

## **Tax Credit Assistance Program: Commitment and Expenditure Deadline Statements – Amended June 22, 2009 and subsequently approved the HUD.**

The below excerpt was provided by AHFC to HUD in response to HUD's request for clarification regarding AHFC's policy for the below two points related to commitment and expenditure deadlines associated with Tax Credit Assistance Program funds. The responses below were approved by HUD and will be incorporated into any awards of TCAP funds approved by AHFC.

### **Commitment and Expenditure Deadlines**

- 1) What procedures will be adopted to ensure that all appropriate expenditure deadlines of the Recovery Act are met?*

AHFC will secure TCAP awards with a Note and Deed of Trust during the construction period, and prior to any disbursement. Since the TCAP awards will be secured during the project construction, these funds can be expended before the project is completed.

TCAP funding commitments will specify construction schedules. If an owner fails to expend TCAP funds according to the funding commitment, AHFC will assess whether the delay will affect its ability to meet federal requirements. Depending on the circumstances, AHFC may allow the project sponsor to remedy the situation.

- 2) How will AHFC redistribute TCAP funds to more deserving projects if non-compliance occurs regarding the timeframe for expenditures noted in a TCAP grant agreement?*

If a construction delay will affect AHFC's ability to meet the TCAP expenditure requirements, AHFC will take necessary steps to redistribute TCAP funds to a more deserving project, including the following:

- De-obligating the remaining TCAP funds,
- Initiating foreclosure proceedings to recoup amounts already expended, and
- Redistribute the de-obligated and / or recouped TCAP funds to other eligible projects based on the selection criteria in Section I(1-3) of the Award Criteria for the Tax Credit Assistance Program and Implementation of the Section 1602 Grants in Lieu of Low Income Housing Tax Credits.