

Notice of Public Comment: Award Criteria for the Tax Credit Assistance Program and Implementation of the Section 1602 Grants in Lieu of Low Income Housing Tax Credits

The Alaska Housing Finance Corporation (AHFC) is soliciting comments on the award criteria for the Tax Credit Assistance Program (TCAP) and implementation of the Section 1602 Grants in Lieu of Low Income Housing Tax Credits (LIHTC) program. AHFC will accept public comments regarding the proposed criteria and information contained in this notice for a period of five (5) days following the posting of this notice. **Comments are due by 5:00 p.m. May 26, 2009.**

[I] The following priorities will be used to competitively allocate the TCAP funds:

1. Project completion is scheduled to occur by February 16, 2012 – 2 points
2. TCAP funds are requested as loans with scheduled payments during the first 15 years of project operations – 5 points
3. Project has received an equity commitment from an investor – 10 points

[II] The following are eligible expenses that can be used to support a request for TCAP and / or Section 1602 Grants in Lieu of LIHTCs:

1. Decreases in anticipated equity from the sale of low-income housing tax credits.
2. Increased costs associated with compliance of the Tax Credit Assistance Program and / or the Section 1602 Grants in Lieu of LIHTCs program.
3. Known gaps that existed at the time of the previous award review.

*Additional costs and / or funding gaps outside of those specified above will not be considered for funding under the TCAP or Section 1602 programs.

[III] The process for allocating TCAP and Section 1602 Grants in Lieu of LIHTCs will be as follows:

1. AHFC will review the demonstrated need under Section II(1-3) of this Notice.
2. AHFC will determine the appropriate combination of TCAP and / or Section 1602 Grants in Lieu of LIHTCs.
3. AHFC may use any available LIHTCs that have been returned as a result of this process to complete the necessary funding for a project.

[IV] The following conditions may predicate an award under either program. Please note: this list is not exhaustive.

1. Intermediate remedies may be incorporated into the grant agreement
2. Asset management fees may be required

3. Awards under the TCAP and / or Section 1602 Grants in Lieu of LIHTC program(s) will be subject to recapture provisions secured by a Note and Deed of Trust

[VI] Eligibility for the Tax Credit Assistance Program will require:

1. A formal application satisfying the terms and conditions of the Notice of Funding Availability (NOFA) issued following this public comment period. Applicants will be given the opportunity to apply for both TCAP and Section 1602 Grants in Lieu of LIHTCs in a single application.
2. That an award of Low Income Housing Tax Credits, made between October 1, 2006 and September 30, 2009, remain in the project.
 - a. Note: the awarded LIHTCs must remain in the deal through the project. If over-subsidy is identified at the project close-out, other sources will need to be recaptured or reduced to preserve the LIHTC award. If an LIHTC award is entirely eliminated at the project close-out, any TCAP funds awarded to the project will be recaptured.
3. All applicable cross-cutting requirements noted in CPD Notice–09-03 will need to be met prior to the disbursement of any TCAP funds.

For the purpose of the Tax Credit Assistance Program, an award of Low Income Housing Tax Credits will be defined as occurring on the day following the close of the appeal period following the notice of intent to award the LIHTCs.

[VII] Eligibility for the Section 1602 Grants in Lieu of Low Income Housing Tax Credits program will require:

1. A formal application satisfying the terms and conditions of the NOFA issued following this public comment period. Applicants will be given the opportunity to apply for both TCAP and Section 1602 Grants in Lieu of LIHTCs in a single application.
2. That award recipients demonstrate “good faith efforts” have been made to obtain equity investment
3. That award recipients authorize AHFC to adjust their existing LIHTC awards.

Comments may be submitted via e-mail, fax or mail to:

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