

To: Owners and Managers of TCAP and TCE Financed Projects

FROM: Sheryl R. Putnam, Housing Compliance and Program Support Manager
Idaho Housing and Finance Association (IHFA)

RE: TCAP and TCE Compliance Guidance

The Tax Credit Assistance (TCAP) and Tax Credit Exchange (TCE) Programs have been critical to the continued development of affordable housing. In creating programs to assist with the continued development of housing and the stabilization of neighborhoods, Congress imposed specific compliance requirements. Projects funded with TCAP or TCE funds, even if there are no tax credits in the project, must remain in compliance and operate as “traditional” tax credit projects. In addition to meeting all tax credit rules and regulations, projects must comply with all restrictions outlined in IHFA TCAP/TCE Regulatory Agreements. IHFA is required to perform asset management for these projects. Additionally, please be aware that IHFA is also responsible for LIHTC compliance monitoring for these projects. These two functions are distinct and different and will not be performed by the same IHFA Compliance Staff. This memo provides some additional guidance and outlines IHFA’s expectations for TCAP and TCE projects.

The guidance provided in this memo is subject to change as additional information is received from the U.S. Department of Housing and Urban Development and the U.S. Department of Treasury.

The executed TCAP and/or TCE Regulatory Agreement outline the specific Asset Management Requirements required by IHFA. Specific attention should be given to the following:

- Occupancy restrictions outlined
- Staff units
- Percentage of units to be rented to the various income limitations
- Preferences for wait list positioning
- Supportive services
- Quarterly financial and project reporting requirements
- Affirmative Fair Housing Marketing Plan requirements
- Yearly submission of proposed rental rates and budgets
- Creation of separate accounts to hold security deposits and replacement cost reserves
- Monthly deposit requirements into the replacement cost reserve account
- Requirements for making changes to the management agent of the property
- Submission of the annual financial statements
- Submission of monthly occupancy reports (if applicable)
- Move in, annual and other inspection requirements

IHFA will be in contact with you to further discuss asset management activities and requirements. IHFA looks forward to a collaborative and successful partnership. Please contact me at (208) 331-4821 should you have any questions or concerns.