

Frequently Asked Questions – July 1, 2009

Tax Credit Assistance Program and 2009 QAP

Q1. Do projects with a credit pricing above eighty cents (\$0.80) per credit dollar have a priority for TCAP Funds upon submission of tax credit applications under the 2009 QAP?

A1. Yes. As outlined during the public hearing conducted by the Agency on Monday, June 29, 2009, and in accordance with protocol previously established for TCAP Funds awarded under the Amended 2007/2008 QAP, TCAP funds will be awarded first to projects with efficient tax credit syndications, (i.e. credit pricing of eighty cents (\$0.80) or more per tax credit dollar in their 2009 tax credit applications), over projects with inefficient tax credit syndications (i.e. credit pricing of less than eighty cents (<\$0.80) per dollar tax credit in their 2009 tax credit applications). The following protocol will be followed by the Agency in awarding TCAP Funds and American Recovery and Reinvestment Act (ARRA) 1602 Treasury Grants:

Projects with Efficient Syndications: The \$14 million of TCAP Funds reserved for the 2009 tax credit competitive allocation round will be awarded to projects that are (i) preliminarily awarded tax credits with efficient tax credit syndications, i.e. credit pricing of eighty cents (\$0.80) per tax credit dollar or more in their 2009 tax credit applications until such TCAP Funds are exhausted and (ii) in the rank order associated with the competitive scoring criteria published for the competitive award of TCAP Funds and the QAP.

ARRA 1602 Treasury Grants to Projects with Inefficient Syndications: Prior to the award of TCAP Funds to Projects with inefficient syndications (i.e. credit pricing of less than eighty cents (<\$0.80) per dollar tax credit in their 2009 tax credit applications), such projects will first be offered financing under the 102 Treasury Grant Program that provides a credit pricing up to eighty cents (0.80) in order to establish the feasibility and viability of such projects with inefficient syndications. ARRA 1602 Grants will be awarded to projects with inefficient syndications, in rank order according to the QAP, until such funds are exhausted.

Projects with Inefficient Syndications: Following (i) the preliminary award of tax credits and TCAP Funds to Projects with efficient syndications and (ii) the exhaustion of ARRA Treasury Grant awards to projects with inefficient syndications, any remaining TCAP Funds will be awarded to projects with inefficient syndications (i.e. credit pricing of less than eighty cents (<\$0.80) per dollar tax credit in their 2009 tax credit applications) in rank order of their score under the TCAP scoring criteria.

Note that TCAP funds are only available to projects that have an award of LIHTC.

Q2. What is the cost of the market studies and when should the checks be submitted?

A2. As detailed in the QAP, the Agency is commissioning the market study process. The cost for a Metro-Area (non-rural) report is \$4,500, an Assisted Affordable Living report is \$6,500 and a project located in a Rural Area, \$6,500. Checks should be submitted at the time of application submittal and no later than July 6, 2009.

In order to expedite the market study process, developers are required to complete the attached Exhibit A, which provides an overview of the project. This information will be immediately passed on to the analyst so that the studies can be performed timely. The analyst may be in contact with the developer so please include current and accurate contact information. Submit electronically via, Exhibit A, along with any additional attachments required, by no later than the close of business July 6, 2009 to ncollins@lhfa.state.la.us

Q3. The timeline in the 2009 QAP does not specify when Environmental Clearance will be required for any project that receives TCAP funds. Please provide clarity.

A3. The QAP states that “Any applicant intending to apply for funds under the TCAP Initiative must submit by August 12, 2009 evidence that the Environmental Assessment has been completed.” Any project that receives an award of TCAP must have Environmental Clearance prior to the completion of the 10-day challenge period which ends on August 24, 2009. Applicants are strongly urged to review and comply with all of the TCAP Environmental and other Federal requirements as outlined in CDP Notice 09-03 which is posted to the Agency’s website.

Q4. Since the Agency extended the deadline for TCAP and 2009 QAP applications – are there any revised timelines?

A4. Yes – see answer number 3 above as it relates to Environmental Clearance on 2009 QAP applications.

Relative to the 07/08 TCAP Round see below:

July 1, 2009	Application Deadline
July 13, 2009	Preliminary Rank and Score
July 14, 2009	Begin 10 Day Challenge Period
July 24, 2009	End of 10 Day Challenge Period
July 24, 2009	Submission of proof of Environmental Clearance
August, 12, 2009	Board Approval TCAP Funds

Staff anticipates having the above referenced timeline approved at the July 8th Board of Commissioner’s meeting.

Q5. May projects with tax credit allocations from a funding round prior to the 2009 QAP competitive round submit a tax credit application under the 2009 QAP competitive round?

A5. As indicated at the public hearing, while it was anticipated that previously awarded projects would submit under the 07/08 Amended QAP, there is no direct prohibition for applying for an additional allocation of 2009 credits. However, be mindful that a new submission in the 2009 competitive funding round may trigger a reprocessing of the 07/08 application in accordance with the QAP definition of reprocessing. The need for 07/08 reprocessing which identifies a funding gap, may cause the project not be feasible and viable without the 09 credits and requested TCAP funds thus putting the project at risk. Moreover, for purpose of determining tax credit syndication efficiency, the Agency will take into account the cumulative total of credits received under all QAPs so that the blended result will determine whether there is an efficient or inefficient syndication.