

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

DATE: November 7, 2008

TO: 2008 LIHTC Applicants

FROM: Multifamily Housing Group

RE: WHEDA 2008 LIHTC Allocations
The Emergency Economic Stabilization Act of 2008 (H.R. 1424)

URGENT. The information below was provided via web posting October 14, 2008. On November 7 2008 WHEDA's Executive Director determined that Item #5 shall be revised to "a maximum 30% basis boost" rather than 15%, based on factors in the Credit market. Applicants will be contacted by their WHEDA Senior Underwriter regarding this change.

This memo provides information on WHEDA's 2008 LIHTC allocation process relating to certain aspects of the recently passed Federal Rescue Bill, H.R. 1424.

Included in H.R. 1424 is additional Disaster Relief for several of Wisconsin's counties declared major disaster areas due to the storms and flooding experienced this past summer. As a result, Wisconsin will receive an additional \$8 per capita low income housing tax credit for the years 2008, 2009 and 2010 to be used in those affected counties. Those counties are listed at the bottom of this memo. The additional credit for 2008, estimated to be \$30 million, may be sufficient to fund virtually all 2008 LIHTC applicants, regardless of location.

For the current 2008 cycle, WHEDA's Executive Director has determined the following:

1. WHEDA will contact all currently unfunded applicants and advise them of their award status. Applications which would unduly impact a market may remain unfunded at WHEDA's discretion.
2. Newly awarded applicants must submit their "Post Award" documents as well as a complete Application Two (aka Carryover) postmarked no later than December 1, 2008. (Unused 2008 Relief Credit can not be carried forward to 2009). WHEDA's ability to react to associated lending requests may have limitations depending on timing and volume.
3. WHEDA will waive the \$750,000 credit cap for all 2008 applicants.
4. WHEDA will waive any points taken for capping credit or points taken for Credit-Per-Unit for all 2008 applicants.
5. WHEDA may award a maximum 15% basis boost for all non-QCT/DDA developments, subject to normal feasibility limitations.

All applicants will be contacted by their WHEDA Senior Underwriter regarding the new status of their application.

WHEDA staff is continuing to review the impact of these additional credits for 2009 and 2010 and other provisions of H.R. 1424. It is likely this new legislation may precipitate an amendment(s) to the 2009-2010 Qualified Allocation Plan. A special meeting with key stakeholders is planned for later this week and we will be discussing potential changes during the WHEDA Multifamily Housing Conference scheduled for Wednesday, November 5th at the Midwest Airlines Center in Milwaukee.

Counties eligible for Disaster Relief Credit: Adams, Calumet, Crawford, Columbia, Dane, Dodge, Fond du Lac, Grant, Green, Green Lake, Iowa, Jefferson, Juneau, Kenosha, La Crosse, Marquette, Manitowoc, Milwaukee, Monroe, Ozaukee, Racine, Richland, Rock, Sauk, Sheboygan, Vernon, Walworth, Washington, Waukesha and Winnebago.