portion of any qualified disaster area which was determined by the President, during the period beginning on January 1, 2020, and ending on the date which is 60 days after the date of the enactment of this Act (February 25, 2021), to warrant individual or individual and public assistance from the federal government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of the qualified disaster with respect to such disaster area. COVID-19 related disasters are not included in this definition.

Who Must File

Any housing credit agency authorized to make an allocation of the credit (even if no credit is actually allocated) on a Form 8609 or carryover allocation reported on a Schedule A (Form 8610) to an owner of a qualified low-income building during the calendar year must complete and file Form 8610. In states with multiple housing credit agencies (including states with constitutional home rule cities), the agencies must coordinate and file one Form 8610.

If a housing credit agency has granted any project relief for carryover allocations discussed in section 6 of Rev. Proc. 2014-49, 2014-37 I.R.B. 535, the agency must attach to Form 8610 a copy of Schedule A (Form 8610) for each project for which it has approved relief. The attached copy of Schedule A (Form 8610) must have the box checked that indicates the housing credit agency granted carryover allocation relief under Rev. Proc. 2014-49. The housing credit agency should only include Schedules A (Form 8610) for projects receiving approval of the carryover allocation relief since the agency last filed Form 8610. The information from these particular Schedules A (Form 8610) isn't included on any line in Part I or Part II of Form 8610.

If a housing credit agency has granted any project relief to toll the beginning of the first year of the credit period as discussed in section 10 of Rev. Proc. 2014-49, the agency must attach to the Form 8610 filed for the calendar year in which the President declared the area a major disaster area a statement containing the following information: (1) the name, address, and TIN of the building owner; (2) the address of the building; (3) the building identification number (BIN); and (4) the agency-approved first year of the credit period. The statement should be labeled "Relief Under Section 10 of Rev. Proc. 2014-49." The statement should be signed by an agency-authorized official and a copy of the statement should be provided to the building owner.

When To File

File the 2022 Form 8610 with accompanying Forms 8609 (with only Part I completed) and Schedules A (Form 8610) by February 28, 2023.

Where To File

Send Form 8610 and attached forms and schedules to:

Department of the Treasury
Internal Revenue Service Center
Philadelphia, PA 19255-0549

Penalty

The \$100 penalty under section 6652(j) applies to any failure to file Form 8610 when due.

Specific Instructions

Note: The primary housing credit agency may rely on information provided by any constitutional home rule city or local housing credit agency under Temporary Regulations section 1.42-1T(c)(3) or (4).

To ensure that Form 8610 is correctly processed, attach all forms and schedules to Form 8610 in the following order.

1. Forms 8609.
2. Schedules A (Form 8610), not including those for projects approved for carryover allocation relief under Rev. Proc. 2014-49.
3. Schedules A (Form 8610) for projects approved for carryover allocation relief under Rev. Proc. 2014-49.

Amended Report

If this is an amended Form 8610, check the "amended report" box. Use the same version of the form that was originally filed (for example, a 2022 Form 8610 to amend the 2022 report, a 2021 Form 8610 to amend the 2021 report, etc.).

Complete only those lines that are being amended by entering the correct information. Attach any additional documentation necessary to explain why an amended Form 8610 is being filed.

**Carryover Allocation of
Low-Income Housing Credit**

Attach to Form 8610.

Go to www.irs.gov/Form8610 for the latest information.

Name of housing credit agency GUAM HOUSING AND URBAN RENEWAL AUTHORITY		Employer identification number of agency 96-0001279	
Address of housing credit agency 117 BIEN VENIDA AVENUE SINAJANA GUAM 96910		Check box if amended carryover allocation <input type="checkbox"/>	
		FOR IRS USE ONLY	
1a Name of building owner receiving carryover allocation SUMMER VISTA I, LLC		2 Taxpayer identification number of building owner (include dash or dashes) 66-0869751	
1b Address of building owner receiving carryover allocation 388 SOUTH MARINE CORPS DRIVE, SUITE 400 TAMUNING GUAM 96913			
3a Check if the carryover allocation is: <input checked="" type="checkbox"/> Building based or <input type="checkbox"/> Project based			
b If the carryover allocation is subject to the nonprofit set-aside under section 42(h)(5), you must check "Yes." Otherwise, you must check "No" <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
c For calendar year 2021 or 2022 carryover allocations, if the building is located in a qualified disaster zone and designated for purposes of section 42(h)(1)(E) to receive a placed-in-service date extension of 1 year, you must check this box <input type="checkbox"/>			
4 Date of carryover allocation <u>12/08/2022</u>			
5 Amount of carryover allocation		5	5,438,399
6 If a binding agreement (see instructions) was entered into, enter the maximum applicable credit percentage for:			
a Acquisition cost		6a	0 %
b Rehabilitation expenses		6b	0 %
c New construction expenses		6c	0 %

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

State housing credit agencies use Schedule A (Form 8610) to report carryover allocations.

Major Disaster Declarations

If a housing credit agency has granted any project relief for carryover allocations discussed in section 6 of Rev. Proc. 2014-49, 2014-37 I.R.B. 535, the agency must attach to Form 8610 a copy of the Schedule A (Form 8610) for the projects for which it has approved relief. These attached copies of Schedule A (Form 8610) must have the box checked that indicates the housing credit agency granted carryover allocation relief under Rev. Proc. 2014-49. The housing credit agency should only include Schedules A (Form 8610) for projects receiving approval of the carryover allocation relief since the agency last filed Form 8610. The information from these particular Schedules A (Form 8610) is not included on any line in Part I or Part II of Form 8610.

Specific Instructions

Line 3c

Check the box for a 2021 or 2022 credit allocation if the building is located in a qualified disaster zone and designated for purposes of section 42(h)(1)(E) to receive a

placed-in-service extension of 1 year (including also a 1-year extension for purposes of the 10% requirement in section 42(h)(1)(E)(ii)).

Note: The term "qualified disaster zone" means "that portion of any qualified disaster area which was determined by the President, during the period beginning on January 1, 2020, and ending on the date which is 60 days after the date of the enactment of this Act, to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of the qualified disaster with respect to such disaster area." See section 301 of the Taxpayer Certainty and Disaster Act of 2020 (Division EE of P.L. 116-260). See Notice 2021-45, 2021-31 I.R.B. 170, for state populations residing in qualified disaster zones.

Line 4

Enter the date of allocation. This is the date the authorized official of the state housing agency signs and dates the carryover allocation document.

Line 5

Enter the amount of carryover allocation. If you checked the "building based" box on line 3a, enter the amount of credit allocated to the building under section 42(h)(1)(E). If you checked the "project based" box on line 3a, enter the amount of credit allocated to all the buildings in the project under section 42(h)(1)(F).

Lines 6a, 6b, and 6c

Complete these lines only if both of the following apply.

- There is a binding agreement between the housing credit agency and the building owner for a specific housing credit dollar amount.
- An election is made to use an applicable percentage for a month other than the month in which the property is placed in service.

See Regulations sections 1.42-6 and 1.42-8 for requirements that must be met.

The applicable percentage cannot be less than 9% for any building that (1) is not federally subsidized, and (2) is placed in service after July 30, 2008. See section 42(b)(2) and Notice 2008-106, 2008-49 I.R.B. 1239.

The applicable percentage cannot be less than 4% for any new or existing federally subsidized building that is placed in service by the taxpayer after December 31, 2020. For the minimum 4% rate to apply, a building must also receive an allocation of housing credit dollar amount after December 31, 2020, or have a portion of the building financed with an obligation described in section 42(h)(4)(A) that is issued after December 31, 2020. See section 42(b)(3) and section 201(b) of the Taxpayer Certainty and Disaster Act of 2020 (Division EE of P.L. 116-260), and also Rev. Rul. 2021-20, 2021-51 I.R.B. 875, and Rev. Proc. 2021-43, 2021-51 I.R.B. 882.

Name of housing credit agency
GUAM HOUSING AND URBAN RENEWAL AUTHORITY
 Address of housing credit agency
**117 BIEN VENIDA AVENUE
 SINAJANA GUAM 96910**

Employer identification number of agency
96-0001279

Check box if amended report

FOR IRS USE ONLY

Part I Reconciliation of Attached Forms and Schedules

1	Enter the number of attached Forms 8609 used to allocate credit in 2023	1	0
2	Enter the number of attached Forms 8609 for credits allocated prior to 2023	2	0
3	Enter the number of attached Forms 8609 for credits attributable under section 42(h)(4) to projects financed by tax-exempt bonds	3	0
4	Enter the total dollar amount of credits attributable to projects financed by tax-exempt bonds as described on line 3 above \$ 0		
5	Enter the number of attached Schedules A (Form 8610) reporting 2023 carryover allocations	5	0
6	Total number of attached forms and schedules. Add lines 1, 2, 3, and 5	6	0

Part II Reconciliation of Credit Ceilings and Allocations (see instructions)

7a	Reserved for future use	7a	
b	Enter the larger of \$2.75 multiplied by the state's population or \$3,185,000	7b	3,185,000
c	Enter the amount of credit ceiling returned in 2023 from allocations prior to 2023. See instructions	7c	0
d	Enter the amount (if any) allocated to the state from the 2023 National Pool	7d	0
e	Add lines 7a through 7d	7e	3,185,000
f	Enter the unused state housing credit ceiling (if any) from the 2022 Form 8610, line 11	7f	782,226
g	Total state housing credit ceiling for 2023. Add lines 7e and 7f	7g	3,967,226
h	Enter the total amount included on line 7g that was allocated during 2023 to qualified nonprofit organizations under section 42(h)(5). See instructions \$ 0		
8a	Enter the total dollar amount of credits from Forms 8609, identified on line 1 above , used to allocate credit in 2023 where the year of allocation and the placed-in-service year are the same	8a	0
b	Enter the total dollar amount of credits from Schedules A (Form 8610), line 5	8b	0
c	Total credits allocated during 2023. Add lines 8a and 8b. (Total can't exceed line 7g.)	8c	0
9	Enter the smaller of line 7f or line 8c	9	0
10	Subtract line 9 from line 8c	10	0
11	State's unused housing credit ceiling carryover to 2024. Subtract line 10 from line 7e. If zero or less, enter -0-	11	3,185,000
12	Unused 2022 carryover assigned to the 2024 National Pool. Subtract line 9 from line 7f	12	782,226

Part III Compliance With Low-Income Housing Requirements (see instructions)

- 13 Does the state's qualified allocation plan in effect for 2023 include compliance monitoring procedures as required in section 42(m)(1)(B)(iii) and Regulations section 1.42-5(a)(2), including monitoring for habitability standards through regular site visits? (If "No," attach an explanation.) Yes No
- 14 Has the housing credit agency, for 2023 (or its most recent 12-month operating period), complied with all applicable requirements under the compliance monitoring procedures in its qualified allocation plan? (If "No," attach an explanation.) Yes No
- 15 Has the housing credit agency, for 2023 (or its most recent 12-month operating period), complied with the requirements of its monitoring procedures to fulfill its notification of noncompliance responsibilities under Regulations section 1.42-5(e)? (If "No," attach an explanation.) Yes No

Under penalties of perjury, I declare that I have examined this report and accompanying forms, schedules, binding agreements, and election statements, and other attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Elizabeth F. Napoli
 Signature of Authorizing Official

Elizabeth F. Napoli / GHURA Executive Director
 Print Name and Title

02/26/2024
 Date

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8610 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form8610.

What's New

The population component of the state housing credit ceiling for 2023 is the greater of \$2.75 times the state's population or \$3,185,000.

Purpose of Form

Housing credit agencies use Form 8610 to transmit Forms 8609, Low-Income Housing Credit Allocation and Certification, and Schedules A (Form 8610) to the IRS. Form 8610 is also used to report the dollar amount of housing credits allocated during the calendar year. The housing credit agency must not allocate more credits than it is authorized to allocate during the calendar year.

Generally, the state housing credit ceiling for 2023 for any state is the sum of:

1. The larger of \$3,185,000 or \$2.75 multiplied by the state's population;
2. The amount of state housing credit ceiling returned in 2023 from allocations made prior to 2023;
3. The amount, if any, allocated to the state from the National Pool; plus
4. The unused state housing credit ceiling, if any, for 2022.

See Regulations section 1.42-14 for more information.

Who Must File

Any housing credit agency authorized to make an allocation of the credit (even if no credit is actually allocated) on a Form 8609 or carryover allocation reported on a Schedule A (Form 8610) to an owner of a qualified low-income building during the calendar year must complete and file Form 8610. In states with multiple housing credit agencies (including states with constitutional home rule cities), the agencies must coordinate and file one Form 8610.

If a housing credit agency has granted any project relief for carryover allocations discussed in section 6 of Rev. Proc. 2014-49, 2014-37 I.R.B. 535, the agency must attach to Form 8610 a copy of Schedule A (Form 8610) for each project for which it has approved relief. The attached copy of Schedule A (Form 8610) must have the box checked that indicates the housing credit agency granted carryover allocation relief under Rev. Proc. 2014-49. The housing credit agency should only include Schedules A (Form 8610) for projects receiving approval of the carryover allocation relief since the agency last filed Form 8610. The information from these particular Schedules A (Form 8610) isn't included on any line in Part I or Part II of Form 8610.

If a housing credit agency has granted any project relief to toll the beginning of the first year of the credit period as discussed in section 10 of Rev. Proc. 2014-49, the agency must attach to the Form 8610 filed for the calendar year in which the President declared the area a major disaster area a statement containing the following information: (1) the name, address, and TIN of the building owner; (2) the address of the building; (3) the building

identification number (BIN); and (4) the agency-approved first year of the credit period. The statement should be labeled "Relief Under Section 10 of Rev. Proc. 2014-49." The statement should be signed by an agency-authorized official and a copy of the statement should be provided to the building owner.

When To File

File the 2023 Form 8610 with accompanying Forms 8609 (with only Part I completed) and Schedules A (Form 8610) by February 28, 2024.

Where To File

Send Form 8610 and attached forms and schedules to:

Department of the Treasury
Internal Revenue Service Center
Philadelphia, PA 19255-0549

Penalty

The \$100 penalty under section 6652(j) applies to any failure to file Form 8610 when due.

Specific Instructions

Note: The primary housing credit agency may rely on information provided by any constitutional home rule city or local housing credit agency under Temporary Regulations section 1.42-1T(c)(3) or (4).

To ensure that Form 8610 is correctly processed, attach all forms and schedules to Form 8610 in the following order.

1. Forms 8609.
2. Schedules A (Form 8610), not including those for projects approved for carryover allocation relief under Rev. Proc. 2014-49.
3. Schedules A (Form 8610) for projects approved for carryover allocation relief under Rev. Proc. 2014-49.

Amended Report

If this is an amended Form 8610, check the "amended report" box. Use the same version of the form that was originally filed (for example, a 2023 Form 8610 to amend the 2023 report, a 2022 Form 8610 to amend the 2022 report, etc.).

Complete only those lines that are being amended by entering the correct information. Attach any additional documentation necessary to explain why an amended Form 8610 is being filed.

Part I

Line 1

Enter the total number of Forms 8609 attached to this Form 8610 that were used to allocate credit during 2023. Don't include Forms 8609 issued to taxpayers that reflect credit allocations made prior to 2023 on section 42(h)(1)(E) or 42(h)(1)(F) carryover allocation documents.

Line 2

Enter the total number of Forms 8609 attached to this Form 8610 for credit allocations made prior to 2023 on section 42(h)(1)(E) or 42(h)(1)(F) carryover allocation documents.

Line 3

Enter the total number of Forms 8609 attached to this Form 8610 for credits attributable to projects financed by tax-exempt bonds subject to the volume cap under section 42(h)(4).

Part II

Line 7b

A state's population is determined according to section 146(j). See Notice 2023-22, 2023-12 I.R.B. 569, for applicable population figures.

Line 7c

Don't include on this line allocations made and returned in the same year.

Line 7d

Enter the "Amount Allocated," if any, for your state in Rev. Proc. 2023-32, 2023-41 I.R.B. 1064.

Line 7f

If the 2022 Form 8610 was amended, enter the amount (if any) from the amended Form 8610, line 11.

Line 7g

This is the state housing credit ceiling available for allocations during 2023.

Line 7h

Not more than 90% of the line 7g amount is allowed to be allocated to projects other than qualified low-income housing projects described in section 42(h)(5)(B).

Enter the sum of the following amounts.

- Any amount reported on line 1b of an attached Form 8609 with box 6f checked.
- Any amount reported on line 5 of an attached Schedule A (Form 8610) with question 3b answered "Yes."

Lines 8a and 8b

Enter on the applicable line the dollar amount actually allocated during 2023. Don't include the following.

- Credits allowed to tax-exempt bond financed projects under section 42(h)(4). These credits don't count against the total state housing ceiling authorized on line 7g.
- Amounts allocated and returned during the year, unless such amounts are reallocated by the close of the year.

On line 8a, enter the total amounts reported on all Forms 8609, Part I, line 1b, that are included on line 1 of this Form 8610. On line 8b, enter the total amounts reported as carryover allocations that are included on line 5 of this Form 8610.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file the following forms will vary depending on individual circumstances. The estimated average times are:

	Form 8610	Schedule A (Form 8610)
Recordkeeping	7 hr., 39 min.	3 hr., 49 min.
Learning about the law or the form	1 hr., 59 min.	24 min.
Preparing and sending the form to the IRS	2 hr., 12 min.	28 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from www.irs.gov/FormComments. Or you can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send the form to this office. Instead, see *Where To File*, earlier.



GHURA

Guam Housing and Urban Renewal Authority
Aturidat Ginima' Yan Rinueban Siudat Guahan
117 Bien Venida Avenue, Sinajana, GU 96910
Phone: (671) 477-9851 · Fax: (671) 300-7565 · TTY: (671) 472-3701
Website: www.ghura.org



Lourdes A. Leon Guerrero
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Commissioner

Emilia F. Rice
Commissioner

Victor R. Torres
Commissioner

Karl E. Corpus
Resident Commissioner

Elizabeth F. Napoli
Executive Director

Fernando B. Esteves
Deputy Director

February 27, 2025

Department of the Treasury
Internal Revenue Service Center
Philadelphia, PA 19255-0549

RE: 2024 LIHTC Allocation IRS 8610

Greetings,

Transmitted herewithin is the Guam Housing and Urban Renewal Authority's IRS Form 8610 for the 2024 Low-Income Housing Tax Credit Program.

GHURA has unused 2023 carryover in the amount of \$1,391,880. Credits are in use for a two-year period. Unfortunately, GHURA has to assign those credits to the 2025 National Pool. GHURA anticipates to put in a request for that allocation after submission of the attached IRS Form 8610.

Should you have any questions, please contact Program Coordinator III Dominic Calvo at 671-475-1321 or dcalvo@ghura.org.

Sincerely,

Dominic Calvo
GHURA Program Coordinator III

CC: Katherine Taitano, GHURA Chief Planner

Department of the Treasury
Internal Revenue Service

Go to www.irs.gov/Form8610 for the latest information.

Name of housing credit agency
GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Employer identification number of agency
96-0001279

Address of housing credit agency
**117 BIEN VENIDA AVENUE
SINAJANA GUAM 96910**

Check box if amended report

FOR IRS USE ONLY

Part I Reconciliation of Attached Forms and Schedules

1	Enter the number of attached Forms 8609 used to allocate credit in 2024	1	0
2	Enter the number of attached Forms 8609 for credits allocated prior to 2024	2	0
3	Enter the number of attached Forms 8609 for credits attributable under section 42(h)(4) to projects financed by tax-exempt bonds	3	0
4	Enter the total dollar amount of credits attributable to projects financed by tax-exempt bonds as described on line 3 above \$ <u>0</u>		
5	Enter the number of attached Schedules A (Form 8610) reporting 2024 carryover allocations	5	1
6	Total number of attached forms and schedules. Add lines 1, 2, 3, and 5	6	1

Part II Reconciliation of Credit Ceilings and Allocations (see instructions)

7a	Reserved for future use	7a	
b	Enter the larger of \$2.90 multiplied by the state's population or \$3,360,000	7b	3,360,000
c	Enter the amount of credit ceiling returned in 2024 from allocations prior to 2024. See instructions	7c	0
d	Enter the amount (if any) allocated to the state from the 2024 National Pool	7d	0
e	Add lines 7a through 7d	7e	3,360,000
f	Enter the unused state housing credit ceiling (if any) from the 2023 Form 8610, line 11	7f	3,185,000
g	Total state housing credit ceiling for 2024. Add lines 7e and 7f	7g	6,545,000
h	Enter the total amount included on line 7g that was allocated during 2024 to qualified nonprofit organizations under section 42(h)(5). See instructions \$ <u>0</u>		
8a	Enter the total dollar amount of credits from Forms 8609, identified on line 1 above , used to allocate credit in 2024 where the year of allocation and the placed-in-service year are the same	8a	0
b	Enter the total dollar amount of credits from Schedules A (Form 8610), line 5.	8b	1,793,120
c	Total credits allocated during 2024. Add lines 8a and 8b. (Total can't exceed line 7g.)	8c	1,793,120
9	Enter the smaller of line 7f or line 8c	9	1,793,120
10	Subtract line 9 from line 8c	10	0
11	State's unused housing credit ceiling carryover to 2025. Subtract line 10 from line 7e. If zero or less, enter -0-	11	3,360,000
12	Unused 2023 carryover assigned to the 2025 National Pool. Subtract line 9 from line 7f	12	1,391,880

Part III Compliance With Low-Income Housing Requirements

- 13 Does the state's qualified allocation plan in effect for 2024 include compliance monitoring procedures as required in section 42(m)(1)(B)(iii) and Regulations section 1.42-5(a)(2), including monitoring for habitability standards through regular site visits? (If "No," attach an explanation.) Yes No
- 14 Has the housing credit agency, for 2024 (or its most recent 12-month operating period), complied with all applicable requirements under the compliance monitoring procedures in its qualified allocation plan? (If "No," attach an explanation.) Yes No
- 15 Has the housing credit agency, for 2024 (or its most recent 12-month operating period), complied with the requirements of its monitoring procedures to fulfill its notification of noncompliance responsibilities under Regulations section 1.42-5(e)? (If "No," attach an explanation.) Yes No

Under penalties of perjury, I declare that I have examined this report and accompanying forms, schedules, binding agreements, and election statements, and other attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature of Authorizing Official

ELIZABETH F. NAPOLI / EXECUTIVE DIRECTOR

Print Name and Title

02/27/2025
Date

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8610 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form8610.

What's New

The population component of the state housing credit ceiling for 2024 is the greater of \$2.90 times the state's population or \$3,360,000.

Purpose of Form

Housing credit agencies use Form 8610 to transmit Forms 8609, Low-Income Housing Credit Allocation and Certification, and Schedules A (Form 8610) to the IRS. Form 8610 is also used to report the dollar amount of housing credits allocated during the calendar year. The housing credit agency must not allocate more credits than it is authorized to allocate during the calendar year.

Generally, the state housing credit ceiling for 2024 for any state is the sum of:

1. The larger of \$3,360,000 or \$2.90 multiplied by the state's population;
2. The amount of state housing credit ceiling returned in 2024 from allocations made prior to 2024;
3. The amount, if any, allocated to the state from the National Pool; plus
4. The unused state housing credit ceiling, if any, for 2023.

See Regulations section 1.42-14 for more information.

Who Must File

Any housing credit agency authorized to make an allocation of the credit (even if no credit is actually allocated) on a Form 8609 or carryover allocation reported on a Schedule A (Form 8610) to an owner of a qualified low-income building during the calendar year must complete and file Form 8610. In states with multiple housing credit agencies (including states with constitutional home rule cities), the agencies must coordinate and file one Form 8610.

If a housing credit agency has granted any project relief for carryover allocations discussed in section 6 of Rev. Proc. 2014-49, 2014-37 I.R.B. 535, the agency must attach to Form 8610 a copy of Schedule A (Form 8610) for each project for which it has approved relief. The attached copy of Schedule A (Form 8610) must have the box checked that indicates the housing credit agency granted carryover allocation relief under Rev. Proc. 2014-49. Do not check the amended box. The housing credit agency should only include Schedules A (Form 8610) for projects receiving approval of the carryover allocation relief since the agency last filed Form 8610. The information from these particular Schedules A (Form 8610) isn't included on any line in Part I or Part II of Form 8610.

If a housing credit agency has granted any project relief to toll the beginning of the first year of the credit period as discussed in section 10 of Rev. Proc. 2014-49, the agency must attach to the Form 8610 filed for the calendar year in which the President declared the area a major disaster area a statement containing the following information: (1) the name, address, and TIN of the building owner; (2) the address of the building; (3) the building

identification number (BIN); and (4) the agency-approved first year of the credit period. The statement should be labeled "Relief Under Section 10 of Rev. Proc. 2014-49." The statement should be signed by an agency-authorized official and a copy of the statement should be provided to the building owner.

When To File

File the 2024 Form 8610 with accompanying Forms 8609 (with only Part I completed) and Schedules A (Form 8610) by February 28, 2025.

Where To File

Send Form 8610 and attached forms and schedules to:

Department of the Treasury
Internal Revenue Service Center
Philadelphia, PA 19255-0549

Penalty

The \$100 penalty under section 6652(j) applies to any failure to file Form 8610 when due.

Specific Instructions

Note: The primary housing credit agency may rely on information provided by any constitutional home rule city or local housing credit agency under Temporary Regulations section 1.42-1T(c)(3) or (4).

To ensure that Form 8610 is correctly processed, attach all forms and schedules to Form 8610 in the following order.

1. Forms 8609.
2. Schedules A (Form 8610), not including those for projects approved for carryover allocation relief under Rev. Proc. 2014-49.
3. Schedules A (Form 8610) for projects approved for carryover allocation relief under Rev. Proc. 2014-49.

Amended Report

If this is an amended Form 8610, check the "amended report" box. Use the same version of the form that was originally filed (for example, a 2024 Form 8610 to amend the 2024 report, a 2023 Form 8610 to amend the 2023 report, etc.).

Complete only those lines that are being amended by entering the correct information. Attach any additional documentation necessary to explain why an amended Form 8610 is being filed.

Part I

Line 1

Enter the total number of Forms 8609 attached to this Form 8610 that were used to allocate credit during 2024. Don't include Forms 8609 issued to taxpayers that reflect credit allocations made prior to 2024 on section 42(h)(1)(E) or 42(h)(1)(F) carryover allocation documents.

Line 2

Enter the total number of Forms 8609 attached to this Form 8610 for credit allocations made prior to 2024 on section 42(h)(1)(E) or 42(h)(1)(F) carryover allocation documents.

Line 3

Enter the total number of Forms 8609 attached to this Form 8610 for credits attributable to projects financed by tax-exempt bonds subject to the volume cap under section 42(h)(4).

Part II

Line 7b

A state's population is determined according to section 146(j). See Notice 2024-25, 2024-12 I.R.B. 712, for applicable population figures.

Line 7c

Don't include on this line allocations made and returned in the same year.

Line 7d

Enter the "Amount Allocated," if any, for your state in Rev. Proc. 2024-41, 2024-47 I.R.B. 1122.

Line 7f

If the 2023 Form 8610 was amended, enter the amount (if any) from the amended Form 8610, line 11.

Line 7g

This is the state housing credit ceiling available for allocations during 2024.

Line 7h

Not more than 90% of the line 7g amount is allowed to be allocated to projects other than qualified low-income housing projects described in section 42(h)(5)(B).

Enter the sum of the following amounts.

- Any amount reported on line 1b of an attached Form 8609 with box 6f checked.
- Any amount reported on line 5 of an attached Schedule A (Form 8610) with question 3b answered "Yes."

Lines 8a and 8b

Enter on the applicable line the dollar amount actually allocated during 2024. Don't include the following.

- Credits allowed to tax-exempt bond financed projects under section 42(h)(4). These credits don't count against the total state housing ceiling authorized on line 7g.
- Amounts allocated and returned during the year, unless such amounts are reallocated by the close of the year.

On line 8a, enter the total amounts reported on all Forms 8609, Part I, line 1b, that are included on line 1 of this Form 8610. On line 8b, enter the total amounts reported as carryover allocations that are included on line 5 of this Form 8610.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file the following forms will vary depending on individual circumstances. The estimated average times are:

	Form 8610	Schedule A (Form 8610)
Recordkeeping	7 hr., 39 min.	3 hr., 49 min.
Learning about the law or the form	1 hr., 59 min.	24 min.
Preparing and sending the form to the IRS	2 hr., 12 min.	28 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from www.irs.gov/FormComments. Or you can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send the form to this office. Instead, see *Where To File*, earlier.

**Carryover Allocation of
Low-Income Housing Credit**

Attach to Form 8610.
Go to www.irs.gov/Form8610 for the latest information.

OMB No. 1545-0990

Name of housing credit agency GUAM HOUSING AND URBAN RENEWAL AUTHORITY		Employer identification number of agency 96-0001279	
Address of housing credit agency 117 BIEN VENIDA AVENUE SINAJANA GUAM 96910		Check box if amended carryover allocation <input type="checkbox"/>	
		FOR IRS USE ONLY	
1a Name of building owner receiving carryover allocation FLORES ROSA GARDENS, LLC		2 Taxpayer identification number of building owner (include dash or dashes) 66-1083040	
1b Address of building owner receiving carryover allocation 202 HILTON ROAD, PFM#7 TUMON GUAM 96913			
3a Check if the carryover allocation is: <input checked="" type="checkbox"/> Building based or <input type="checkbox"/> Project based			
b If the carryover allocation is subject to the nonprofit set-aside under section 42(h)(5), you must check "Yes." Otherwise, you must check "No" <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
c Reserved for future use <input type="checkbox"/>			
4 Date of carryover allocation <u>12/10/2024</u>		5 1,793,120	
6 If a binding agreement (see instructions) was entered into, enter the maximum applicable credit percentage for:			
a Acquisition cost		6a 0 %	
b Rehabilitation expenses		6b 0 %	
c New construction expenses		6c 9 %	

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

State housing credit agencies use Schedule A (Form 8610) to report carryover allocations. Only one Schedule A (Form 8610) should be filed for each project that receives a carryover allocation in the same calendar year.

Major Disaster Declarations

If a housing credit agency has granted any project relief for carryover allocations discussed in section 6 of Rev. Proc. 2014-49, 2014-37 I.R.B. 535, the agency must attach to Form 8610 a copy of the Schedule A (Form 8610) for the projects for which it has approved relief. These attached copies of Schedule A (Form 8610) must have the box checked that indicates the housing credit agency granted carryover allocation relief under Rev. Proc. 2014-49. The amended carryover allocation box should not be checked when submitting a Schedule A (Form 8610) for relief under Rev. Proc. 2014-49. The housing credit agency should only include Schedules A (Form 8610) for projects receiving approval of the carryover allocation relief since the agency last filed Form 8610. The information from these particular Schedules A (Form 8610) is not included on any line in Part I or Part II of Form 8610.

Specific Instructions

Line 4

Enter the date of allocation. This is the date the authorized official of the state housing agency signs and dates the carryover allocation document. The date of allocation should correspond to the year of the Form 8610.

Line 5

Enter the amount of carryover allocation. If you checked the "building based" box on line 3a, enter the amount of credit allocated to the building under section 42(h)(1)(E). If you checked the "project based" box on line 3a, enter the amount of credit allocated to all the buildings in the project under section 42(h)(1)(F).

Lines 6a, 6b, and 6c

Complete these lines only if both of the following apply.

- There is a binding agreement between the housing credit agency and the building owner for a specific housing credit dollar amount.
- An election is made to use an applicable percentage for a month other than the month in which the property is placed in service.

See Regulations sections 1.42-6 and 1.42-8 for requirements that must be met.

The applicable percentage cannot be less than 9% for any building that (1) is not federally subsidized, and (2) is placed in service after July 30, 2008. See section 42(b)(2) and Notice 2008-106, 2008-49 I.R.B. 1239.

The applicable percentage cannot be less than 4% for any new or existing federally subsidized building that is placed in service by the taxpayer after December 31, 2020. For the minimum 4% rate to apply, a building must also receive an allocation of housing credit dollar amount after December 31, 2020, or have a portion of the building financed with an obligation described in section 42(h)(4)(A) that is issued after December 31, 2020. See section 42(b)(3) and section 201(b) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (Division EE of P.L. 116-260), and also Rev. Rul. 2021-20, 2021-51 I.R.B. 875, and Rev. Proc. 2021-43, 2021-51 I.R.B. 882.



**BOARD OF COMMISSIONERS
REGULAR SCHEDULED MEETING
12:00 P.M., February 06, 2025
GHURA's Main Office (via Zoom)
1st floor, Conference Room, Sinajana
AGENDA**

I. ROLL CALL

II. BOARD MEETING PUBLIC ANNOUNCEMENTS

1st Printing – Thursday, January 30, 2025
2nd Printing – Tuesday, February 04, 2025

III. APPROVAL OF PREVIOUS BOARD MINUTES – December 10, 2024

IV. NEW BUSINESS

PAGE (S)

- | | |
|--|---------------|
| 1. Resolution No. FY2025-013 | 1 |
| Resolution commending Ms. Lucy R. Awa, Accountant I, for her dedication and contribution to the Guam Housing and Urban Renewal Authority (GHURA) | |
| 2. Resolution No. FY2025-014 | 2 - 3 |
| Resolution commending Ms. Norma P. San Nicolas, Section 8 Administrator, for her dedication and contribution to the Guam Housing and Urban Renewal Authority (GHURA) | |
| 3. Intent of Award | 4 - 11 |
| IFB GHURA-24-14: GPD Eastern Substation, Talofofo, Guam | |

V. OLD BUSINESS

1. 2024 LIHTC QAP / Application Cycle

VI. GENERAL DISCUSSION / ANNOUNCEMENTS

1. Next proposed scheduled Board Meeting: Tuesday, February 25, 2025
@ 12:00 p.m.

VII. EXECUTIVE SESSION

1. Discuss Pending Litigation

VIII. ADJOURNMENT

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Low Income Housing Tax Credit
2025 Carryover Allocation Agreement
Pursuant to Section 42(h)(1)(E) of the Internal Revenue Code

This Carryover Allocation Agreement is made and entered into by and between the Guam Housing and Urban Renewal Authority ("GHURA") and the Owner identified in Section I below as of the date indicated in Section VI below (the "Agreement"). This agreement provides for the allocation of 2024 Low Income Housing Tax Credits pursuant to Section 42(h)(1)(E) of the Code (as defined below) in the amount specified in Section VI below (the "Tax Credits") or the "housing credit dollar amount". The allocation of Tax Credits made in this agreement is subject to (i) all terms and conditions stated herein, including, without limitation, (ii) all terms and conditions of GHURA's Low Income Housing Tax Credit Qualified Allocation Plan (the "Qualified Allocation Plan"), the application and related materials submitted in connection with this allocation of Tax Credits (collectively, the "Applications"), and (iii) all requirements of Section 42 of the Internal Revenue Code of 1986, as amended, including, without limitation, all subsequent tax legislation duly enacted by the Congress of the United States, United States Treasury, Regulations proposed or in effect with respect to the code and revenue procedures, revenue rulings or other published determinations of the Treasury Department or Internal Revenue Service of the United States (collectively, the "Code").

I. OWNER:

Name: Flora Rosa Gardens, LLC
Attention: Robert P. Salas II
Address: 202 Hilton Road, PFM #7, Tumon, Guam 96913
Contact: (671) 688-8454
Email: rob.salas@pfmguam.com
Federal ID No.: EIN 66-1083040

II. PROJECT:

Name: Flores Rosa Gardens
Number: [Project Number first two letters and 4 digits example: GU-24-00]
Address: LOT NUMBER 2144-1D-7, Tamuning, Guam
(Refer to Exhibit A for legal description.)

III. BUILDING IDENTIFICATION NUMBERS: GU-24-00001 to GU-24-00003
(Refer to Exhibit B for further details.)

IV. ANTICIPATED PLACED-IN-SERVICE DATE: September 30, 2026
(This project must be Placed-in-Service on or before September 30, 2026.)

V. AGENCY:

Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue
Sinajana, Guam 96910
Federal ID No.: 96-0001279

VI. DATE OF ALLOCATION: December 10, 2024

The housing credit dollar amount awarded from the 2024 pool is **[\$1,793,120.00]**. This housing credit dollar amount is derived from GHURA's evaluation of the Project. GHURA will evaluate the Project a final time in connection with the Project being placed-in-service, provided all documentation required by GHURA in connection with a placed-in-service application, including without limitation a final certified cost information acceptable to GHURA, is submitted no later than **June 30, 2027**. As a result of this final evaluation, GHURA will make a final determination of the housing credit dollar amount to be reflected on the IRS form(s) 8609 issued by GHURA for the Project and the housing credit dollar amount may be less than or equal to but never more than the amount supported by the project's reasonable eligible basis.

VII. OWNER'S TOTAL REASONABLY EXPECTED ADJUSTED ELIGIBLE BASIS: **[\$15,325,815.00]**.

The Owner's actual basis, including land costs as of the date of this Agreement is **[\$15,589,553.00]**. The percentage of the actual basis as of the date of this Agreement to the total reasonably expected basis in the Project is **[101.72%]**.

To meet Carryover Allocation requirements, the Owner must submit the Cost Certification for the ten percent (10%) test and the deed vesting title to the property in Owner no later than **June 30, 2025**.

An independent Certified Public Accountant's opinion (or other professional determination satisfactory to the Authority) demonstrating compliance with Section 42 of the Code and Internal Revenue Service carryover regulation, that at least ten percent (10%) of the Owner's total reasonably expected basis in the Project has been incurred, together with such other evidence as the Authority shall deem necessary to permit it to make a determination that such requirement has been met.

VIII. Pursuant to the Housing Assistance Tax Act of 2008 (Division C, Title I, Section 3002 of the Housing and Economic Recovery Act of 2008) the applicable percentage(s) for each building in the Project that is not federally subsidized shall be **nine percent (9%)**.

IX. GHURA may, in its sole discretion, deem the allocation of Tax Credits made in this Agreement cancelled by mutual consent if there is any failure to comply with all terms, conditions, and requirements of this Agreement, the Applications, the Qualified Allocation Plan, or the Code. Once so cancelled, neither the Owner, the Project, nor any other person or entity shall have any right to claim Tax Credits based on this Agreement or the Application and GHURA shall have no liability therefore.

X. GHURA will issue an IRS Form 8609 for each building in the Project only if all terms, conditions, and requirements of the Agreement, the Applications, the Qualified Allocation Plan, Reservation Agreement and Code are met. The total of the housing credit dollar

amounts reflected on the IRS Form 8609 for each building in the Project may be less than or equal to the housing credit dollar amount specified in Section VI above.

- XI. GHURA has made the allocation of Tax Credits reflected in Section VI above and entered into this Agreement solely in reliance on information provided and representations made by or on behalf of the Owner in the Applications. This Agreement and the allocation of Tax Credits reflected herein do not constitute a representation, warranty, guaranty, advise or suggestion by GHURA as to (i) the qualification of the Project, or any building contained within the Project, for Tax Credits, or (ii) the feasibility or viability of the Project and no person or entity in any way now or subsequently with the Project or any other person or entity may rely on this Agreement and the allocation of Tax Credits reflected herein or on any other statements, written or oral of GHURA for such purposes.
- XII. The Owner hereby agrees and acknowledges that the determination made in Section VI above and the sufficiency of evidence supporting the determination may be subject to future revision by GHURA or the Internal Revenue Service.

This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

By: *E. Napoli*
Elizabeth F. Napoli
Executive Director

Date: 02/03/2025

USA Territory of Guam

County of SINAJANA
(village)

Before me KATHLEEN JEAN P. TAITINGFONG, a Notary Public of the state and county mentioned, personally appeared **Elizabeth F. Napoli**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged herself to be the **Executive Director** of the **GUAM HOUSING AND URBAN RENEWAL AUTHORITY**, the within named bargainer, and that she as such, executed the foregoing instrument for the purpose therein contained, by signing the name of the **GUAM HOUSING AND URBAN RENEWAL AUTHORITY** by herself as **Executive Director**.

Witness my hand and seal, at the office, this 3RD day of FEBRUARY, 2025.

K. Pereda Taitingfong
Notary Public
My commission expires: MAR 12, 2027

KATHLEEN JEAN PEREDA TAITINGFONG
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **MAR. 12, 2027**
117 Bien Venida Avenue Sinajana, Guam 96910



This Carryover Allocation Agreement was acknowledged, subscribed, and sworn to before me on.

FLORES ROSA GARDENS, LLC

By: [Signature]
ROBERT SALAS II
Managing Member

Date: 1/30/2025

USA Territory of Guam

County of Tamuning
(village)

Before me Vanessa R. Aguon, a Notary Public of the state and county mentioned, personally appeared **ROBERT SALAS II**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be the **Managing Member** of **FLORES ROSA GARDENS, LLC**, the within named bargainor, and that he as such, executed the foregoing instrument for the purpose therein contained, by signing the name of the **FLORES ROSA GARDENS, LLC** by himself as the **Managing Member**.

Witness my hand and seal, at the office, this 30th day of January, 2025.

[Signature]

Notary Public
My commission expires: FEB 13, 2025

VANESSA R. AGUON
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **FEB. 13, 2025**
275G Farenholt Ave PMB 304 Tamuning, GU 96913



EXHIBIT A
Legal Description

LOT NUMBER 2144-1D-7 (Subdivision of Lot 2144-1D), MUNICIPALITY OF TAMUNING, (Formerly Dededo), TERRITORY OF GUAM, Estate Number 58815, SUBURBAN, as said Lot is marked and designated on DRAWNING NUMBER MSM-519TD71, as L.M. Check Number 541 - FY 71, as described in that Retracement and Parcelling Map, dated JUNE 04, 1971 and recorded JUNE 15, 1951 at the Records Division, Department of Land Management, Government of Guam, under Document Number 102857.

AREA: 4,046.81 +/- SQUARE METERS



GHURA

Guam Housing and Urban Renewal Authority
Aturidat Ginima' Yan Rinueban Siudad Guahan
117 Bien Venida Avenue, Sinajana, GU 96910
Phone: (671) 477-9851 · Fax: (671) 300-7565 · TTY: (671) 472-3701



2024 Low-Income Housing Tax Credit Allocation Agreement

Guam Housing and Urban Renewal Authority (GHURA) hereby grants a **2024 Low-Income Housing Tax Credit (LIHTC) Allocation** in an amount **not to exceed \$1,793,120.00** to Flores Rosa, LLC. (the "Owner") of Flores Rosa (the "Project"), a qualified Low-Income Housing Project located in Tumon Heights, Guam. The Owner shall comply with all requirements of the nonprofit set-aside required by Section 42(h)(5) of the Internal Revenue Code of 1986, as amended ("Code").

Owner acknowledges time constraints in which to obtain and provide GHURA with the following documentation. **Failure to submit any one or more of the items listed below by the deadline may cause the 2024 Tax Credit Allocation to be terminated, unless the Owner obtains an approved extension from GHURA prior to the deadline.**

1. Immediately upon submission of this executed 2024 Tax Credit Allocation Agreement to GHURA:
 - a. A good faith deposit of ten percent (10%) of the total first year's federal tax credits for the project shall be payable at the time this reservation and forward commitment is signed and submitted to GHURA. **Total requests amount (2024 tax credits) for the Project is \$1,793,120.00. Please remit 10% or \$179,312.00.**
 - b. Upon allocation and issuance of the IRS Form 8609, eighty percent (80%) of the good faith deposit shall be retained by GHURA as an administrative fee. The remainder of the good faith deposit may be refunded to the applicant.
 - c. Failure to meet any of the elections made in the scoring criteria at the time of application will result in the retention of the entire good faith deposit by GHURA.
2. Please provide the following below. If the information requested has not changed from the submitted application, do not resubmit, but indicate what remains current.
 - a. Current Business License, Articles of Incorporation and By-Laws of Flores Rosa, LLC filed with the Government of Guam Department of Revenue and Taxation.
 - b. Current Business License, Articles of Incorporation and By-Laws of the non-profit organization The Children's Ark, Inc. filed with the Government of Guam Department of Revenue and Taxation.
 - c. Sign and Date this agreement acknowledging the terms and conditions and return it to our GHURA offices at 117 Bien Venida Avenue Sinajana, Guam.

For the Project to continue, Owner must:

1. Provide to GHURA before or by January 31, 2025, a fully executed Carryover Allocation Agreement for the 2024 tax credits. **Please note that the Carryover Allocation will adhere to a two calendar year deadline from the time the Project was awarded. The Project was awarded in 2024 and should be placed-in-service no later than December 31, 2026. Also, indicate on the Carryover Allocation the allocation date will be December 10, 2024**



2. Construct, purchase, or rehabilitate the Project in accordance with the application submitted to GHURA.
3. Provide to GHURA by January 31, 2025, an executed and recorded Extended Rental Housing Commitment. Document must be an executed original and recorded with the Government of Guam Department of Land Management showing the recording date and instrument number.
4. Provide evidence satisfactory to GHURA that the Project is progressing as stated in the application. A Status Report will be due to GHURA on February 20, 2025 and quarterly thereafter on the 20th day of the month until the Project is Placed-in-Service. The Placed-in-Service date is defined as the date the property is ready for occupancy. It generally marks the beginning of the credit period.
5. Submit to GHURA an Actual Cost Certification package when the Project is Placed-in-Service. Final Certificate(s) of Occupancy, Affidavits of Financing and such other information as GHURA deems appropriate for purposes of making the financial feasibility and viability determinations under the Code. In addition, the Actual Cost Certification must be supported by an independent third party opinion. The opinion must be prepared by an Independent Certified Public Accountant, in a form acceptable to GHURA.
6. Close the permanent loan and receive IRS form 8609 within the first year of the Credit Period. Credit Period is the 10-year period over which the LIHTC is claimed. This period generally begins on the date a property is Placed-in-Service, but an Owner may elect to start the Credit Period as of the beginning of the year following the year the LIHTC property is Placed-in-Service.
7. Allow tenancy, in the low-income dwelling units, only by individuals whose gross annual income and gross tenant rent do not exceed the limits provided in Code Section 42(g) as applicable to the area of the Project, and as otherwise elected by the Owner in its application to GHURA.

By accepting the 2024 Tax Credit Allocation Agreement, the Owner understands and accepts the risk that the U.S. Internal Revenue Service may change the requirement for the Tax Credit Certificate by subsequent regulation. By accepting this 2024 Tax Credit Allocation Agreement, the Owner further understands that any final allocation of LIHTC will be further governed and controlled by Section 42 of the Code and the applicable Treasury Regulations, in addition to GHURA policies, guidelines, procedures, and/or criteria in place when the Project is Placed-in-Service might result in Owner's receiving a smaller amount of tax credits than is hereby initially reserved and what has been committed for the Project. This 2024 Tax Credit Allocation Agreement may be revoked by GHURA if the Owner does not abide by the Rules and Requirements outlined in this Letter, the 2024 Qualified Allocation Plan, Application instructions and other items included in the Owner's Application. The Owner further acknowledges that it has consulted its own tax advisor as to any consequences related to the Tax Credit Certificate and Actual Cost Certification.

GHURA accepts no responsibility for any adverse consequences to the Owner if the Owner chooses to proceed with the Project based upon this 2024 Tax Credit Allocation, or if a challenge is made in any court of law, or other legal or administrative forum of appropriate jurisdiction, by persons other than the



undersigned which could affect the validity of the Allocation. GHURA is required by law to evaluate this Project a minimum of two additional times. Further evaluation may result in the denial of any allocation of tax credits or a change in the amount of tax credits finally allocated to this Project.

The following Building Identification Number(s) have been assigned to your Project:


GU-24-00001 through GU-24-00003

Please submit the necessary documentation and good faith deposit before the deadlines or your Allocation may be terminated. GHURA will follow-up on missing items.

It is the intent of GHURA that this Allocation be construed as a binding commitment to allocate 2024 tax credits to the Project. This binding commitment to allocate 2024 tax credits is contingent upon GHURA's receipt of a Tax Credit allocation from the U.S. Internal Revenue Service in 2024.

This Tax Credit Allocation Agreement shall be governed by the laws of Guam and, where applicable, the laws of the United States of America.

Executed this 29th day of December, 2024

By: 
Elizabeth F. Napoli, Executive Director
Guam Housing and Urban Renewal Authority

Accepted this 30th day of December, 2024.

By: 
Robert Salas II, President
Flores Rosa, LLC

**DECLARATION OF
EXTENDED RENTAL HOUSING COMMITMENT
BY
FLORES ROSA GARDENS, LLC**

Dated: 01/30/2025

Development Name: **Flores Rosa Gardens**

Development Location: **LOT NUMBER 2144-1D-7, TAMUNING, GUAM. Full legal description attached as Exhibit "A"**

Development Building Identification Number ("BIN"): **GU-24-00001 to GU-24-00003**

**DECLARATION OF
EXTENDED RENTAL HOUSING COMMITMENT
BY
FLORES ROSA GARDENS, LLC**

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**DECLARATION OF
EXTENDED RENTAL HOUSING COMMITMENT**

THIS DECLARATION OF EXTENDED RENTAL HOUSING COMMITMENT (this "Declaration"), dated this **30th day of January, 2025** by **Flores Rosa Gardens, LLC** (the "Developer"), is made as a condition precedent to the allocation and availability of rental housing tax credits for residential rental developments including developments financed by qualified tax-exempt bonds.

WITNESSETH That:

WHEREAS, Developer is or shall be the owner of a **[30]-unit** rental housing development known as **Flores Rosa Gardens**, generally located in **Tumon Heights, Guam**, as more particularly described in **Exhibit A**, attached hereto and made a part hereof (the "Development");

WHEREAS, the development, rehabilitation, maintenance and operation of the Development may now or hereafter be financed through a mortgage loan (the "Loan"), the indebtedness of which may be evidenced by a note and may be secured by a first mortgage lien on the Development and other security instruments (collectively, the "Loan Documents");

WHEREAS, the **Guam Housing and Urban Renewal Authority**, a public body corporate and politic of Guam (the "Authority") has been designated by the Governor of Guam as the housing tax credit agency for Guam responsible for the allocation of rental housing tax credit dollars (the "Credit");

WHEREAS, Developer has applied to the Authority for a Credit allocation for the Development in an amount not to exceed **One-million seven hundred ninety-three thousand one hundred twenty Dollars (\$1,793,120.00)** from the Authority's **2024** allocation pool, further, not to exceed **Seventeen million nine hundred thirty-one thousand two hundred Dollars (\$17,931,200.00)** over the ten (10) year credit period.

WHEREAS, Developer and the Development must continuously comply with Section 42 and other applicable sections of the Internal Revenue Code of 1986 and the Treasury Regulations and rulings thereunder relating to the Credit, each as amended from time to time (collectively, the "Code") and the Qualified Allocation Plan for Guam (the "Allocation Plan");

WHEREAS, compliance with the Code and the Allocation Plan is the sole responsibility of Developer;

WHEREAS, Developer has represented to the Authority in Developer's Low Income Housing Tax Credit Application for **2024** (the "Application") that it shall comply with all leasing requirements of the Code and it shall lease not less than **100%** of the units in the Development to individuals or families whose income is **60%** or less of **area median gross income** (including adjustments for family size) as determined in accordance with the Code ("Qualifying Tenants") and that the "applicable fraction" (as defined in Section 42(c)(1)(B) of the Code) of each building in the Development is **100%**;

WHEREAS, Developer has represented to the Authority in Developer's Application for Reservation of **2024** (year of allocation) Credits and Application for Final Allocation of Credits (the "Application") that it shall lease not less than **100%** of the units in the Development where rent is charged at or below the **60% AMI rent**.

WHEREAS, the Code requires, as a condition precedent to the availability of Credits for the Development, that Developer execute, deliver and record this Declaration in the official real property records of the county in which the Development is located, to create certain covenants running with the land upon which the Development is situated (the "Property") for the purpose of enforcing the requirements of the Code; and

WHEREAS, Developer intends, declares and covenants that the terms and conditions set forth herein governing the use, occupancy and transfer of the Development shall be and are covenants running with the Property for the term stated herein, to be binding upon all subsequent owners of the Property for such term;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, Developer covenants and declares as follows:

1. Incorporation of Recital Provisions. The recital provisions set forth above are hereby incorporated into this Declaration.
2. Definitions. Unless otherwise defined herein, all words and phrases defined in the Code shall have the same meanings in this Declaration.
3. Recording and Filing. Developer shall cause this Declaration and all amendments hereto approved by the Authority, if any, to be recorded and filed in the office of the Recorder of Guam, and Developer shall pay all fees and charges in connection therewith. Upon recording, Developer shall immediately transmit to the Authority an executed original of the recorded Declaration showing the recording date and instrument number or deed book and page numbers of record. Developer acknowledges that the Authority will not issue Internal Revenue Service Form 8609 ("Form 8609"), unless and until the Authority has received the executed, recorded original of this Declaration.
4. Covenants to Run with the Property. Developer intends, declares and covenants, on behalf of itself and all future owners and operators of the Property during the term of this Declaration, that this Declaration and the terms, conditions, covenants and restrictions set forth herein:
 - (a) regulate and restrict the use, occupancy and transfer of the Property;
 - (b) are not merely personal covenants of Developer;
 - (c) shall be and are covenants running with the Property, encumbering the Property for the term of this Declaration, binding upon Developer's successors in title and all subsequent owners and operators of the Property; and
 - (d) shall inure to the benefit of any and all present and future tenants of the Development and their respective successors and assigns.

Developer hereby agrees that any and all requirements of the laws of Guam which must be satisfied so that the provisions of this Declaration constitute valid and binding deed restrictions and covenants running with the Property shall be satisfied in full. Throughout the term of this Declaration, the covenants and restrictions contained herein shall survive and be effective regardless of whether any contract, deed or other instrument hereafter executed conveying the Property or a portion thereof provides that such conveyance is subject to this Declaration. Developer agrees to obtain the consent of any prior recorded lien holder on the Property to this Declaration, which consent shall be in the form set forth on **Exhibit B**, attached hereto and made a part hereof, and such consent shall be recorded with this Declaration as a condition precedent to the issuance of Form 8609 by the Authority.

5. Representations, Covenants and Warranties of Developer. Developer hereby represents, warrants and covenants during the term hereof that:
 - (a) Developer(i) is a limited liability corporation duly organized and existing under the laws of the State of Guam, and is duly qualified to transact business under the laws of the Territory of Guam, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as contemplated by this Declaration and the Loan Documents, and (iii) has the full legal right, power and authority to execute and deliver this Declaration and to perform all obligations provided hereunder.
 - (b) The execution and performance of this Declaration and the Loan Documents (i) will not violate or, as applicable, have not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and

(ii) will not violate or, as applicable, have not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which Developer is a party or by which it or its property is bound, and (iii) will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.

(c) Developer has insurable title to the Property, free and clear of any lien or encumbrance, subject only to encumbrances created by or permitted pursuant to the Loan Documents.

(d) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the best of its knowledge or belief, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would impair its right to carry on business as now conducted and as contemplated by this Declaration and the Loan Documents, or would adversely affect its financial condition, or would adversely affect the covenants and commitments under this Declaration.

(e) The Development constitutes or will constitute a qualified low-income building or qualified low-income development, as applicable, as provided and defined in the Code.

(f) Developer shall not take, fail to take nor permit to be taken any action which would have the effect, directly or indirectly, of subjecting itself or the Development to non-compliance with the Code.

(g) All units subject to the Credit shall, as required by the Code, be leased, rented or made available to members of the general public who are Qualified Tenants (or otherwise qualify for occupancy of the low-income units) pursuant to the Code.

(h) Developer shall obey, comply with and observe all laws, rules, regulations and executive orders of all federal, state and local governments and regulatory bodies, as from time to time amended, which are applicable to the Development or the Credits available to the Development.

(i) The Development shall comply with the occupancy and rent restriction requirements of the Code and the Allocation Plan which requirements Developer agreed to satisfy pursuant to the initial and final applications (collectively, the "Occupancy Restrictions").

(j) Developer shall maintain and use the Development as residential property and shall not permit the use of any residential rental unit for any purpose other than rental housing, as provided by the Code.

(k) Developer has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and in any event, the requirements of this Declaration are paramount and controlling as to the rights and obligations herein set forth and supersede any other provisions in conflict herewith.

(l) All units occupied by Qualifying Tenants shall be of comparable construction quality to other comparable units in the Development.

(m) THE AUTHORITY AND THE QUALIFYING TENANT(S) (OR EITHER OR ALL OF THEM) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY DEVELOPER OF ITS OBLIGATIONS UNDER THIS DECLARATION IN A COURT OF COMPETENT JURISDICTION. Developer hereby further acknowledges

that the beneficiaries of Developer's obligations hereunder cannot be adequately compensated by monetary damages in the event of any breach hereof.

(n) If at any time the Authority deems it appropriate or necessary to monitor the Development and/or Occupancy Restrictions, then Developer shall cooperate with the Authority and its agents and shall comply with all applicable requirements. Developer shall pay a compliance monitoring fee to the Authority of up to \$50 per unit for all units (for the 1st year full inspection) and \$25 per unit for all units (once every 3 years after the 1st year).

(o) Income certifications consistent with the Code ("Income Certifications") will be maintained on file at the Development or at the principal office of the Developer with respect to each Qualifying Tenant who resides in a Development unit (or resided therein during the immediately preceding calendar year), and Developer will, promptly upon receipt of notice from the Authority, provide a copy thereof to the Authority, together with a true and accurate Certification of Continuing Compliance in the form set forth on Exhibit C, attached hereto and made a part hereof.

(p) The representations and covenants set forth herein may be relied upon by the Authority and all persons interested in Development compliance under the Code.

(q) Developer shall not refuse to lease to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.

(r) Subject to Section 6 of this Declaration, developer shall not evict or terminate the tenancy (other than for good cause) of a tenant of any low-income unit during the Compliance Period or the Extended Use Period; as such terms are respectively defined in the Code.

(s) Subject to Section 6 of this Declaration, developer shall not increase the gross rent of any unit occupied by a low-income tenant above the amount otherwise permitted under the Code during the Compliance Period or the Extended Use Period; as such terms are respectively defined in the Code.

(t) Developer shall not dispose to any person of any portion of any building to which this Declaration applies unless all of such building is disposed of to such person.

6. Term of Declaration.

(a) The terms, conditions, covenants and restrictions of this Declaration shall commence on the first day on which the first residential unit in the Development is placed in service and end on the date which is the close of the Extended Use Period pursuant to the Code.

(b) Notwithstanding paragraph 6(a) above, but subject to paragraph 6(c) below, the extended use period for any building which is a part of the Development shall terminate:

(i) on the date such building is acquired by foreclosure or instrument in lieu of foreclosure, unless the Internal Revenue Service or the Authority determines that such acquisition is part of an arrangement with the Developer, or its successors or assigns, a purpose of which is to terminate the extended use period; or

(ii) on the last day of the fifteen (15) year compliance period if Developer has properly requested, pursuant to the Code and such other requirements of the Authority which may then be applicable, that the Authority present a qualified contract for the acquisition of the low-income portion of any part of the Development and the Authority is unable to procure a qualified contract.

(c) Notwithstanding paragraph 6(b) above, the termination of the extended use period shall not be construed to permit:

(i) The eviction or the termination of tenancy (other than for good cause) of an existing tenant of any low-income unit before the close of the three (3) year period following such termination, or

(ii) Any increase in the gross rent with respect to such unit not otherwise permitted under the Code before the close of the three (3) year period following such termination.

7. Indemnification of Authority

Developer hereby releases, saves harmless and shall indemnify the Authority of and from any and all claims, losses, damages, expenses or judgments which the Authority might incur as a result of allocation of the Credit to the Development or the recapture of any portion of the Credit by any appropriate governmental agency.

ANY ACTION, REVIEW, RECOMMENDATION, APPROVAL, OR OTHER ACTIVITY TAKEN BY OR ON BEHALF OF THE AUTHORITY DOES NOT, EXPRESSLY OR IMPLIEDLY, DIRECTLY OR INDIRECTLY, SUGGEST, REPRESENT OR WARRANT THAT THE DEVELOPER OR THE DEVELOPMENT QUALIFY FOR THE CREDIT, OR THAT THE DEVELOPMENT COMPLIES WITH APPLICABLE STATUTES AND REGULATIONS OR THAT THE DEVELOPMENT IS OR WILL BE ECONOMICALLY FEASIBLE. DEVELOPER ACKNOWLEDGES IT IS SOLELY RESPONSIBLE FOR SUCH MATTERS.

8. Miscellaneous

(a) Successors Bound. Throughout the term hereof, this Declaration and the covenants and conditions contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, Developer and its successors and assigns and all subsequent owners of the Property, the tenants located or to be located on the Property, (as set forth in paragraph 4(d)), the Authority and its successors and assigns.

(b) Amendment. This Declaration may be amended only with the prior written approval of the Authority. No amendment to this Declaration may be made without the prior written approval of the Authority.

(c) Severability. The invalidity of any clause, part or provision of this Declaration shall not affect the validity of the remaining portions thereof.

(d) Notices. All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified mail to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To the Authority:

**Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue
Sinajana, Guam 96910**

To Developer:

**Flora Rosa Gardens, LLC
202 Hilton Rd, PFM #7, Tumon, GU 96913**

The Authority, and Developer, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

(e) No Remedy Exclusive. No remedy herein conferred upon or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Declaration or existing at law or in equity. No delay or failure to exercise any right or power accruing hereunder shall impair any other right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(f) Construction. As used herein, the singular shall be deemed to mean and include the plural and the masculine to mean and to include the feminine and the neuter, where applicable. If there is more than a single Developer, each jointly and severally shall be deemed to be the Developer.


(g) Governing Law. This Declaration shall be governed by the laws of Guam.

(h) Survival of Obligations. The obligations of Developer as set forth herein shall survive the Credit allocation by the Authority and shall continue throughout the term of this Declaration.

IN WITNESS WHEREOF, Developer has caused this Declaration to be signed by duly authorized representatives, on the day and year first written above.

DEVELOPER

FLORES ROSA GARDENS, LLC,
a Guam limited liability company

By: 
Name: Robert Salas II
Title: Managing Member

ATTEST:

(Seal)


TERRITORY of Guam)
) SS:
)

Before me, a Notary Public, in and for said County and State, personally appeared Robert ~~R~~ Salas, the Managing Member of Flores Rosa Gardens, LLC, who acknowledged that the foregoing Declaration of Extended Rental Housing Commitment was executed in such capacity as its voluntary act and deed and that the foregoing representations set forth in the Declaration are true and correct.

WITNESS my hand and seal this 30th day of January, 2025.

My County of Residence:
Guam, USA

My Commission Expires:
FEB 13, 2025


Notary Public
Vanessa R. Aguon
Printed Name

VANESSA R. AGUON
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **FEB. 13, 2025**
275G Farenholt Ave PMB 304 Tamuning, GU 96913



AGREED TO this _____ day of _____, 2025 by the Authority.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

By: _____
Elizabeth Napoli, Executive Director

)
) SS:
)

Before me, a Notary Public in and for said County and State, personally appeared _____, **the Executive Director of the Guam Housing and Urban Renewal Authority**, and who acknowledged that the foregoing Declaration of Extended Rental Housing Commitment was executed in such capacity as its voluntary act and deed.

WITNESS my hand and seal this _____ day of _____, 2025.

My County of Residence:

Notary Public

My Commission Expires:

Printed Name

EXHIBIT A

LEGAL DESCRIPTION

LOT NUMBER 2144-1D-7 (Subdivision of Lot 2144-1D), MUNICIPALITY OF TAMUNING, (Formerly Dededo), TERRITORY OF GUAM, Estate Number 58815, SUBURBAN, as said Lot is marked and designated on DRAWING NUMBER MSM-519TD71, as L.M. Check Number 541 - FY 71, as described in that Retracement and Parcelling Map, dated JUNE 04, 1971 and recorded JUNE 15, 1951 at the Records Division, Department of Land Management, Government of Guam, under Document Number 102857.

AREA: 4,046.81 +/- SQUARE METERS

There is no mortgagee and no mortgagee was identified in the agreement and the application, and therefore no certification is required.

EXHIBIT C

**RENTAL HOUSING TAX CREDIT PROGRAM
CERTIFICATION OF COMPLIANCE**

The undersigned, having been allocated certain Rental Housing Tax Credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") and having executed a "Declaration of Extended Rental Housing Commitment" pursuant to the allocation with the Guam Housing and Urban Renewal Authority Authority, the housing credit agency for Guam (the "Authority") for the purpose of purchasing, constructing and/or improving a certain low-income housing development (the "Development"), and pursuant to the monitoring requirements of the Authority and the requirements of the Code section 42 and all regulations promulgated thereunder, does hereby certify as follows:

- (i) The Development meets the requirements of (Please mark the appropriate test):
- (A) the 20-50 test under section 42(g)(1)(A) of the code, or
- (B) the 40-60 test under section 42(g)(1)(B) of the code, or
- (C) the 15-40 test under sections 42(g)(4) and 142(d)(4)(B) of the Code for "deep rent skewed" developments.
- (ii) There was no change in the applicable fraction (as defined in section 42(c)(1)(B)) of any building in the Development, or that there was a change, and a description of that change.

List the total number of development units: **[30 Units]**

List the number of qualified low-income units: **[30 Units]**

- (iii) The undersigned has received an annual income certification from each low-income tenant in the Development and sufficient documentation to support that certification; or, in the case of a tenant receiving Section 8 housing assistance payments, the statement from the applicable public housing authority to the Development owner declaring that the tenant's income does not exceed the applicable income limited under section 42(g) of the Code.
- (iv) Each low-income unit in the Development was rent restricted under section 42(g)(2) of the Code.
- (v) All units in the Development are for use by the general public and are used on a nontransient basis (except for transitional housing for the homeless provided under section 42(i)(3)(B)(iii).
- (vi) Each building in the Development is suitable for occupancy, taking into account all federal, state and local health, safety and building codes.
- (vii) Please mark the appropriate certification:

(A) There has been no change in the eligible basis of any building in the Development (as defined in section 42(d) of the Code), or

(B) There has been a change in the eligible basis of a building in the Development (as defined in Section 42(d) of the Code). Please attach a separate sheet setting forth the nature and amount of such change (e.g., a common area has become commercial space, or a fee is now charged for a tenant facility formerly provided without charge.

(viii) All tenant facilities included in the eligible basis of the Development under the Code section 42(d), such as swimming pools, other recreational facilities, and parking areas, are provided on a comparable basis without charge to all tenants of the Development.

(ix) Please mark the appropriate certification:

____(A) No low-income units in the Development became vacant during the applicable year, or

____(B) One or more low-income units in the Development became vacant during the applicable year and reasonable efforts were or are being made to rent such units or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the Development were or will be rented to tenants not having a qualifying income. While such unit(s) were vacant, no units of comparable or smaller size were rented to tenants not having a qualifying income. Please attach a separate sheet detailing which units were vacant during the applicable year and the nature of efforts to rent such units to tenants with qualifying incomes.

(x) Please mark the appropriate certification:

____(A) No tenant of any low-income unit in the Development has experienced an increase in income above the limit allowed in the Code section 42(g)(2)(D)(ii), or

____(B) One or more tenants of low-income units in one or more buildings in the Development have experienced an increase in income above the limit allowed in the Code section 42(g)(2)(D)(ii) and the next available unit or units of comparable size in such building have been or will be rented to tenants having a qualifying income. Please attach a separate sheet detailing the tenants who have experienced such an increase in income and the unit or units which have been or will be rented to tenants having qualifying income and the efforts being made to rent such unit units; and

(xi) That the development has one smoke detector on each level of the rental dwelling unit assisted or insured by HUD and in public and Indian housing units; and

(xii) That there have been no changes in entity ownership or if there have been, the Authority has been provided with details including a copy of the sales agreement and

(xiii) That the Development is in continuing compliance with the Declaration of Extended Rental Housing Commitment applicable to Development and filed in the office of the Recorder of Guam; and

(xiv) The Development is otherwise in compliance with the Code, including any Treasury Regulations pursuant thereto, the applicable laws, rules, regulations and ordinances.

The undersigned has executed this certification, subject to penalties of perjury, and certifies that the foregoing is true, accurate and complete in all respects, this 30 day of January, 2025.

("Owner")

[Signature]
Attest

By: [Signature]

Title: Managing Member

Robert Salas II
(Printed Name of Owner)

GUAM)
) SS:
COUNTY OF Tamuning)

Before me, a Notary Public in and for said County and State, personally appeared Robert Salas II the Managing Member of Flores Rosa Gardens LLC, and who, being duly sworn acknowledge the execution of the foregoing Certification of Continuing Compliance as his/her free and voluntary act and deed.

Witness my hand and Notarial Seal this 30th day of January, 2025

My Commission Expires:

Public FEB 13, 2025

My County of Residence:

Guam, USA

[Signature]

Notary

Vanessa R. Aguon
Printed Name



VANESSA R. AGUON
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **FEB. 13, 2025**
275G Farenholt Ave PMB 304 Tamuning, GU 96913

EXHIBIT D

ADDITIONAL DEVELOPMENT REQUIREMENTS

Extended Low-Income Housing Commitment (Please check all that apply)

1. This development will be subject to the standard extended use agreement, which permits early termination (after the mandatory 15-year compliance period) of the extended use period.
2. This development will be subject to an extended use agreement in which the owner's right to an early termination of the extended use provision is waived for 10 or 15 or 25 or 46 (mark appropriate box) additional years after the mandatory 15-year compliance period.
3. This development will be subject to a HOME affordability period for rehabilitation or acquisition of existing housing 10 years or new construction or acquisition of newly constructed housing 20 years (check appropriate box).
4. This development will be subject to the standard 15 year compliance period as part of a Lease Purchase Program (all units must be single family detached structures) and will offer homeownership opportunities to qualified tenants after 15 year compliance period. See IRS Revenue Ruling 95-48.

Special Housing Needs/Leasing Preference (Please check all that apply)

1. No less than one hundred percent (100%) of the total units in this Development be restricted to elderly tenants age 55 and older? Yes No
2. Is this Development designed as a SRO or transitional housing for the homeless? Yes No
3. Will this Development target any other types of special needs populations? Yes No
If yes, please identify:

Special Needs Population	Percentage of Units
Persons with Disabilities	20%
Section 8 Certificates & Vouchers	
Public Housing Waiting List Tenants	
Veterans	
Individuals with Children	

Services

[List provider, service(s) development will offer/provide if any and the year they will expire]

EXHIBIT D

ADDITIONAL DEVELOPMENT REQUIREMENTS (Continued)

Development Design

The Development will include the following property design elements and amenities:

- 1-2 Bedroom Units: Twenty two (22) 2 bedroom units, Eight (8) 1 bedroom units
- Playground, Parking Lot, Community Center, Garbage Disposal
- Solar powered street lights,
- Natural lighting
- Solar panels
- Energy efficient appliances

Unique Unit Features

The Development will include the following unique design/construction features for the residential units:

- Energy Star Appliances
- Fully solar-powered
- LED strip lighting,
- Radon mitigation
- Granite table tops
- Wood-like plank tiles or granite flooring
- Floor to ceiling bedroom windows



GHURA

Guam Housing and Urban Renewal Authority


Aturidat Ginima' Yan Rinueban Siudad Guahan
117 Bien Venida Avenue, Sinajana, GU 96910
Phone: (671) 477-9851 * Fax: (671) 300-7565 * TTY: (671) 472-3701
Website: www.ghura.org



Lourdes A. Leon Guerrero
Governor of Guam

Joshua F. Tenorio
Lt. Governor of Guam

Memorandum

Date: February 6, 2025
To: Board of Commissioners (BOC)
From: Elizabeth F. Napoli 
Executive Director
Subject: Recap on 2024 LIHTC Cycle

Greetings, Board of Commissioners:

On December 10, 2024, you were presented with the results and recommendation made by the 5-member Panel who concluded their evaluation of the 5 LIHTC applications that were submitted during the 2024 LIHTC Cycle. To recap, the BOC may award the following tax credits for the 2024 LIHTC cycle:

LIHTC 2023	\$ 3,185,000
LIHTC 2024	<u>\$ 3,360,000</u>
Credits Available LIHTC 2024	\$ 6,545,000

The Panel consisted of 3 GHURA personnel and 2 non-GHURA personnel, who were tasked to review the applications and to independently score each application on the merits of their respective project. The Panel used the Selection Criteria established in the 2024 Qualified Allocation Plan to guide them in the scoring process. The Panel finalized their scores on November 18, 2024, which were presented to the Board at the December 10, 2024, BOC meeting. The attached pages 13 and 14 of 18 pages from the Board Meeting of December 10, 2024, illustrate the project names, the scores from each Panelist for the projects, and the ranking of each project after the points were averaged. The Flores Rosa Project ranked first. Based on the results of the Evaluation Committee, I recommended that the Board of Commissioners award \$1,793,120.00 to the Flores Rosa, LLC for the Flores Rosa project. Page 13 further states that "GHURA will have a remaining balance of \$4,751,880.00, of the 2024 tax credits left for allocation", and "Per the Qualified Allocation Plan guidance, awarding of the tax credits rests solely on the GHURA Board of Commissioners (LIHTC QAP 2024, pg. 21)". Additionally, it states that "GHURA also reserves the right, in its sole discretion, to do the following:" (Please refer to the bottom of page 13 and the 3 options listed on page 14 of 18, which I will read aloud.). After deliberation, the Board approved the award of \$1,793,120.00 to the Flores Rosa Project. Notice of the Award was sent to all applicants on December 18, 2024.

Upon review of the 3 options presented on page 14 of 18, I recommend the following:

1. Award no other projects and hold back the balance from the 2024 cycle to be allocated during the coming **2025 application cycle** for a **total of \$8,206,880.00** (\$4,751,880.00 remaining balance of 2024 tax credits **plus** \$3,455,000.00 2025 tax credits).



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PANELIST	Project #1 Dos Amantes Senior Residence Awarded	Project #2 Summer Vista II Awarded	Project #3 Summer Vista III Awarded	Project #4 Rosewood Parks Awarded	Project #5 Flores Rosa Awarded
Ervin Santiago	87	98	99	100	105
Philomena San Nicolas	83	100	100	95	105
Monica Guerrero	85	99	99	100	105
Rob San Agustin	83	96	96	96	101
Nicole Alejandro	83	98	96	100	105
Total	421	491	490	491	521
Rank	4th	2nd	3rd	2nd	1st

	Points Averaged	Rank
Flores Rosa	104.20	1st
Rosewood Parks	98.20	2nd
Summer Vista II	98.20	2nd
Summer Vista III	98.00	3rd
Dos Amantes	84.20	4th

At the end of the evaluation and review, the proposed Flores Rosa has ranked first.

The BOC may award the following tax credits for the 2024 LIHTC cycle:

LIHTC 2023	\$ 3,185,000
LIHTC 2024	<u>\$ 3,360,000</u>
Credits Available LIHTC 2024	\$ 6,545,000

I propose the following recommendation:

Based on the results of the Evaluation Committee, I recommend the Board of Commissioners award \$1,793,120.00 to Flores Rosa, LLC for the Flores Rosa project.

GHURA will have \$4,751,880.00 remaining balance of 2024 tax credits left for allocation. Per the Qualified Allocation Plan guidance, awarding of the tax credits rests solely on the GHURA Board of Commissioners (LIHTC QAP 2024 pg. 21). GHURA also reserves the right, in its sole discretion, to do the following:

- (i) Hold back a portion of the annual federal housing credit ceiling for use during later reservation cycles,



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-
- (ii) Carryover a portion of the current year's housing credit ceiling for allocation to a project which has not yet been Placed in Service, and
 - (iii) Issue a reservation for the next year's housing credit ceiling.

With that in mind, I present the following options for the remaining tax credits:

1. Award no other projects and hold back the balance from the 2024 cycle to be allocated during the coming 2025 application cycle for a total of \$8,206,880.00 (\$4,751,880.00 remaining balance of 2024 tax credits plus \$3,455,000.00 2025 tax credits¹).
2. Make a second award to the next project whose total request is no greater than the \$4,751,880.00 remaining balance of 2024 tax credits.²
3. Issue a reservation of 2025 tax credits in the amount of \$3,455,000.00 to Summer Vista II. Summer Vista II tied with Rosewood Parks in total points, however, their credit request exceeds the available credits available in 2024.

GHURA Board of Commissioners may make a decision at the December 10, 2024 meeting or if the decision warrants further review and consideration, a decision can be made at the 2nd meeting in December 2024.

¹ For Calendar year 2025, the amount used under § 42(h)(3)(C)(ii) to calculate the State housing credit ceiling for low-income housing credit is the greater of (1) \$3.00 multiplied by the State population, or (2) \$3,455,000.00. (Reference: Rev. Proc. 2024-40, pg.10)

² The Summer Vista II project, while also achieving an equal point score to Rosewood Parks, is requesting for funds greater than the balance available for 2024 credits. The Summer Vista request is for \$5,545,000.00.

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