



RENTAL ASSISTANCE DEMONSTRATION

Introducing the Tax Credit Fast Track

RAD First Component
July 22, 2014



AGENDA



1. Review the key components and timeline of the Tax Credit Fast Track
2. Learn about the requirement documents and variations for different types of transactions
3. Walk through the RAD Resource Desk upload functionality
4. Open the call for questions



WHAT IS IT?



➤ The “Tax Credit Fast Track”

- Applicable to RAD conversions pursuing tax credits (9% or 4%) and conventional (non-FHA) financing
- Consolidates the 30-60-90-150 Day Milestones into one streamlined Financing Plan submission due 60 days after the date of LIHTC award/allocation
- Acknowledges that much of the legwork has been completed compiling the tax credit application and thus seeks to minimize duplicative work
- Submission includes two parts: 1) underwriting requirements and 2) program administrative requirements
- Requirements outlined in the RAD Non-FHA LIHTC Fast Track Checklist posted to www.radresource.net > Fast Track
- Required for all existing CHAPs currently awaiting their LIHTC Award/Allocation as well as any future CHAPs



GETTING STARTED

➤ Kick Off Call

- Your existing RAD Transaction Manager (TM) will contact you if your transaction meets the requirements (conventional financing with tax credits)
- TM will schedule a kick off call to review the fast track requirements and timing and confirm the date you expect your tax credit allocation/award
- While the 60-day clock doesn't start ticking until you've received the tax credits, there are many items you should begin reviewing and get started on – don't wait until you receive your credits to begin preparing your submission!





GETTING STARTED



➤ Items to Get Started On

- Read and thoroughly review the Fast Track Checklist to ensure you understand the requirements and that they can be met within 60 days
- Discuss any questions or potential issues you have with your RAD Transaction Manager
- Raise any potential issues you have regarding timing early
- PIC Inventory Removal Submission
- If converting to PBRA, read the PBRA Quick Reference Guide to Multifamily Housing Requirements
- If converting to PBRA, begin the 2530 process
- Familiarize yourself with the RAD Accessibility & Relocation Checklist; read the RAD Relocation Requirements Notice
- Begin the process for amending your PHA Annual Plan (requires 45 day resident notice)
- Determine who will be performing your environmental review and, if a Phase 1 is needed, begin the contracting process



SUBMISSION TIMELINE & REVIEW EXPECTATIONS



➤ Submission & HUD Review

- The Fast Track Financing Plan must be uploaded to the RAD Resource Desk within 60 days of receiving your tax credits
 - ✓ You may request one 60 day extension for the underwriting requirements only; the program requirements cannot be extended
- Your TM will complete his or her review within 30 days
- Upon review completion, you will receive an email noting any deficiencies/questions and then must work with your TM to satisfactorily resolve all outstanding issues
- Once all issues are resolved and the Financing Plan has been approved by your TM, the TM will prepare to issue a RAD Conversion Commitment (RCC) which begins the closing process



IMPORTANT REMINDERS



➤ If you do not apply for tax credits

- Once awarded a CHAP, you must apply for tax credits in the first available round after CHAP issuance
- Existing Program rules apply if you fail to apply for your tax credits as scheduled- you have 90 days to come up with a feasible alternative financing plan or your CHAP may be revoked

➤ If you apply but do not receive tax credits

- If you applied for tax credits and did not receive an award, you have 90 days to come up with a feasible alternative financing plan or your CHAP may be revoked