

To: Mortgage & Board of Directors

March 16 & 25, 2010

From: Delbe Spath - Manager, Tax Credit Programs



Agenda Item: **American Recovery & Reinvestment Act of 2009
Allocation of Funds**

Report

Attached please find Exhibit 1 which provides an overview of the American Recovery and Reinvestment Act of 2009 (ARRA) resources and how the funds have been allocated, including changes approved at the December 2009 Board of Directors Meeting. The developments have been awarded ARRA resources to balance the sources and uses as approved in the corresponding Low-Income Housing Tax Credit (LIHTC) rounds. Adjustments may be recognized as development budgets are finalized and projects progress to closing.

In addition you will find Exhibit 2 which shows development progress status from CHFA financing approval toward completion. As noted in the subsections below, the two ARRA funding sources have critical time restrictions which are heightening the sense of urgency for financial commitments and closings.

Section 1602 Exchange Funds:

Section 1602 Exchange Funds are available to developments having received an allocation of LIHTCs in the years 2007-2009 that have stalled due to a lack of investment interest.

To date \$55.6 million has been authorized by the Treasury, and an additional \$11.2 million is pending approval for use in Palmers Hill and Alfred E. Plant. There are a total of eight Section 1602 Exchange Developments: four have closed and have been advanced \$9.8 million in funding; two additional closings are anticipated in late first or early second quarter 2010; the remaining two developments are Palmers Hill and Alfred E. Plant.

Palmers Hill has submitted a development budget modification which is under review, and Alfred E. Plant requires finalization of mortgage application to CHFA and DECD.

1602 Exchange Critical Time Restrictions:

- 30% of basis incurred by 12/31/2010
- 100% funding by 12/31/2011

Tax Credit Assistance Program (TCAP)

TCAP funds are intended to provide capital investment to LIHTC developments in order to create new jobs or save jobs at risk of being lost due to the nation's ailing economy. The appropriated \$26.1 million in TCAP funds has been committed to six developments from the 2009 LIHTC round.

TCAP Critical Time Restrictions:

- 75% funding by 2/16/2011
- 100% funding by 2/16/2012

TCAP\RECOVERY & REINVESTMENT ACT - ARRA\Monthly Status Reports to Board of Directors\2010-03-01 Monthly Status Memorandum.doc

Reviewed by: Nancy O'Brien, Administrator – Multifamily Housing Development Programs
Timothy H. Coppage – Vice President, Housing Development
Dara Kovel – Chief Housing Officer

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Nancy O'Brien
Timothy H. Coppage
Dara Kovel

**American Recovery and Reinvestment Act of 2009 (ARRA)
Allocation of Funds Report**

Exhibit 1

Total Number of Units	2009 Exchange Developments	Original Tax Credit Equity	Section 1602 Exchange Funds Awarded	Comments
			\$ 66,840,837	*Total includes pending authorization from Treasury for Palmers Hill and Alfred E. Plant
28	Anvil Place (fka/New Royal Bride)	5,571,626	5,106,494	Commitment issued, Closing 1st Qtr 2010
22	Summitwoods II	4,613,290	3,723,294	Initial Closing occurred 11/23/09
27	Highwood Square	5,066,673	5,007,758	Initial Closing occurred 11/13/09
57	Dye House	9,799,200	9,993,059	Commitment issued, Closing 1st Qtr 2010
78	Hales Court	14,135,415	14,476,027	Initial Closing occurred 3/2/2010
95	58 Progress Drive	16,177,937	16,177,937	Initial Closing occurred 12/22/09
50	Palmers Hill	1,005,913	1,005,913	*Pending authorization from Treasury
137	Alfred E. Plant	11,079,547	11,079,547	*Pending authorization from Treasury
494	Total	67,449,601	66,570,029	
Balance of Section 1602 Exchange Funds Available			270,808	

Total Number of Units	TCAP Developments	Original TCAP Approval	Proposed Awards	Comments
			\$ 26,170,888	
56	Cedarwoods	5,346,302	5,701,488	Approved 12/09
50	Palmers Hill	6,107,400	8,722,487	Approved 12/09
106	Briarcliff	2,395,205	2,395,205	Approved 08/09
126	Bateswoods	2,606,520	2,606,520	Approved 08/09
124	Chamberlain Heights	1,623,558	1,137,388	Approved 12/09
103	Peachtree Village	1,039,292	-	Approved 08/09 - Redistributed 12/09
50	Metro Green II	4,207,800	5,607,800	Approved 12/09
137	Alfred E. Plant	1,215,547	-	Approved 08/09 - Redistributed 12/09
752	Total	24,541,624	26,170,888	
Balance of TCAP Funds Available			-	

	<u>Sect 1602</u>	<u>TCAP</u>	<u>Total</u>
ARRA Funding Authorized to CT	\$ 66,840,837	\$ 26,170,888	\$ 93,011,725
ARRA Funding Awarded	66,570,029	26,170,888	92,740,917
Balance of ARRA Funding Available	\$ 270,808	\$ -	\$ 270,808