



**Date:** February 12, 2009

**RE:** AGENCY STATEMENT REGARDING THE 2009 AMENDED LOW INCOME HOUSING TAX CREDIT QUALIFIED ALLOCATION PLAN

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Continuing challenges face affordable housing and the current market continues to present enormous instability and uncertainty. PHFA is taking a number of steps to assist in providing maximum flexibility and responsiveness to developers seeking 2009 tax credits.

As such, while the Agency remains committed to exploring all available options in allocating resources to developments meeting the Commonwealth's housing priorities and those set forth in the 2009 Amended Qualified Allocation Plan (QAP), PHFA expects to depart from the current QAP in the current environment.

PHFA announces, in accordance with the provisions of the QAP, that adjustments and waivers of certain of the QAP parameters and limitations will be considered and made as necessary to assist in achieving project viability, funding projects able to proceed in a timely manner and filling gaps created by the upheaval in the equity market. The following specific areas may be affected:

- All developments that are not located in a Qualified Census Tract or Difficult Development Area may be considered for a basis boost of up to 130% if the Agency determines that the boost is necessary for financial feasibility of the development.
- Developments may be eligible for tax credits in excess of the maximum established \$1,200,000 per project limitation (\$1,600,000 in distressed municipalities) if the Agency determines that additional Tax Credits are necessary for the financial feasibility of the development.
- Due to the substitution of funding sources to determine financial feasibility during application processing, including an award of additional tax credits as described herein, the Agency may remove from consideration the Leveraging of Resources Selection Criteria in its entirety. The Agency may, however, look at the commitment of federal, state or local funds when making tax credit determination.
- The Agency may consider a request for additional tax credits from developments holding a reservation of prior year Tax Credits if the Agency determines that additional tax credits are necessary for the development to achieve a timely equity closing.
- The ability of a development to proceed may be a factor in the consideration for Tax Credits. Developments which are successful in receiving a reservation of Tax Credits in 2009 may be required to demonstrate that an equity investment is in place within 90 days from the date of reservation.

- Any timeframe established in the QAP may be waived or adjusted by the Agency in its discretion to assist developments in achieving equity closings and in the event of such timeframe change, waivers or adjustments, the Agency may impose such additional requirements and deadlines on such developments as it deems appropriate.

Again, we understand that these are difficult times for all of our partners in affordable housing. We encourage you to keep us informed on the status of your development and your ability to close quickly.

Please continue to monitor our website, [www.phfa.org](http://www.phfa.org), or contact Agency staff for more information.