

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

DATE: February 6, 2009

TO: LIHTC Applicants

FROM: Multifamily Housing Group

RE: Clarification of Protocol for 2009 LIHTC Awards

This memo provides clarification regarding WHEDA's 2009 Competitive LIHTC award protocol, especially as it relates to un-awarded applications.

WHEDA intends to follow the protocol below regarding 2009 LIHTC awards.

- Applications are reviewed and scored in each Round. Those not passing threshold (including market) will be rejected.
- Market Threshold: WHEDA may use scoring to prioritize applications within a Round if it determines a market cannot absorb all the applications received.
- Market Threshold: Credits are "first come/first served" regarding markets. Applications in later Rounds may be denied or rejected if WHEDA determines a market conflict with awards from previous Rounds
- Applications rejected at WHEDA's discretion due to market conditions (or other threshold item) are not considered "on hold".
- Applications not passing threshold in Rounds 1, 2, or 3 may be re-submitted in a subsequent Round, at the applicant's election. Applicants doing so are encouraged to discuss the re-submittal with WHEDA staff prior to re-submittal. WHEDA will require an entire re-submittal of an application (including fee, electronic and paper application, and supporting documents) if an applicant is denied Credit for threshold, market or scoring reasons.
- Applications in each Round which pass threshold are then ranked by score within the appropriate set asides.
- Awards will be made in each set aside by descending score until each set aside's Credits are depleted.
- Applications that are un-awarded (yet pass all financial and market thresholds) will be placed "on hold" pending a) fall out of awarded applications or b) the addition of Credit from unused set-asides. (Note: the General set aside is the only set aside which typically receives unused Credit from other set asides*).
- All "on hold" applicants (no matter what Round) remain on hold in their respective set aside pending a) fall out of previously awarded applications or b) the addition of Credit from unused set asides.
- Awards to "on hold" applicants will be based on scoring rank. WHEDA will fund the highest scoring applications by set aside which are "on hold" at the time of Credit availability.
- An application placed on hold may elect to remain on hold (pending fall out of awarded applications or the addition of Credit from unused set-asides) or may be resubmitted in a later Round with revisions, at the applicant's election. Resubmitted applications will not be accepted unless the previous application is withdrawn by the applicant. WHEDA intends to publish "cutoff scores" for each Round, by set aside.

*WHEDA may transfer unused funds to the General set aside at its discretion, though no later than Round 4.

Example :

Post Round 1 Scenario:

- General set aside: All funds used, three applications un-awarded (thresholds passed)
- All other set asides: \$1 million left over in each.

Round 2: WHEDA expects to:

1. Place the three un-awarded yet viable General set aside applications “on hold”.
2. Accept applications for all set asides (including General).
3. Attempt to award unused Credit from the Preservation, Rural & Supportive set asides. Any un-awarded applications remain on hold pending fall out of awarded applications.
4. Score the Current Round General set aside applications and place “on hold” any viable applications. These (along with any previous Round’s on-hold applications) remain on hold pending a) fall out of awarded applications or b) the addition of Credit from unused set-asides.

Round 3: WHEDA expects to repeat the steps described in Round 2.

Round 4: WHEDA expects to:

1. Accept applications for all set asides (including General).
2. Attempt to award unused Credit from the Preservation, Rural & Supportive set asides.
3. Transfer unused Credit from Preservation, Rural, and Supportive set asides into the General set aside. (WHEDA may transfer unused Credits to the General set aside at its discretion, though no later than Round 4)
4. Score Current Round General set aside applications, rank by score with all previous on hold General set aside applications, and award based on score, by descending score until Credit are depleted.