
TENNESSEE HOUSING DEVELOPMENT AGENCY

Section 1602 Program

2009 Program Description

July 2, 2009

as amended January 26, 2010

**TENNESSEE HOUSING DEVELOPMENT AGENCY
SECTION 1602 PROGRAM DESCRIPTION**

2009

PART I. Introduction & Overview
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The American Recovery and Reinvestment Act and the American Recovery and Reinvestment Tax Act (collectively, the “Act”) which were signed into law on February 17, 2009, included two provisions involving low income housing tax credits (“Tax Credits”), the Tax Credit Assistance Program (“TCAP”) and a tax credit exchange program under Section 1602 of the Act (the “Section 1602 Program”).

This document sets forth the Tennessee Housing Development Agency (“THDA”) program for use of the Section 1602 Program.

This Program Description is subject to revision based on changed circumstances, such as, but not limited to statutory changes and revised, new or additional guidance from federal agencies. THDA will announce and make information about such changes available on its website.

THDA encourages any developments with Tax Credits that can proceed without Section 1602 Program funding or other additional assistance to do so.

Terms used in this Program Description shall have the same meaning as in Section 42 of the Internal Revenue Code of 1986, as amended (“Section 42”), applicable federal statutes and regulations, the relevant THDA QAP (the “QAP”), Section 1602 of the Act, U.S. Treasury Department Guidance dated May 2009 (the “Treasury Guidance”) and/or in any agreements between THDA and the owner of a development that receives a Section 1602 Program funding.

The Section 1602 Program amounts are expected to temporarily fill the gap caused by lack of investor interest for tax credits. Section 1602 Program amounts can be used for developments that have or are expected to receive an award of tax credits and may also be used for developments that do not have an award of tax credits, as specified further in this Program Description.

All Section 1602 Program funds awarded must be fully expended and drawn down on or before December 31, 2010.

PART II. Funds Available

- A. THDA will maximize the amount of low income housing tax credits that can be exchanged for a cash grant to THDA under the Section 1602 Program. THDA has received an award of \$48,600,424, which replaces \$5,717,697 in 2009 Tax Credits and is the maximum amount of new 2009 Tax Credits that can be exchanged, plus \$4,434,761, which replaces \$521,739 of Tax Credits returned to THDA as of June 4, 2009. As the National Pool amount becomes known and as THDA receives additional amounts of returned Tax Credits, THDA expects to make subsequent applications for additional Section 1602 Program amounts.
- B. THDA's model for the financing structure of developments receiving Section 1602 Program funding incorporates the following elements (the “THDA Model”):
 - 1. Reasonable costs
 - 2. Private financing based on achievable rental income within Section 42 rent limits
 - 3. Sale of tax credits (equity/syndication)

4. Gap financing provided by resources made available under the Act
- C. THDA expects to fill financing gaps with Section 1602 Program funds, but only to a level necessary, as determined by THDA in its sole discretion, to achieve financial feasibility as affordable rental housing and for an amount not to exceed THDA approved eligible basis for the development. THDA will evaluate each request for funds to determine which developments should receive Section 1602 Program funds, and the amount of such funds, based on funding sources for the development and progress of the development.
- D. ***The availability of all Section 1602 Program funding is subject to the availability of funds and to all applicable program requirements.***
- E. THDA will require the return of existing Tax Credits, in whole or in part, as needed to fulfill Section 1602 Program requirements and to maximize use of all ARRA resources.
- F. Section 1602 Program funds will not be made available to fund increases in total development costs, except for fees required by THDA, to the extent includable in eligible basis.
- G. The amount of Section 1602 Program funding to be made available will be calculated by THDA, in its sole discretion.
1. In calculating the Section 1602 Program funding amount, THDA will determine, in its sole discretion, the equity price at which the allocated amount of Tax Credits would need to be sold to generate sufficient funds to fill the gap between total development cost and private financing available.
 2. In making this determination, THDA will consider reasonable development costs and reasonable private financing as previously reported to THDA.
 3. If the equity price determined by THDA, in its sole discretion, is \$.95 or less, THDA will use the equity price determined by THDA, in its sole discretion, to determine the Section 1602 Program funding amount.
 4. If the equity price determined by THDA, in its sole discretion, exceeds \$.95, THDA will reduce the equity price to \$.95 to determine the Section 1602 Program funding amount. TCAP funds may be made available, in THDA's sole discretion, as loans with specific interest rates and repayment obligations, as determined by THDA in its sole discretion, to fill any gap that may remain.

PART III. Other Federal Requirements

- A. The federal cross cutting requirements that apply to TCAP funding, based on the requirements of the Act, do not apply to Section 1602 Program funding.
- B. Federal requirements that normally apply to Tax Credit developments continue to apply. For example, without limitation, the Fair Housing Act and the Americans With Disabilities Act, together with attendant federal regulations, continue to apply to developments that receive an award of Tax Credits and/ or Section 1602 Program funding.
- C. The normal rules and requirements of the Tax Credit program including, without limitation, the 10% test, the second year of service requirement, the non-profit set aside, land use restrictive covenants apply to developments that receive Section 1602 Program funding.

PART IV. Eligibility

A. For Developments **WITH** an Award of Tax Credits:

1. Eligibility Requirements:

- (a) The development must have received an award of Tax Credits under Section 42(h) no earlier than 10/01/2006 and no later than 09/30/2009. An award of Tax Credits is defined as the date on which the scoring and ranking was posted to THDA's web site for the program year.
- (b) The development must contain buildings which are qualified low-income buildings under Section 42 and the development must otherwise meet all Section 42 requirements and the requirements of the relevant QAP.
- (c) All applicants must be eligible under applicable federal requirements and be in good standing with THDA and all applicable requirements.
- (d) All applicants must be in compliance with the reservation notice or carryover allocation agreement issued for their development, as applicable.
- (e) THDA must receive satisfactory evidence, as determined by THDA in its sole discretion, that all fair housing and non-discrimination requirements have or will be met.
- (f) THDA must receive satisfactory evidence, as determined by THDA in its sole discretion, that 100% completion of construction for the development can occur no later than December 31, 2010 or that sufficient financing has been secured to complete construction after December 31, 2010.
- (g) All applicants and developments must meet tax credit and financial feasibility requirements and all other requirements of Section 42 and the QAP for the year in which the application is submitted.
- (h) Developments that placed in service on or before 12/31/08 or were required to meet placed in service requirements as of 12/31/08 are not eligible.

Based upon THDA's existing criteria for Tax Credit developments, THDA will ensure that the Section 1602 Program funding amount is consistent with the requirements of the relevant QAP and Section 42(m). In particular, the Section 1602 funding amount shall not exceed the amount deemed necessary by THDA, in its sole discretion, to ensure the financial feasibility of the approved development.

2. Good Faith Requirement:

Evidence satisfactory to THDA, in its sole discretion, that the applicant has made a good faith effort to secure an adequate equity commitment including, without limitation, a written description of efforts to obtain an equity investment, a list of all syndicators and investors contacted, together with telephone numbers and e-mail addresses, and copies of documentation evidencing responses from all syndicators and investors contacted. THDA reserves the right to contact equity syndicators and investors for verification.

3. Private Financing Requirement:

Evidence satisfactory to THDA, in its sole discretion, that the applicant has made a good faith effort to secure the maximum amount of private financing based on potential rents including, without limitation, a written description of efforts to obtain maximum private financing, a list of all providers of private financing contacted, together with telephone numbers and e-mail addresses, and copies of documentation evidencing responses from all providers of private financing contacted. THDA reserves the right to contact providers of private financing for verification.

B. For Developments **WITHOUT** an Award of Tax Credits:

1. The deadline for submission of applications under this part IV-B is 1:00 PM Central Time on Thursday, April 1, 2010. Applications submitted pursuant to this Part IV-B should use the form of the 2010 Low-income Housing Tax Credit Initial Application.
2. Notwithstanding the provisions of Part II-G of this Program Description, the amount of Section 1602 funding for a development submitting an application under this Part IV-B shall be calculated as total development costs as reflected in Attachment 15 less all non-Section 1602 sources of funds. The limits in Part VII-B-3 and Part VII-B-10 below apply.
3. THDA will not be the sole source of funds for the construction or rehabilitation of developments without an award of Tax Credits and will not provide permanent financing. The maximum amount of Section 1602 funds awarded to a development will be the least of:
 - (a) 80.0% of the total development cost as reflected on Attachment 15;
 - (b) 85.0% of the sum of THDA determined land cost and THDA determined eligible basis;
 - (c) \$85,000 per low-income unit; or
 - (d) \$5,500,000 per development.
4. Eligibility Requirements:
 - (a) Developments that are proposed in rural areas (as defined in Exhibit 1 to the 2010 Low-Income Housing Tax Credit Qualified Allocation Plan (the "2010 QAP")), or that are rehabilitation of existing developments with USDA Rural Development assistance, or that propose new construction or rehabilitation such that 100% of the housing units will be for occupancy by special needs populations (as defined in the 2010 QAP).
 - (b) The development must contain buildings which are qualified low-income buildings under Section 42.
 - (c) All applicants must be eligible under applicable federal requirements and be in good standing with THDA (as determined in accordance with the 2010 QAP) and all applicable requirements.
 - (d) THDA must receive satisfactory evidence, as determined by THDA in its sole discretion, that all fair housing and non-discrimination requirements have or will be met.

- (e) All applicants and developments must meet tax credit and financial feasibility requirements and all other requirements of Section 42 and the QAP for the year in which the application is submitted.
- (f) THDA must receive satisfactory evidence, as determined by THDA in its sole discretion, that 100% completion of construction for the development can occur no later than December 31, 2010. Alternatively, THDA must receive satisfactory evidence, as determined by THDA in its sole discretion, that a minimum of 30.0% of the development's total adjusted basis in land and depreciable property that is reasonably expected to be part of the development has been incurred no later than December 31, 2010 and that 100% completion of construction for the development can occur no later than December 31, 2011.
- (g) THDA must receive satisfactory evidence, as determined by THDA in its sole discretion, that an acceptable amount of private funding (construction and permanent) is available for the proposed development.
- (h) The development must not have received tax-exempt financing through the THDA Multifamily Tax-Exempt Bond Authority Program at any time in the past.
- (i) The development must not have received an allocation of Low-Income Housing Tax Credit at any time since January 1, 1995.
- (j) The development must not propose deferral of any of the developer's fee.

6. Increase in Total Funds to the State Requirement:

Evidence satisfactory to THDA, in its sole discretion, that the applicant has secured financing that increases the total amount of funds available in Tennessee to build or rehabilitate affordable housing in Tennessee, i.e. not a refinancing.

7. The compliance period for developments with Section 1602 funding in excess of 20.0% of total development costs shall be 30 years. The compliance period for all other developments shall be 15 years.

8. Scoring

The scoring criteria for applications submitted under this Part IV-B shall consist of the following elements, with a **maximum score of 303 points and a minimum score requirement of 133 points**:

- (a) From the 2010 QAP:
 - (i) Part VII-B-1-a [greatest rental housing need];
 - (ii) Part VII-B-2 [development characteristics];
 - (iii) Part VII-B-3-a ["prior track record" sponsor characteristics];
 - (iv) Part VII-B-3-b ["prior track record" sponsor characteristics];
 - (v) Part VII-B-4 [special housing needs];
 - (vi) Part VII-B-5 [lowest income preference];
 - (vii) Part VII-B-6 [extended use preference or eventual tenant ownership];
 - (viii) Part VII-B-7 [public housing priority]; and
 - (ix) Part VII-B-8 [affirmatively furthering fair housing].

- (b) From the 2009 Section 1602 Program Description:
 - (i) Part VII-A [completion of construction];
 - (ii) Part VII-C [smallest financing gap]; and
 - (iii) Part VII-D [ability to begin construction within 120 days of funding commitment].
- (c) The tie breaker shall be Section 1602 funds as a percentage of total development costs as reflected on Attachment 15, with the lowest percentage receiving priority.

9. Exclusions

The following portions of the 2010 QAP shall not apply to applications submitted under this Part IV-B:

- (a) Part III [tax credits available];
- (b) Part IV-A through -D [tax credit limits by county, development, developer, low-income unit];
- (c) Part VI-C [tax credit application deadline];
- (d) Part VII-A-1 and -2 [minimum tax credit score and set-asides];
- (e) Part VII-A-5 [existing, incremental, and new developments];
- (f) Part VIII [cure and review];
- (g) Part IX [reservation];
- (h) Part XII [tax exempt bonds]; and
- (i) Part XV [fees].

10. County Limits

- (a) For counties with a population of 20,000 or less, no more than one (1) development shall be approved under this Part IV-B.
- (b) For counties with a population of more than 20,000, no more than two (2) developments shall be approved under this Part IV-B, and no more than one (1) of the two (2) shall be new construction.

PART V. Concessions

- A. Developments determined by THDA, in its sole discretion, to have a Section 1602 funding amount that is greater than 20% of total development costs shall waive the right to give the written notice specified in Section 42(h)(6)(l).

PART VI. Application Submission

A. Complete Application

- 1. To be considered complete, an application must meet **ALL** of the following requirements:
 - (a) Have content, formatting and pagination identical to that of the application form;
 - (b) Be computer generated or typed (**hand written Applications are prohibited**);
 - (c) Bear original signature(s);

- (d) Include all required Attachments and supporting documentation, with all such Attachments and supporting documentation containing correct, complete, consistent, and current information, all as determined in THDA's sole discretion, as required in this Program Description and bearing original signatures;
- (e) Have no missing information or any information that is erroneous, incomplete or inconsistent;
- (f) Include a complete original and one complete copy;
- (g) Be submitted by the application deadline specified in this Part VI

B. Application Requirements

THDA will make available documentation that must be completed to request Section 1602 Program funding and submitted to demonstrate eligibility, good faith effort and selection criteria.

C. Application Delivery

An Application must be identified as a "Section 1602 Program Application" and be delivered to:

**Tennessee Housing Development Agency
Suite 1200
404 James Robertson Parkway
Nashville, TN 37243-0900**

Applications may be delivered to THDA by mail, in person, by courier, or by other means of physical delivery. **(Applications by express delivery services should be sent to the address above but at Zip Code 37219-1598.)** Telecopy, facsimile or other transmission or delivery of "copies" or "representations" of the Application or other documents **will not be accepted.**

THDA assumes no responsibility for late delivery or delivery to locations other than stated above. **Only those Applications arriving at the location stated above by the Application deadline will be considered.**

D. Application Deadline

THDA will announce the date or dates for taking applications for Section 1602 Program funding.

E. Fees

THDA will charge various fees depending on the activities involved for specific developments, including without limitation, application, origination, document preparation, loan closing and/or other similar fees. The owner of each development that receives Section 1602 Program funding shall pay all closing costs incurred in connection with closing the Section 1602 Program funding, including all THDA-appointed attorneys' fees and expenses, if any.

THDA will charge an asset management fee and a compliance monitoring fee for each development that receives Section 1602 program funding.

In the event THDA elects to engage a private entity to carry out activities for which fees will be charged, the cost of such services shall be charged to and paid by or on behalf of each development with Section 1602 Program funding.

PART VII. Scoring System

Using the following point scoring system, THDA will award points to developments that best meet listed criteria. THDA encourages the participation of equity providers by giving a priority to applicants that are able to secure equity for, at least, the original allocation of Tax Credits, but due to equity pricing are unable to complete the development. Applicants that could not secure equity or declined to sign a commitment letter will be given a lower priority. THDA will provide Section 1602 Program funding, subject to the requirements of this Program Description, but only to a level necessary, in THDA's sole discretion, to achieve financial feasibility based on THDA's underwriting criteria.

- A. Completion of construction maximum 31 points
1. No later than 02/06/2012.....5 points
 2. No later than 12/31/2011.....15 points
 3. No later than 06/30/2011.....25 points
 4. No later than 12/31/10.....31 points

Completion of construction will be based on an approved expenditure schedule and a fully executed construction contract (in the form of AIA Document A101, 1997 Edition, Standard Form of Agreement Between Owner and Contractor, together with AIA Document A201 the Conditions of the Contract for Construction 1997 Edition).

- B. Ability to close sale of LIHTC at or above \$0.70 maximum 30 points
1. At least \$0.600 up to \$0.64910 points
 2. At least \$0.650 up to \$0.69920 points
 3. \$0.700 and above30 points

Equity pricing will be based on information provided to THDA as of June 15, 2009 and supported by a firm, executed equity commitment from an equity provider.

- C. Smallest financing gap maximum 24 points
1. request of 20.0% or more of total cost5 points
 2. request of 15.0% to 19.9% of total cost15 points
 3. request of less than 15.0% of total cost24 points

- D. Ability to begin construction within 120 days of funding commitment maximum 15 points
1. Fully executed construction contract.....10 points
 2. Item 1. above plus building permits.....15 points

- E. Tie Breaker
1. Syndication Price – highest price gets priority

The applicant must provide documentation of all scoring and eligibility items satisfactory to THDA, in THDA's sole discretion.

Section 1602 Program funding will be made available only to developments that meet all eligibility requirements and the good faith requirement, as determined by THDA in its sole discretion. THDA anticipates making Section 1602 Program funding available to developments, beginning with the highest scoring applications based on the selection criteria described herein, until all Section 1602

Program funds are exhausted. THDA also anticipates making Section 1602 Program funding available to developments that do not have an award of Tax Credits, but who otherwise meet the requirements of Part IV-B.

PART VIII. Disbursement of Funds

- A. The components of the “gap” to be filled with Section 1602 Program funds shall include reductions in Tax Credit pricing and legitimate reductions in private financing, all as determined by THDA in its sole discretion. A reduction Tax Credit pricing shall be the difference between the projected Tax Credit pricing reflected in the Initial Application for the development as submitted to THDA and the actual or expected Tax Credit pricing as reported to THDA as of June 15, 2009, as determined by THDA in its sole discretion. Legitimate reductions in private financing shall be determined by THDA in its sole discretion, but shall not include private financing reductions made in expectation of increased Section 1602 Program funding.
- B. Section 1602 Program funding will be made available to approved developments as a full recourse loan. The loan will be at 0% interest with no repayment required, unless an event of recapture occurs.
- C. Section 1602 Program funding will be made available as follows:
 - 1. For eligible developments that meet all requirements of this Program Description and the relevant QAP, and have a funding gap, at such time as THDA may permit based on the circumstances of each approved development.
 - 2. THDA will coordinate the funding of draws with the construction lender. THDA will release Section 1602 Program funds for payment of construction costs no more often than monthly and only upon receipt of a requisition approved by the development owner, the construction lender and all construction consultants engaged by the lender and/or THDA. THDA reserves the right not to fund draws based upon standard exceptions for construction lenders, including without limitation, any default by the owner, the existence or alleged existence of any lien on the project (other than liens securing the construction loan or in favor of THDA) or payment disputes with subcontractors or suppliers. THDA reserves the right to contract, at the expense of the development owner, with third parties for administration of construction draws, including without limitation construction consultants or a construction lender.
- D. All obligations with respect to the Section 1602 Program funding shall be secured by a deed of trust that may be a first lien or may be subordinate to a construction deed of trust, if approved by THDA in its sole discretion. The property proposed for the development and all improvements, whether existing or proposed, shall be subject to the lien of the deed of trust. Collateral assignment of rents and leases, personal guaranties and additional collateral may be required, at the sole discretion of THDA, based on the nature of the transaction involved.
- E. The owner of an approved development shall execute a legally binding written agreement prior to any disbursement of any Section 1602 Program funds. The written agreement will set forth (explicitly, or incorporated by reference) all Section 1602 Program requirements, Section 42 requirements, relevant QAP requirements applicable to the approved development. The written agreement shall impose conditions or restrictions, including a requirement providing for recapture, so as to assure that the approved development remains in compliance for the entire 15-year compliance period. The written agreement shall also contain a firm, realistic expenditure schedule including, without limitation dates for commencement of construction/groundbreaking, 50% completion, and 100% completion. The written agreement shall require the owner to

provide sufficient information to THDA to report on the use of funds. THDA expects that it will be required to use the state approved language for all Section 1602 Written Agreements.

- F. THDA will coordinate with the syndicator, equity investor and/or entity providing private financing in connection with the closing of Section 1602 Program funding, to determine documentation necessary to fully secure Section 1602 funding. THDA expects to require all documents, representations and warranties normally and customarily associated with a full recourse loan, including without limitation, note, deed of trust, guarantees, assignments and various other agreements, certifications, opinions and any other documentation as determined necessary by THDA, in its sole discretion, particularly in the absence of a syndicator and/or equity investor. All such documents will be non-negotiable.
- G. THDA reserves the right to approve, in its sole discretion, that portion of the construction loan that speaks to developer fees.
- H. THDA will coordinate with the syndicator, equity investor and/or entity providing private financing regarding required reserves, including without limitation, replacement reserves, operating reserves, compliance reserves. THDA reserves the right to require reserves, as it determines necessary in its sole discretion, for developments without a syndicator or equity investor or if THDA determines, in its sole discretion, that required reserves are inadequate. All reserve accounts must be cash deposits. No letters of credit will be allowed to cover any reserve requirements.
- I. Section 1602 program funds shall only be used for eligible costs as defined in Section 42.
- J. The maximum amount of Section 1602 program funds made available shall be determined by THDA in its sole discretion and shall not exceed eligible basis without consideration of the thirty percent (30%) basis boost, if any.

PART IX. Expenditure Deadlines

The full amount of Section 1602 Program funding awarded to a particular development must be fully expended and drawn down no later than December 31, 2010. Funding of retainage, reserves or escrows will not be considered "expended". THDA will set deadlines and documentation requirements prior to this deadline to ensure that it is met. THDA expects to modify this Part IX as needed to comply with expected Treasury guidance.

PART X. Recapture of Funds

- A. If a development that receives Section 1602 Program funding has no "recapture event" during the full fifteen (15) year Compliance Period, the full amount of the loan will be forgiven at the end of the fifteenth (15th) year of the Compliance Period.
- B. If a development that receives Section 1602 Program funding experiences a "recapture event" during the fifteen (15) year Compliance Period, recapture is triggered. Once recapture is triggered, the amount that shall be recaptured equals the full amount of Section 1602 Program funding accepted less 6.67% for each full year of compliance. For the year in which a "recapture event" occurs, no credit will be given for the portion of the year in compliance prior to the occurrence of the "recapture event". This determination will be made on a building basis and a "recapture event with respect to any one building in a development that received Section 1602 program funding will trigger recapture.

- C. A “recapture event” occurs if, at any time, the applicable fraction falls below the greater of (1) the percentage of Section 1602 Program funding to eligible basis, or (2) the minimum federal set aside elected for any building.
- D. This recapture requirement is in addition to any action permitted or required to be taken based on the Land Use Restrictive Covenants and Section 42, including without limitation, the filing of an IRS Form 8823.
- E. The full amount of the Section 1602 Program funding recaptured upon a default is a debt owed to the United States payable to the General Fund of the Treasury and is enforceable by all available means against all assets of the owner, the individuals making up the owner and all guarantors.
- F. Notwithstanding the foregoing, THDA will impose any and all requirements and will make any and all changes as needed to conform to Federal statute and Treasury guidance.

PART XI. Reporting/Compliance Requirements

- A. Each approved development that receives Section 1602 Program funding shall provide the following information to THDA on at least a quarterly basis in a form and substance satisfactory to THDA in its sole discretion:
 - 1. Owner name
 - 2. Name of development
 - 3. Brief description of development
 - 4. Location of development – city, county, state and zip code
 - 5. Number of construction jobs created
 - 6. Number of construction jobs retained
 - 7. Number of non-construction jobs created
 - 8. Number of non-construction jobs retained
 - 9. Number of total housing units newly constructed
 - 10. Number of total housing units rehabilitated
 - 11. Number of low-income housing units newly constructed
 - 12. Number of low-income housing units rehabilitated
 - 13. Other reports and information deemed necessary by THDA in its sole discretion
- B. In the event of a failure to comply with Section 1602 Program requirements during construction and thereafter, THDA may, in its sole discretion, take any of the following actions:
 - 1. Temporarily halt disbursements until the material failure is corrected

2. Disallow all or any part of the cost of any activity or action that is not in compliance with Section 1602 Program requirements
 3. Suspend or terminate, in whole or in part, the Section 1602 Program funding
 4. Withhold Section 1602 Program funding to developments with related parties
 5. Change the structure of the ownership entity (including adding or removing parties)
 6. Replace the management company
 7. Recapture the full amount of the Section 1602 Program funding
 8. Enforce guarantees
 9. Take any and all other legal remedies as may be available including, without limitation, seeking specific performance
- C. THDA expects to perform certain asset management functions with respect to developments that receive Section 1602 Program funding that may be more extensive than normal compliance monitoring requirements. The owner of a development that receives Section 1602 Program funding shall comply with all THDA determined asset monitoring requirements and shall pay all fees associated therewith as directed by THDA, in its sole discretion.

PART XII. Other Requirements

- A. THDA may elect to contract with independent individuals or independent entities to conduct some or all of the activities required or determined necessary hereunder to ensure compliance with the Act, Treasury Guidance, Section 42, the relevant QAP and all applicable federal statutes and regulations. The owner of a development that receives Section 1602 Program funding will be expected to bear all fees and costs associated with the entity or entities performing functions with respect to the approved development.
- B. THDA reserves the right to modify this program description, in its sole discretion, in response to statutory changes, changed or modified Treasury Guidance or other federal guidance applicable to the Section 1602 Program, or as needed to correct oversights, misstatements or lack of clarity.
- C. THDA expects that owners and others associated with developments that are seeking Section 1602 Program funding will work cooperatively with THDA staff to address issues in the best interests of the Tax Credit program and in accordance with the spirit and intent of this Program Description. THDA reserves the right, in its sole discretion, to adjust program requirements on a case by case basis as needed to effectively use TCAP and Section 1602 Program resources to provide housing to the population THDA strives to serve.
- D. Deadlines set forth in this Program Description are deadlines mandated by the Act. THDA reserves the right to establish additional deadlines and documentation requirements to determine that the deadlines in the Act have been, can be or will be met to avoid inadvertent loss of resources.
- E. By adopting this Program Description through the exercise of delegated authority conferred by the THDA Board of Directors, the Policy & Programs Committee of the THDA Board of Directors further authorizes THDA staff to carry out the provisions of this Program Description and to exercise the discretion reserved to THDA herein.