

SUBMISSION REQUIREMENTS FOR APPLICATIONS SEEKING ARRA FUNDS

Applicants with a current allocation of Tax Credits submitting an Application for funds from either the Tax Credit Assistance Program (“TCAP”) or Tax Credit Exchange Program (“Exchange Funds”) through the American Recovery and Reinvestment Act (“ARRA”) must submit the following exhibits to update and supplement their existing Application.

Developments that are “shovel ready” except for their ability to secure an equity investor or find investment dollars sufficient to fully fund the development costs will receive priority. The Agency will be evaluating your application using similar protocols established for our PennHOMES program, including underwriting, asset management and compliance monitoring as may be modified or amended to meet any supplemental instructions or guidance issued by HUD, Treasury, or IRS applicable to our developments. Additionally, funding will be awarded based upon the development’s current allocation amount. The Agency will not accept any modifications by the applicant to the development’s construction costs, fees, sources of funds, operating income and expenses, except as directed by the Agency to meet the underwriting guidelines as outlined in the ARRA Implementation Plan.

In accordance with the ARRA Implementation Plan, developments must continue to meet the requirements of the Qualified Allocation Plan for the year in which the Tax Credit award was made. ARRA funds will be made available to developments which have not changed any selection criteria or made any unapproved modifications to the development from the initial Application. Applicants may contact either the Development Officer or Tax Credit Officer who originally reviewed the Application for this information. Developments which receive TCAP or Exchange funds, in whole or in part, must continue to operate following tax credit program rules, including rent, income and use requirements.

Also, developments that receive an award of funds must be in a position to achieve a loan closing within 60 days from the award date. Developments unable to meet these requirements will have the award rescinded. Due to the ARRA fund constraints, the Agency anticipates that a number of developments will be processed in a limited time period. Applicants will be expected to submit items for closing 10 days in advance of the scheduled closing date. Failure to meet this deadline will result in the rescheduling of the closing date which may have an adverse affect on the development’s ability to qualify for an award of ARRA funds, or may result in the recapture of ARRA funds. Furthermore, applicants are reminded that they must meet the 10% test by October 1, 2009 if they will be utilizing 2008 tax credits as part of the financing plans. Failure to meet this deadline will result in the recapture of the tax credits. The Agency may use the determination that a project met it’s 10% test as demonstration of their readiness to close.

APPLICATION CHECKLIST:

- Tab A Development Synopsis: Provide an explanation of the circumstances leading to the need for TCAP or Exchange Funds, and how the development will achieve a closing within 60 days of an award by the Agency. Include a timeline of the events occurring since the initial Tax Credit award up to the projected closing date.
- Tab B Multifamily Housing Application Update: Provide a fully completed and executed application update. As indicated above, the Agency will be evaluating requests for ARRA funds based on the initial documentation submitted to the Agency.
- Tab C Construction Documents: Provide the following items, unless already submitted:
- 90%-100% completed drawings (2 copies)
 - 90%-100% completed specifications, with Davis Bacon wage rates, if applicable (2 copies)
 - Executed Architectural Contract – AIA Document B141 or B101
 - Construction Contract - AIA Document A101 (draft if not executed)
- Tab D Site Plan Approval (including zoning and land use): Submit a copy of the final land development plan, fully approved and executed by all required parties.
- Tab E Building Permit(s): Submit a copy of the Building Permit(s) or in lieu, a letter from the municipality stating all requirements have been met and the building permit(s) can be pulled at any time. If neither can be provided, submit a letter from the municipality outlining all outstanding requirements, and providing an estimate of how soon the building permit(s) can be issued.
- Tab F Clearances: Provide the status of any and all Federal Clearances including environmental reviews, State Historic Preservation Office (SHPO) correspondence and/or approvals and include the following:
- Phase I environmental site assessment
 - Phase II environmental site assessment (if recommended in the Phase 1 report)
 - Lead based paint testing results (if renovating an existing building built before 1978)
 - State Historic Preservation Office (SHPO) letter
 - Part 2 historic approval
- Tab G Site Ownership: Provide a copy of the recorded deed or executed lease evidencing ownership by the final ownership entity as shown in the initial Tax Credit Application, or current document evidencing site control (i.e. Agreement of Sale, etc.) which demonstrates that the property will be conveyed within the requisite ARRA Program timeframes.

- Tab H Construction and Permanent Financing: Submit either executed Notes or Financing Commitment Letters for all sources of financing including credit enhancement. Commitment Letters must be current, clearly demonstrate a commitment, evidence any and all closing conditions, and include a timeline for a closing.
- Tab I Bridge Loan Financing: Submit either executed Note or Financing Commitment Letter. Commitment Letters must be current, clearly demonstrate a commitment, evidence any and all closing conditions, and include a timeline for a closing.
- Tab J Equity Investment: Submit either a current letter from the Syndicator or Investor evidencing the equity investment. If you have not been able to secure an investor, provide a minimum of two letters evidencing a lack of interest or inability to provide equity at terms that are sufficient to make the development financially feasible. Additionally please include a narrative which identifies potential investors proffering unacceptable offers, and why specific terms and conditions were detrimental to the project's feasibility. In the event you did not receive written responses to your solicitations for equity, please provide a signed certification describing the steps taken to secure an equity investment and describing the issues inhibiting investor interest including copies of any correspondence evidencing same. The Agency reserves the right to corroborate the facts, and may request additional information from the applicant and/or potential investors. The Agency shall determine if an applicant has met the federal good faith test. ANY MISREPRESENTATION BY APPLICANT SHALL DRAW MAXIMUM PENALTIES UNDER PROGRAM REGULATIONS.
- Tab K Preservation Developments: For projects which require HUD or other Regulatory Agency approval to achieve a loan closing, please provide evidence of submission to the Regulatory Agency prior to the date of the ARRA application and evidence documenting a loan closing will be achieved within the requisite ARRA Program timeframes.

In addition to each of the above submission requirements, the Agency reserves the right to require additional information or certifications.

PLEASE BE ADVISED THAT THESE GUIDELINES AND APPLICATION HAVE NOT BEEN FORMALLY ACCEPTED BY HUD YET FOR USE IN TCAP AND THE AGENCY MAY MAKE ANY CHANGES AS MAY BE NECESSARY AFTER RECEIPT OF THEIR REVIEW EVALUATION OR ANY ADDITIONAL GUIDANCE FROM HUD OR TREASURY.