

## **Temporary Low Income Housing Credit Reservation Deadline Extension**

It is the policy of New York State and the purpose of federal housing programs to provide housing opportunities to all persons and areas of the State. Although the conditions and needs may vary in different areas of the State, these housing programs are intended to be flexible and to address a variety of needs and the unique circumstances of the various communities across the State.

DHCR, in its role as Housing Credit Agency, has administered the Low Income Housing Credit (LIHC) program in a manner which strives for an equitable distribution of credits across the State based upon need and population. The LIHC has experienced success in assisting projects in urban areas and also has been successful in facilitating the development of projects in non-urban areas.

The LIHC program is designed to facilitate the timely completion of affordable housing projects and credits that are not used by the State in a timely fashion are forfeited. To avoid the threat of forfeiture, the State has administered the program in a manner which requires applicants to strictly comply with all development time frames. Projects which do not meet these time frames have had their allocation revoked, with no provision for extensions or exceptions.

However, the current downturn and contraction in the banking industry and the equity markets has prevented some LIHC projects from securing financing necessary to meet LIHC reservation deadlines. DHCR, in order to provide developers with additional time to obtain financing, will consider written requests for tax credit reservation deadline extensions to no later than September 15, 2009, for such projects with deadlines occurring from June 1, 2009 through August 15, 2009. For good cause shown, limited extensions will be granted based on the individual needs of the project, but, in general, any extensions granted by DHCR will seek to expedite commencement of project construction at the earliest possible date.

Requests should, at a minimum, provide a detailed explanation of the circumstances which necessitate the request for extension, as well as a detailed development timeline based on the new deadline being requested. All requests for extension must be supported by correspondence or other documentation demonstrating the project's readiness to proceed within the requested extension. Additionally, the project sponsor must certify that it has successfully developed similar projects in the past and made a good faith effort to obtain investment commitments for the project. Requests for extensions should be directed to the DHCR Regional Office Project Manager assigned to the project.

Project sponsors are encouraged to contact their Project Manager as early as possible to discuss possible extension requests. Please note that project sponsors, who successfully meet the terms and conditions of their reservation by the new deadline, will not subsequently be penalized in the submission of future applications by a reduction in HTF or LIHC scoring points obtained for development team experience.

May 29, 2009