

Nebraska Investment Finance Authority

TCAP Requirements & Selection Criteria

1. Competitive Process. As described below, NIFA will distribute the TCAP funds competitively pursuant to the requirements of ARRA and pursuant to the Qualified Allocation Plan (QAP) for the State of Nebraska.
2. Threshold Eligibility. The following threshold requirements must be met at the time of the submission for an allocation of TCAP funds.

- a. Projects must have received a LIHTC award pursuant to the QAP between October 1, 2006 and September 30, 2009 and have not placed the project in service.

An “award of LIHTCs” is defined as (i) the date NIFA’s Board of Directors approves a conditional reservation for a project and (ii) with respect to projects to be financed with tax-exempt bonds, the date NIFA issues a Section 42(m) Letter to a project. This definition shall be uniformly applied by NIFA to all LIHTC projects for the purpose of determining project eligibility for TCAP funding.

- b. Projects for which applications of TCAP funds are made must continue to meet the threshold and scoring requirements as included in the original LIHTC application for such project.
- c. Project owners must be able to comply with all requirements of ARRA, including but not limited to the federal requirements as outlined in Section 5 below.
- d. Projects owners must not be in breach of the term and conditions of their Carryover Allocation Agreements, Reservations or 42(m) Letters, as applicable.
- e. A site visit with respect to the project must be completed and the site approved pursuant to the HOME site review process.

3. Application Process.

- a. NIFA will post a notification and application on www.nifa.org and www.recovery.nebraska.gov with application submission and award dates.
- b. Once a TCAP application has been submitted for a project, any choice-limiting activities prior to the successful completion of the environmental clearance review will disqualify a project from receiving TCAP funds. Choice-limiting activities include the leasing or disposition of land and any activity that will result in a physical change to the property, including

acquisition, demolition, movement, rehabilitation, conversion, repair or construction.

- c. TCAP funds may only be used for costs includable in the eligible basis of a project. The use of TCAP funds for the construction of swimming pools is explicitly prohibited.
 - d. TCAP funds will be awarded competitively and pursuant to the terms and conditions of the 2009 LIHTC Qualified Allocation Plan.
4. Selection and Ranking Criteria. Projects will be evaluated on each of the criteria set forth in Priority #1, #2, and #3 below. Projects will be ranked using a scale of “High”, “Medium” or “Low”.
- a. Priority #1: Priority will be given to projects that are expected to be completed within 3 years from the date of the ARRA enactment. Therefore, projects must demonstrate the ability to expend at least 75% of their TCAP award by December 31, 2010 and place the project in service by no later than February 16, 2012. The following factors will be considered:
 - i. Construction timeline (if construction has commenced, status of construction progress)
 - ii. Year of LIHTC award
 - iii. Status of equity investor for the tax credits
 - iv. Ability to comply with the federal requirements set forth in Section 5 below
 - v. Status of financing
 - vi. Status of approval from the local governing body
 - vii. Status of construction contract
 - viii. Previous participation and capacity of project developer \ owner
 - b. Priority #2: Priority will be given to projects that target particular distressed populations and/or lower rent levels. The following factors will be considered:
 - i. Rent targeting
 - ii. Targeting of special populations, such as: special needs, homeless, veterans, workforce housing, elderly, or general LIHTC population

- c. Priority #3: Projects will be evaluated and prioritized based on NIFA's underwriting criteria as outlined in the 2009 LIHTC Qualified Allocation Plan. Long-term sustainability of the project and the efficient use of TCAP funds for the State of Nebraska will be assessed and weighted accordingly.

The following factors will be considered:

- i. Amount of tax credit investor equity
 - ii. Debt service coverage ratio
 - iii. Deferred developer fees
 - iv. Amount of TCAP funds per unit
- d. Tiebreakers: In the event of a tie between projects, the following criteria will be considered:
 - i. The geographic distribution of the TCAP funds
 - ii. Housing market in the proposed community
 - iii. Score received in the LIHTC application process
5. Compliance with Federal Cross-Cutting Requirements. Projects which are awarded TCAP Funds must comply with all of the following:
- a. Fair Housing Act (42 U.S.C. 3601-19 and implementing regulations at 24 CFR Part 100 and 24 CFR Part 107)
 - b. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794 and implementing regulations at 24 CFR Part 8)
 - c. Compliance with NIFA's Affirmative Fair Housing Marketing Plan requirements
 - d. National Environmental Policy Act and Related Laws (24 CFR Part 58)
 - e. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000 (d))
 - f. The Age Discrimination Act of 1975 (42 U.S.C. 6101-07 and implementing regulations at 24 CFR Part 146)
 - g. The Drug-Free Workplace Act of 1988 (41 U.S.C. 701 as implemented at 24 CFR Part 21)

- h. Davis-Bacon Prevailing Wages
 - i. Lead Based Paint Poisoning Prevention Act and Residential Lead-Based Paint Hazard Reduction Act of 1992 (24 CFR Part 35)
 - j. Anti-Lobbying Restrictions (31 U.S.C. 1352 and implementing regulations at 24 CFR Part 87)
 - k. Non-procurement Debarment and Suspension (2 CFR Part 2424)
6. TCAP Funds Distribution. In the awarding of TCAP funds, efforts will be made to distribute such funds to projects throughout the State.
7. Proposed Timeline.

Public Comment Period: May 15 through May 22, 2009

HUD Review: June, 2009

Application Period: July 1-July 31, 2009

Applications Due: Friday, July 31, 2009 at 5:00 p.m.

Initial Awards: August 28, 2009