

## **Attachment J: Property Sale and Transfer Process**

To request approval for a change in the owner, managing member/general partner or limited partner/investor member of a HOME, CDBG, General Obligation Bond or Neighborhood Stabilization Program (NSP) funded project (other funding sources may apply).

### **Considerations**

The Housing Department will evaluate transactions in a similar fashion to applicants that submit proposals in the annual Call for Interest application process. The request shall demonstrate the new owner, managing member/general partner or limited partner/investor member have the experience and financial capability to operate a federally assisted property that impose federal affordability restrictions and are comparable in size and resident type.

### **Submitting the Request**

To request a change as described above, the following documentation is required to be submitted to the Housing Department for review and evaluation:

1. A letter requesting the change and a description of the reason and nature of the transaction.
2. New Ownership Capacity:
  - a. Organizational chart illustrating the relationship of the parties in the new structure
  - b. Articles of Organization
  - c. Managing Member experience
  - d. Resumes of key staff
3. New Property Manager capacity:
  - a. Minimum 3 years' experience managing a federally assisted property, comparable in size and resident type
  - b. Business resume
  - c. Key staff resumes
4. Property Management Plan, must describe significant management policies including but not limited to:
  - a. Security
  - b. Marketing program
  - c. Eviction process
  - d. Resident income calculation requirements
  - e. Affordable rent levels
  - f. Waiting-list procedures
  - g. Tenant selection procedures
  - h. Any financial considerations that have an impact on the project operating policies i.e.: affordable rent levels, resident income eligibility, sources of project operating subsidy
  - i. Current rent roll
5. Written documentation that the equity partner approved the new transaction.
6. Sellers Net sheet/estimated net proceeds (waterfall)
7. Purchase and Sale Agreement.
8. Last 2 years of audited financial statements of the developer/parent company acquiring entity in the transaction.
9. Appraisal that meets the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act).
10. Updated Proformas.
11. Loan information, loan commitments.
12. Revised/amended operating agreement.
13. Identities of Interest Disclosure Form.
14. Tenant Information Report

15. Lease template to be used
16. Pre-settlement Statement
17. Title Commitment
18. Developer/owner current on all City of Phoenix Housing Department loan payments and annual reporting requirements

### **Additional Considerations**

In consultation with the law department The City of Phoenix may request additional documentation to further evaluate the transaction; such as latest unit and property inspections or additional financial information.

The Housing Department's affordability restrictions will remain in first position, the department will decline transactions where the Department's affordability restrictions must be subordinate to a senior mortgage lender.

Housing Department loans must be in good standing, payment may be required as part of the approval process.

The Housing Department, Compliance section must list the property in good standing and all issues identified in monitoring visits be remedied prior to approval.