

IDAHO HOUSING AND FINANCE ASSOCIATION
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 ("ARRA")

TAX CREDIT ASSISTANCE PROGRAM (TCAP) and TAX CREDIT EXCHANGE PROGRAM APPLICATION

Project Name: _____

Applying for Gap Funding from:

Section I.	Tax Credit Assistance Program	_____ YES	_____ NO	\$ _____
Section II.	Tax Credit Exchange Program	_____ YES	_____ NO	\$ _____
Total Funding Gap requested:				\$ _____

Please complete corresponding sections attached. Projects may apply for both programs if they choose. If applying for both Tax Credit Assistance Program and Tax Credit Exchange funds, please complete Sections I and II.

In applying for gap funding relief, all projects must prove economic feasibility as evidenced by an updated LIHTC application with current letters evidencing commitments for all funding sources. In reviewing this information, IHFA reserve the right to corroborate presented facts and may request additional information from the applicant and/or any potential investor, syndicator, or debt provider.

In addition to providing an updated LIHTC application with current letters evidencing commitments for all funding sources, please also provide written evidence of your "good faith effort" in obtaining investment commitments for tax credit. IHFA has defined a "good faith effort" as three or more documented contacts with equity providers, but reserves the right to make exceptions in unusual circumstances. Attach a brief narrative describing the efforts taken in securing an equity investment and describe issues that have inhibited an investor's pricing of credit or interest in the project. In addition, attach denial correspondence or letters of interest from the equity providers that were contacted. If the funding gap is the result of the loss of a funding source, please also briefly explain the situation in your narrative.

For those projects that already have a committed equity provider, a copy of the executed limited partnership agreement or limited liability company operating agreement will be required, as well as a currently-dated letter from the equity provider that confirms the amount of equity that has been and/or will be injected into the project.

SECTION I - Tax Credit Assistance Program (TCAP)

Amount of Tax Credit Assistance Program requested: \$ _____

1. Has the project received an award* of Low-Income Housing Tax Credits between October 1, 2006 and September 30, 2009? _____ YES _____ NO

**IHFA has determined that an award of LIHTC will be determined by the dated correspondence from IHFA notifying you of the initial award notification.*

2. Can the project be completed by February 16, 2012 and can 75% of the TCAP funds be expended by February 16, 2011? _____ YES _____ NO

In addition to providing an updated LIHTC application with current letters evidencing commitments from all funding sources, provide written evidence of the following thresholds that have been met:

- a) Zoning approval received, including conditional use approval, if applicable
- b) Construction Contract between Owner and Contractor has been executed
- c) Final Plans and Specifications completed, as evidenced by architect certification
- d) Receipt of Building Permit ready-to-issue letter from the municipality
- e) Appraisal ordered (or completed), as evidenced by confirmation letter from lender
- f) Proof of completion of HUD's Environmental Review
- g) Evidence of previous Davis Bacon experience by Sponsor & Contractor
- h) Exemption from Lead Paint regulations (i.e., new construction or elderly housing)

In the event that IHFA funding levels are insufficient to address all applicants requested gap funding demands, TCAP funding applications will be ranked based on how rapidly a project can commence construction. This ranking will be determined by the number of thresholds identified above that an applicant has already completed. This ranking will serve as the selection basis on which applications will receive TCAP funding.

IHFA will not be charging an application or award fee on any TCAP request, but will collect ongoing fees for tax credit compliance and asset management. Detailed information regarding asset management fees will be included with TCAP award documentation.

*Once an owner applies for TCAP funds, committing TCAP or any other funds to or undertaking any "choice-limiting" activity prior to successful completion of the environmental clearance review (i.e., HUD approval of the Request for Release of Funds), is prohibited. This includes any activity that will result in a physical change and/or acquisition, including leasing, or disposition of real property. **Performing a choice-limiting action may disqualify a project from receiving any federal funds.** See 24 CFR Part 58 for general information about environmental review requirements at http://www.access.gpo.gov/nara/cfr/waisidx_04/24cfr58_04.html or <http://www.hud.gov/offices/cpd/environment/index.cfm>*

If a federal environmental review has already been completed for a project, providing TCAP funds to the project may not require an additional environmental review. For example, if the state housing credit agency or any other agency or department of the State performed an earlier environmental clearance for HUD assistance on the project that is now receiving TCAP assistance from the state, and neither the project nor the environmental conditions have changed since the previous review, in this case, no new environmental clearance is required. See 24 CFR 58.35(b)(7).

SECTION II - Tax Credit Exchange Program

Amount of Tax Credit Exchange requested: \$ _____

Complete this section if you have an existing 2007, 2008, or 2009 Tax Credit Reservation and wish to make a PARTIAL EXCHANGE for cash in lieu of previously-awarded credits. IHFA does not anticipate allowing 100% exchanges, but reserves the right to award 100% exchanges at a later date if unforeseen circumstances prevent an individual project from finding an equity provider.

Amount of the original 10-year Tax Credit award to be returned: \$ _____
Original Price per Credit at Reservation: \$ _____
Amount of additional equity* produced with the exchange: \$ _____

**Amount of equity produced = (\$.85 - Original Price per Credit) X amount of 10-year Credit to be returned*

If allowable, IHFA plans to charge a 3% fee on the amount of the monetized awarded divided by 8.5 (\$0.85 x 10 years). Our intent is to offset (or breakeven) for the 3% carryover fee that is typically charged on a tax credit award. In addition, IHFA will also assess ongoing fees for tax credit compliance and asset management. Please contact the IHFA Compliance Department for further details (208-331-4733).

SPONSOR ACKNOWLEDGEMENT:

In awarding funds, IHFA retains the right to adjust the mix of funding sources in order to meet any or all of funding needs of all project applicants.

In addition, there are significant quarterly reporting requirements associated with ARRA funds. Reporting by IHFA that details the number of construction and non-construction jobs created and retained, as well as how many units are construction or rehabilitated will be due to HUD or Treasury within ten (10) working days after the end of the quarter. This in turn will require the Sponsor to supply IHFA this information within five (5) working days following the end of the quarter. Details regarding this reporting will be included with the award documentation for each program.

Sponsor Name

Date