

Date: 12/28/2009

2010 Washington State Low Income Housing Tax Credit Program

Application/Policy/Procedure Clarification #1

Topic: *Fully Funded Projects, Policies Chapter 5 Credit Set-Asides and Project Ranking Procedure*

Policy excerpt-

For purposes of ranking projects and allocating credit dollar amounts, the Commission will give top priority to Applications satisfying the Fully Funded Projects criteria. To be eligible for the Fully Funded Projects priority, Applicants must demonstrate to the satisfaction of the Commission that at the time of Application, all necessary funding commitments have been made.

Proof of funding commitment must be demonstrated as follows:

- (a) For funding from *public resources*, provide evidence of binding loan commitments or other documentation that is deemed acceptable by the Commission for 100% of permanent/takeout financing to meet the Total Project Costs (including cost associated for any commercial component to the Project) less the anticipated proceeds from the sale of the Credit. (Lender confirmation may be sought by Commission staff to verify extent of commitment.).....

Clarification:

In characterizing the *anticipated tax credit proceeds* and the corresponding Tax Credit Factor listed in the application, Applicants may be asked to substantiate, to the satisfaction of the Commission, the projected tax credit pricing. If required, Applicants must provide evidence that the Tax Credit Factor listed in the Application has a reasonable likelihood of being achieved given the known conditions of the current equity market.