

**STATE OF IDAHO
TAX CREDIT ASSISTANCE PROGRAM (TCAP)
SUBMISSION PACKET**

A. Statement of intent to accept TCAP funds, which must include:

- 1) *A statement that indicates whether the grantee intends to accept the entire amount of its TCAP formula allocation. If the state housing credit agency elects to receive less than the full formula amount, the statement should provide the exact amount of TCAP funds that it will accept. Once HUD determines that the submission package is complete, the amount requested by the grantee cannot be changed;*
- 2) *A statement detailing, which, if any other federal grant funds the state housing credit agency currently administers (LIHTCs are not federal grant funds);*
- 3) *A statement regarding the status of its 2009 allocation process, and*
- 4) *The name and contact information, including email address, phone and fax number, of the individual designated as the agency contact for TCAP.*

RESPONSE

- 1) Idaho Housing and Finance Association (“IHFA”) in its role as “grantee” of TCAP funds, intends to accept the entire \$8,753,622 of its formula allocation.
- 2) IHFA currently administers the federal HOME program for the entire state, except for the City of Boise, which receives direct federal funds for its own HOME Program. In addition to the HOME program, IHFA administers the Continuum of Care program, the Emergency Shelter Grant (ESG) program, the Housing Opportunities for Persons With AIDS (HOPWA) program, the Neighborhood Stabilization Program (NSP), the Housing Choice Voucher program, the Mainstream Housing program, and the Low Rent Public Housing program. IHFA also administers the Family Self Sufficiency program which is under the Housing Choice Voucher program and the Capital Fund program which is under the Low Rent Public Housing program.
- 3) IHFA, in its role as “allocating agency” of the Low Income Housing Tax Credit program for the State of Idaho, as of June 1, 2009, has tentatively awarded 100% of its 2009 credit ceiling awaiting final disposition of ARRA funds.
- 4) Individual designated as IHFA’s contact for TCAP:

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B. Description of Competitive Selection Criteria:

As described below, the grantee must distribute the TCAP funds competitively under the requirements of the Recovery Act (i.e., give priority to projects that are expected to be completed by February 16, 2012) and pursuant to the existing Qualified Allocation Plan (QAP).

Each state housing agency must submit a written description of all the selection criteria and any weightings assigned that it will use to competitively award its TCAP funds. The state housing credit agency must also define an "award of LIHTCs" which can be as early as the date of public notice of the funding decision for a particular project. The same definition of "an award of LIHTCs" must be uniformly applied to all LIHTC projects for the purpose of determining project eligibility for TCAP funding.

RESPONSE

IHFA acknowledges, and has incorporated, ARRA requirements to give priority to eligible projects that will be completed by February 16, 2012. As such, the demonstrated ability to complete the project within 3 years has been incorporated within the following Selection Criteria.

TCAP Selection Criteria

1. Has the projects received a Low-Income Housing Tax Credit award between October 1, 2006 and September 30, 2009?
2. Can the project be completed by February 16, 2012 and can 75% of the TCAP funds be expended by February 16, 2011? IHFA will make this determination based on the sponsor/developer historical experience with Tax Credit development, and after considering the following factors:
 - a) Zoning approval received, including conditional use approval, if appropriate.
 - b) Agreement between Owner and Contractor 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) HUD's Environmental Review completed.
 - g) Evidence of previous Davis Bacon experience by sponsor & contractor.
 - h) Exemption from Lead Paint regulations (i.e., new construction or elderly housing).
3. IHFA retains the right to replace some or all of an applicant's requested TCAP funds with eligible Tax Credit Exchange funds in order to meet the aggregate funding needs of all project applicants.
4. In the event that funding levels are still insufficient to address gap funding requirements, TCAP funding applications will be ranked based on how rapidly a project can commence construction. This ranking will be determined by the number of factors identified in Criteria "2" above. This ranking will serve as the basis on which applications receive TCAP funding.
5. All projects must prove economic feasibility as evidenced by an updated LIHTC application with current letters of interest or commitments for all funding sources.
6. IHFA will announce competitive application round(s) for TCAP, using our current system of legal notice publication in newspapers throughout the state and mailed/emailed notices to interested and participating parties. The announcement and requirements will also be posted on IHFA's website. If TCAP funds are available after the initial application round, additional competitive round(s) will be scheduled.

7. IHFA has also determined that an “award of LIHTCs” will be the date of the initial award notification that was mailed for a particular project. This definition will be uniformly applied to all LIHTC projects for the purpose of determining project eligibility for TCAP funding.

C. Commitment and Expenditure Deadlines:

Each state housing credit agency must describe the procedures it will use to ensure it will commit and expend its TCAP funds to meet the deadlines established in the Recovery Act (see below). In addition, it must specifically describe how it will redistribute funds to more deserving projects from projects which are not in compliance with deadlines established in the written agreement between the grantee and project owners.

RESPONSE

IHFA will schedule its first TCAP application round within 30 calendar days after the grant agreement between IHFA and HUD has been executed. The 30-day time period will give IHFA sufficient lead time to give public notice of the round and will also allow project sponsors time to update project costs and funding sources prior to submission of the TCAP application. If needed, a second application round will be jointly scheduled with IHFA’s tax credit application round which occurs in September 2009. Additional round(s) may be announced at a later date, if deemed necessary.

IHFA will announce TCAP awards within 30 calendar days following the application deadline. If TCAP funds are available, IHFA reserves the right to assign additional TCAP funds outside the competitive application round to deserving projects that have previously received TCAP awards but are experiencing additional unexpected funding gaps.

IHFA will closely monitor individual project expenditures to stay within deadlines established in the Recovery Act and language regarding these deadlines will be included in the TCAP Funding Commitment. Should the project sponsor not draw any TCAP within 180 days of the execution of the TCAP Funding Commitment, the entire TCAP award will be recaptured. If there are circumstances beyond a sponsor control that prevent the project sponsor from meeting the 180-day deadline, an extension from IHFA may be requested. In requesting an extension, the project sponsor must detail the reasons for the delay and must also provide a reasonable timeline of when the funds will be drawn. IHFA reserves the right to deny the extension request if the delay jeopardizes IHFA ability to expend TCAP funds within the time constraints of the TCAP program.

Depending on the timing and dollar amount of recaptured funds, IHFA may schedule an additional competitive round to award the recaptured funds. If the dollar amount of the recaptured funds is too small to justify an application round, or if regulatory timing makes it impossible to schedule another application round, IHFA reserves the right to assign additional TCAP funds outside the competitive application round to deserving projects that have previously received TCAP awards but are experiencing additional funding gaps.

To assure that all project owners have expended 75 percent of the TCAP by the regulatory deadline of February 16, 2011, IHFA will include language in the TCAP Funding Commitment that requires the TCAP funds to be disbursed first before any other construction financing.

D. Recovery Act Accountability and Transparency Requirements:

Each state housing credit agency must submit information about how it is meeting the Recovery Act accountability and transparency requirements. To implement this requirement, the state housing credit agency must make its project selection process and criteria available to the public and accept comments from the public for a period of not less than five days. The state housing credit agency must submit to HUD its website address set up for this purpose, and a description of how it met the five-day comment period. It must also provide a description of how the agency plans to ensure that it will remain in compliance with these accountability and transparency requirements for the duration of the TCAP grant.

RESPONSE

This document as well as the award list of all projects selected for funding and the amount of each TCAP award will be posted on IHFA's website located at www.ihfa.org. IHFA will solicit public comments using our current system of legal notice publication in newspapers throughout the state and mailed/mailed notices to interested and participating parties. The legal notice will also be posted on IHFA's website. The legal notice will briefly explain TCAP provisions and will give detailed instructions regarding the five day comment period. Written comments will be accepted by email (via IHFA's website) or may be mailed to the Multifamily Finance Department, Idaho Housing and Finance Association, P.O. Box 7899, Boise, Idaho 83707-1899. Given the time constraints of this program, after the comment period expires no additional input will be accepted.

In order to ensure that IHFA will remain in compliance with the accountability and transparency requirements throughout the duration of the TCAP grant, IHFA's HOME staff will assume responsibility for the federal administration features of the TCAP grant. HOME staff possesses the IDIS expertise to conduct all data entry into the IDIS system and report quarterly in a format and time that is prescribed by HUD. All quarterly reports will be posted on IHFA's website for full public disclosure of progress made with the TCAP funding. The Grant Programs Department, which the HOME program falls under, is already responsible for maintaining the same expectation level of accountability, transparency, and reporting requirements under the Neighborhood Stabilization Program and Homelessness Prevention and Rapid Re-Housing Program stimulus funding. As with IHFA's other federal programs, HUD staff and OIG staff (if applicable) will have full access to all information and files related to the award and use of TCAP funds for monitoring purposes.

CERTIFICATIONS

- (1) **Compliance with anti-discrimination laws.** TCAP funds will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.
- (2) **Affirmatively furthering fair housing.** The grantee will affirmatively further fair housing by establishing an affirmative fair housing marketing plan for TCAP that must be used by project owners in marketing TCAP units. TCAP will follow the Affirmative Marketing Plan policy as established under IHFA's HOME Program.
- (3) **Section 504.** The grantee will comply with Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR Part 8 as outlined in TCAP Notice CPD 09-03 for all TCAP projects.
- (4) **National Environmental Policy Act and Related Laws.** IHFA currently assumes responsibility for environmental review under the National Environmental Policy Act (NEPA) of 1969 and related federal environmental authorities and regulations at 24 CFR Part 58 "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities" under the HOME Program and other applicable federal programs. The grantee will assume this responsibility under TCAP.
- (5) **Compliance with Lead-Based Paint Procedures.** The activities concerning lead-based paint will comply with the Lead-Based Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992 and implementing requirements at 24 CFR Part 35.
- (6) **Davis-Bacon Prevailing Wages.** The grantee will comply with the requirements outlined under the American Recovery and Reinvestment Act of 2009 that prevailing wage rates under Davis-Bacon be paid to all laborers and mechanics on TCAP projects.
- (7) **Anti-Lobbying Restrictions.** The grantee will comply with restrictions on lobbying required by 24 CFR Part 87.
- (8) **The Drug-Free Workplace Act of 1988.** The grantee agrees to provide and certify to a drug-free workplace as implemented at 24 CFR Part 21.
- (9) **OMB Regulations and Circulars.** The grantee currently follows all applicable OMB regulations and circulars as required under other HUD grant programs under its administration and will follow those same procedures under TCAP.

John R. Sager, Chief Financial Officer

Date