



AMENDED MEMORANDUM 2/26/2010

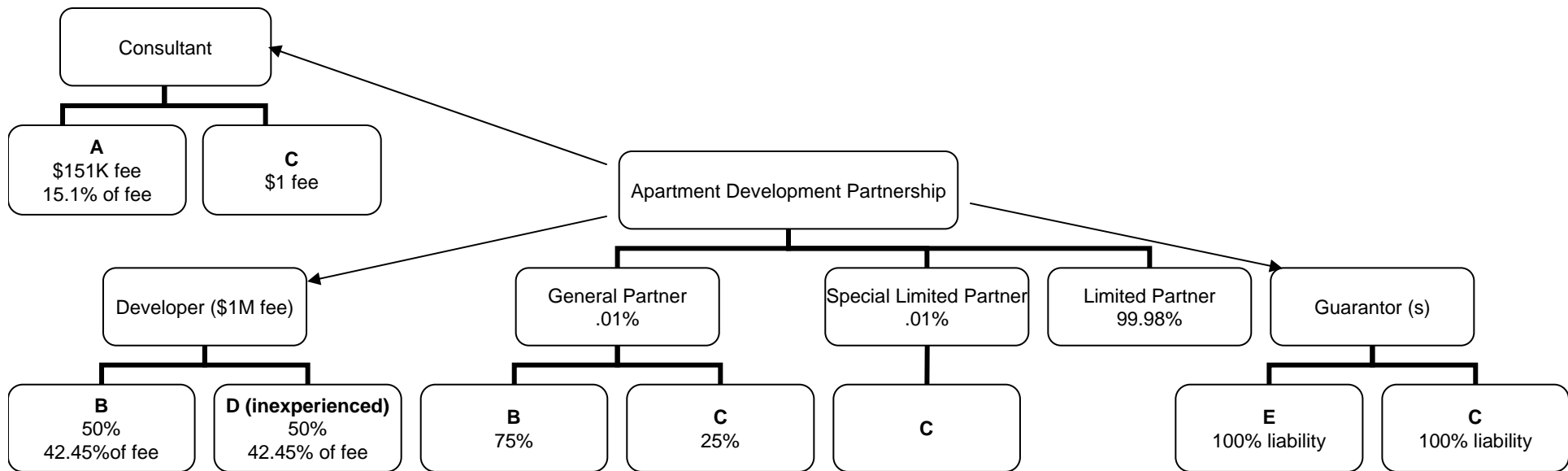
TO: 2010 Competitive Housing Tax Credit Applicants
FROM: Robbye Meyer, Director of Multifamily Finance
DATE: February 26, 2010
SUBJECT: Guidance for \$2 Million Credit Allocation Proration

Attention: There was error in the organizational chart that was published on February 25, 2010 concerning the credit allocation attributed to a consultant that receives more than ten percent of the developer fee. The chart has been corrected and re-published.

The Department has received several inquiries as to how to calculate the \$2 million annual credit allocation cap. Several of the questions have concerns with the involvement of a consultant or a special limited partner that is partnering with another developer to bring financial strength, capacity or experience to the development. Only in cases where an inexperienced developer is co-developing a development is any proration of credit considered. In addition, only participants as co-developers are prorated. As described in the rule, the higher of the developer participation or fee will be compared to the developer's other interest in the development and the higher interest will be used in the attribution of the credit allocation.

We have created an organizational chart to help clarify how the Department will prorate the credit allocation subject to the structure that is submitted to the Department.

Should you have any questions or need clarification, please contact Raquel Morales, Housing Tax Credit Administrator, at (512) 475-1676 or by email at raquel.morales@tdhca.state.tx.us or Robbye Meyer, Director of Multifamily Finance at (512) 475-2213 or by email at robbye.meyer@tdhca.state.tx.us .



Credit attribution

A=15.1% based on the percentage of developer fee

B=75% based on the higher of GP interest and developer interest because inexperienced developer involved

C=100% based on SLP interest and guarantor participation

D=50% based on higher of developer participation and developer fee

E=100% based on guarantor participation

If D is experienced, then all parties would have a 100% attribution

NOTE: Any future changes to the structure will impact the credit attribution and may make the allocation ineligible