

**NJHMFA SECTION 1602 TAX CREDIT EXCHANGE (TCX) PROGRAM
APPLICATION PROCESS AND SELECTION CRITERIA**

ADDENDUM

In accordance with the selection criteria approved by the HMFA Board on August 20, 2009, applications for TCX funds from shovel ready 4% projects meeting Priority #2 shall be considered in the following manner:

- Applications shall be accepted from November 9, 2009 until February 1, 2010.
- TCX subsidy shall be limited to \$100,000 per affordable unit, not to exceed \$6 million per project.
- A project is eligible for TCX subsidy when all of the following requirements have been met:
 - All requirements to request a Section 42(m) determination letter as outlined in the QAP
Note: Projects that have not yet received a commitment for bond financing shall submit 2 copies of the UNIAP (one for the Tax Credit Division and one for Multifamily). Bear in mind that while the absolute last day to apply for TCX funds is February 1, 2010, the underwriting and Board approval process for mortgage commitment should be considered in determining when to apply and whether a project can meet the March 15, 2010 closing deadline listed below.
 - Submission to HMFA of building permits or a letter from the municipal building official stating that but for payment of the fee, the project is eligible to pull building permits
 - Signed partnership agreement or a reservation of funds from an investor, evidenced by an investor letter that confirms the availability and designation/earmarking of funds for the project.
- A TCX reservation shall be issued to projects that meet the above requirements, starting with the project requesting the least amount of exchange proceeds per unit at the time of the award. Note: Board approved selection criteria permits HMFA to limit the number of awards to any one project type/location in order to ensure the equitable distribution of exchange proceeds across the state and among projects types.

* This notice may be amended as a result of changes in economic conditions, federal legislation and/or amendments to the Qualified Allocation Plan.

- The TCX reservation shall automatically expire if closing on the TCX funds and tax credit equity do not occur by **March 15, 2010**.
- Projects that received TCX funds shall be required to spend 30% of reasonably expected basis no later than December 31, 2010.
- Any TCX funds not closed by the above deadline shall be made available for a 9% tax credit round. Applications for this round shall be accepted until noon on February 15, 2010, with awards expected in early April 2010. The currently effective QAP shall be utilized for this cycle; however, the 1st tiebreaker for competing projects within a cycle shall be the lowest amount of low-income housing tax credits (unadjusted for the 130 percent difficult development area or qualified census tract bonus) per low-income bedroom.

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