NJHMFA
Implementation of TCAP & TCX
Tax Credit Assistance Program (TCAP)

Timeline

- May 2009 – applied to HUD
- June 2009 – HUD approval
- Sept 2009 – 1st TCAP closing

$61 million for NJ

- $6 million cap per project
- QAP encourages leveraging
TCAP Priorities

1. 2009 9% deals

2. 2007 & 2008 deals that have not closed
   - REM Credits

3. 4% shovel ready deals
TCAP Disbursements

- 1st draw = 10%
- 15% at 25% completion
- 25% at 50% completion
- 40% at 75% completion
- 10% at CO
TCAP Repayment

- No prepayment for 1st 3 years
- 50% of available cash flow
- Deferred for earlier of 10 years or until developer fee is paid
Exchange Program (TCX)

- Grant or Forgivable Loan
- Dual purpose
  - Assist existing struggling deals
  - Create subsidy pool for new deals
- Strong CRA Footprint
TCX Example

• $1 mil in credits
  • $1 mil x $.70 = $7 mil in equity

• $600k in credits & $400 exchanged
  • $600k x $.70 = $4.2 mil
  • $400k x $.85 = $3.4 mil
    $7.6 mil

• $7.6 mil - $7 mil to project = $600k to HMFA
TCX Priorities

- Partial Exchanges of 2007 – 2009 Credits
- 4% or 9% shovel ready projects with an investor
- 4% or 9% shovel ready projects without an investor
TCX Disbursements

- Similar to Home Express
- Based on % of completion
- Retainage??
  - State Liability
  - 12/31/11 Expenditure Deadline
Asset Management

- More than compliance monitoring
- 5% of original tax credit award
- Possible floor