

## **Tax Credit Assistance Program (TCAP) Plan**

Projects that are eligible to receive TCAP funding are those that have received an “award of tax credits”. The Authority defines an “award of tax credits” as projects that have applied for low income housing tax credits (LIHTC) in 2008 and 2009 under the procedures set forth in the existing Qualified Allocation Plan (QAP), and that have scored competitively and received either a 2008 Carryover Allocation or a 2009 reservation of LIHTC.

TCAP funds were made available from the American Recovery and Reinvestment Act (ARRA) that was signed into law by President Obama on February 17, 2009. The purpose of the law was to jumpstart the failing economy. Since the primary focus of ARRA is to immediately create and save jobs, priority will be given to projects that can demonstrate an immediate readiness to proceed.

The Authority has always recognized the importance of a project’s readiness to proceed. Under the “Advanced Projects” scoring category of the existing QAP, the Authority awards points for: the level of site control; completion of Environmental and Market Study reports; grant and soft loan commitments; percentage of construction plans completed; appropriately zoned sites with no variances or special permits needed; site plan approval; and prior phases of a project that have already been approved, or are currently under construction. A total of 36 points may be awarded under this category, which represents 17% of the total potential points that could be achieved under the QAP.

In an effort to further underscore the importance of readiness to proceed and to meet the spirit and intent of ARRA in the disbursement of TCAP funds, the Authority will double the points normally available to applicants under the NH 2009 QAP scoring criterion #8, Advanced Projects. With this additional TCAP scoring, applicants can receive a maximum of 72 points in this category.

Because only 40% of New Hampshire’s allocation of 2009 LIHTCs can be monetized under the credit exchange provisions of ARRA, it is vital that several 2009 projects receive traditional equity investments. To that end, the Authority will award an additional 50 points in the 2009 LIHTC Round 2 competition for projects that will syndicate, i.e. place their credits with a third-party equity investor. After receiving a 2009 award of tax credits, projects wishing to proceed to the development phase will be assessed a non-refundable project commitment fee of \$5,000, which will then be credited toward the normal LIHTC and capital subsidy fees as enumerated in the NH 2009 QAP.

ARRA establishes deadlines for the commitment and expenditure of TCAP funds that requires the Authority to give priority to projects that are ready to proceed. ARRA requires that the Authority:

- Commit not less than 75% of its TCAP grant within one year of the laws enactment, or by February 16, 2010;

- Demonstrate that all project owners have expended 75% of its TCAP grant within two years of the laws enactment, or by February 16, 2011; and
- Expend 100% of its TCAP grant within three years of the law's enactment, or by February 16, 2012.

Project owners that receive TCAP funds will be required to enter into a written agreement with the Authority. The written agreement will set forth all the TCAP program and crosscutting federal requirements. The TCAP written agreement must be signed and dated by the Authority and the project owner before any TCAP funds are disbursed. The Authority will specify a schedule for the expenditure of TCAP funds within the written agreement and outline the circumstances under which TCAP funds will be recaptured if the project owner fails to meet the schedule.

The Authority is responsible for redistributing its TCAP funds to ensure compliance with the commitment and expenditure deadlines. If a project owner fails to expend TCAP funds timely, the Authority will assess whether the delay will affect its ability to meet its TCAP deadlines, and take the necessary steps to redistribute the funds to a more deserving project. The Authority reserves the right to recover reasonable fees incurred as a result of having to redistribute TCAP funds.

To ensure maximum transparency of process and outcome, the Authority will post on its website a narrative description of the NH TCAP plan, explaining the competitive selection criteria for awarding TCAP funds to eligible projects. The website will also provide quarterly updates of the following information:

- The total amount of TCAP funds received;
- The amount of TCAP funds expended or obligated to projects or activities, including unobligated balances;
- A detailed list of all projects or activities for which TCAP funds were expended or obligated, including:
  - ✓ The name of the project;
  - ✓ A description of the project;
  - ✓ An evaluation of the completion status of the project; and
  - ✓ An estimate of the number of jobs created and the number of jobs retained by the project