



American Recovery & Reinvestment Act of 2009

- ◆ *Opportunities in Affordable Housing* ◆

www.phfa.org

ARRA Resources Available to PHFA

- Tax Credit Assistance Program
- Low Income Housing Tax Credit Exchange Program
- Program Keys

**DEVELOPMENTS MUST EXPEND FUNDS
WITHIN ABBREVIATED TIMEFRAMES**

Tax Credit Assistance Program

- PHFA to receive \$95,050,396 directly from HUD to fund developments awarded 2007, 2008 & 2009 Low Income Housing Tax Credits (LIHTC)
- Developments must meet LIHTC program:
 - timelines - carryover allocation and placed in service
 - requirements for affordability

Tax Credit Assistance Program

- PHFA will provide funds as loans
- 75 percent of funds must be committed in year 1
- 75 percent of funds must be expended by year 2
- 100 percent of funds must be expended by year 3

Tax Credit Assistance Program

- Federal Financing Requirements will apply
 - Davis-Bacon
 - Anti-discrimination and Equal Opportunity
 - National Environmental Policy Act
 - Lead-Based Paint Poisoning Prevention and Residential Lead-Based Paint Hazard Reduction Act of 1992 – 24 CFR Part 35
 - Anti-Lobbying Restrictions

LIHTC Exchange Program

- PHFA may exchange up to 40 percent of PA's 2009 tax credit authority at \$0.85 per tax credit for funding developments in the same manner as an award of Low Income Housing Tax Credits (LIHTC)
- PHFA may exchange 100 percent of returned credits from 2007 and 2008

LIHTC Exchange Program

- Developments must:
 - meet LIHTC program requirements for affordability
 - demonstrate inability to secure equity investment
- Funds must be disbursed by December 31, 2011
- Assistance will be a GRANT

PHFA ARRA Implementation Plan

- ARRA Implementation Plan will cover:
 - Tax Credit Assistance Program (TCAP)
 - LIHTC Exchange Program (Exchange)

Funding Priorities:

- 2007 & 2008 Projects
- 2009 Projects
- Other funding priorities (which may include 4% development using tax-exempt bonds)

ARRA Implementation Plan

- *Key Eligibility Requirements*
 - Ability to commence construction within 60 days from award date
 - Must be demonstrated at time of application
 - 2007-2008 projects must apply
 - 2009 projects may be considered without further action
 - No material changes from current approved pro forma
 - Projects ability to meet TCAP or Exchange program requirements including expenditure timeframes

ARRA Implementation Plan

- *Selection Criteria:*
 - Site Ownership
 - Site Plan Approval (including zoning and land use)
 - Construction Documents
 - Commitment of all sources of Project funding
 - Building Permits
 - Evidence of equity investment or failure to secure equity
 - Status of federal clearances
 - Evidence of the ability to complete construction within the ARRA program timeframes
 - Completeness of application

ARRA Implementation Plan

- Beginning June 1, 2009, project with 2007 and 2008 tax credits may submit an application.
- Applications will be accepted on a rolling basis
- Development must demonstrate ability to commence construction within 60 days from award date
- Failure to meet deadlines may result in recapture of award
- For 2007 & 2008 projects – failure to move forward by October 1, 2009 may result in recapture of tax credit award

ARRA Implementation Plan

- PHFA will perform:
 - construction management and oversight functions (including payouts)
 - asset management
 - compliance monitoring
 - additional reporting requirements – including jobs creation

Tax Credit Assistance Program (TCAP)

- PHFA to receive \$95,050,396.
 - For developments awarded 2007, 2008, or 2009 Low Income Housing Tax Credits (LIHTC).
- As of December 18, 2009 – Obligated over \$47 million.
- 2009 Tax Awards – 28 of 43 projects had TCAP as part of conditional award.