



Instructions to Apply for Reserved Set-Aside

2009 Second Amended Qualified Allocation Plan (QAP) establishes a Reserved Set-Aside

2.2.5.2 Reserved Set-Aside. Fifteen percent (15%) or \$1,035,882 of the State housing per-capita Tax Credit will be reserved for credit fluctuations and contingencies. None of the reserved set-aside is available to fund Projects covered under Sections 6.3.1, 6.3.2, 7.7, or 7.8.or 7.10. If a previously awarded Project requests additional Credits under this set-aside, the total Credit award shall not exceed the per Project cap in the funding round that the Project was originally awarded.

Credits under this set-aside shall be made available at IFA's discretion to assist Projects in need, due to circumstances outside the control of the Applicant, from previous rounds where the Project has not yet completed Form 8609, or to assist Projects from the 2009 allocation round following the reservation issuance date. IFA shall attempt to provide meaningful assistance to as many eligible Projects as possible under this set-aside.

This set-aside is not governed by the timetable established in Section 1, Introduction, in the QAP. This set-aside does not transfer into the General Pool.

The following are the policies and procedures that IFA will use to allocate the Reserved Set-Aside:

1. If the Project has not locked in an applicable percentage during Carryover, the applicable percentage must be set at 9.00% or locked in at no less than 9.00%.
2. The total credit amount (initial allocation amount + supplemental awards + reserved set-aside award) cannot exceed the per tax credit cap for a single project, based on the applicable Qualified Allocation Plan.
3. The total credit amount received by a single Developer cannot exceed the Tax Credit Cap for a single Developer, based on the applicable Qualified Allocation Plan,
4. No additional Developer's fee or Consultant fee will be allowed with this allocation.
5. An increase in credit allocation amount must be supported by an adequate amount of eligible basis.
6. Applicant must show that the anticipated value of the tax credit to be received from syndicators or investors has decreased since the initial application approval and execution of the Carryover Allocation Agreement or TCAP Letter of Interest, whichever is later. Applicants must provide the most recent Syndication commitment letter.
7. Priority is for Reserved Set-Aside first, then supplemental for projects awarded under the Second Amended 2009 QAP.

8. The calculation of additional credits shall be calculated as a result of a reduction in credit value. An increase in construction or other costs will not be considered a factor when evaluating the request for additional credits.

9. In order to receive an allocation of Tax Credit Assistance Program (TCAP) funds, a project that received Midwestern Disaster Relief Credits only must request and receive an allocation under this set-aside by September 30, 2009.

10. The Reserved Set-Aside application will be accepted by IFA until all set-aside funds have been exhausted, but no later than September 1, 2010. Applicants shall submit the required "Application for Reserved Set-Aside," a copy of the most recent syndication commitment letter, and the specified sections of the Tax Credit Application.

If a Developer wishes to request funds through the Reserved Set-Aside and the Developer intends to apply for Form 8609 before October 1, 2009, then the Developer must submit the **Application for Reserved Set-Aside Version A** with their Form 8609 Application. Submit only one "sources and uses" document.

If a Developer is not going to submit a Form 8609 Application, then the Developer must submit the **Application for Reserved Set-Aside Version B** no later than September 1, 2009.

11. The award of credits through the Reserved Set-Aside will be announced at IFA Board Meetings.

12. The reservation fee for the additional credits is due 30 calendar days after the date of the Tax Credit Reservation letter. IFA will need to receive the reservation fee before any carryover or Form 8609 documents are finalized and released.

13. After the Application for IRS Form 8609 is received, IFA will review the financial feasibility, revised costs, and the equity requirement based on information submitted in the third updated Application. An audit of the costs must support the eligible basis amount used to request the increase in credits awarded through the Reserved Set-Aside.

14. IFA reserves the right to partially fund any and all requests for additional credits through the Reserved Set-Aside in order to provide meaningful assistance to as many eligible Projects as possible. IFA also reserves the right to decline to fund any applicant. The reason that IFA declines to fund a request will be given to the Applicant in writing.

15. The minimum allocation that may be requested is \$1,000 in annual tax credits.

16. In the event there are not enough funds in the Reserved Set-Aside to fund all requests, priority for funding under the Reserved Set-Aside will be given to Projects that meet one or more of the following criteria:

- a. Projects who wish to receive a TCAP loan and the project received an allocation of Midwestern Disaster Relief Tax Credits.
- b. Project with an application for Form 8609 submitted to IFA before October 1, 2009.
- c. Ten percent (10%) of the construction costs have been expended and an independent accountant has confirmed the validity of those costs.
- d. The Project has not received a supplemental award of credits under 6.3.2 of the 2009 Second Amended Qualified Allocation Plan.