

2018 LIHTC Program

LIHTC Announcement

October 2, 2017



The recently-enacted state budget includes a provision that will limit state Historic Preservation Tax Credit (HTC) awards to no more than \$500,000 per property beginning on July 1, 2018. This new limit may impact Low-Income Housing Tax Credit (LIHTC) applications submitted for the 2018 LIHTC cycle. As a reminder, the 2018 LIHTC application deadline is December 8, 2017.

The following guidance will apply to 2018 LIHTC applications which also utilize the state HTC program. Applicants may include state historic tax credit equity as a funding source, and may request financial participation points for the equity resulting from state HTCs (subject to all the requirements of the Financial Participation Scoring category)

- A. For those applicants including equity resulting from more than \$500,000 of state historic tax credits in their LIHTC application:
 1. WHEDA must receive evidence that the LIHTC applicant has received approval for Part I of the Historic Preservation Certification application, and has submitted Part II of the of the Historic Preservation Certification application to the Wisconsin Historical Society (WHS), no later than February 15, 2018. If WHEDA does not receive evidence of Part I approval and Part II application submission by February 15, 2018, the LIHTC application will be considered financially infeasible, and will not receive a LIHTC award.
 2. WHEDA does not expect to be announcing 2018 LIHTC awards by February 15, 2018, so completion and submission of the of the required materials noted in (A)(1) does not guarantee that an LIHTC award will be made.
 3. Should the LIHTC applicant receive an LIHTC award, but is unable to execute a historic tax credit contract with the Wisconsin Economic Development Corporation prior to July 1, 2018, WHEDA will not issue an LIHTC Carryover for that development. That development will be considered financially infeasible, and the LIHTC award will be rescinded without exceptions.

- B. Those LIHTC applicants who do not believe they can secure Part I approval and/or submit Part II of the Historic Preservation Certification application to WHS before February 15, 2018 may include state historic equity in their LIHTC application resulting from an award of up to \$500,000 of state historic tax credits, and may request financial participation points for that state historic tax credit equity (subject to all the requirements of the Financial Participation Scoring category).
 - Should an LIHTC award made to one of these developments, the typical LIHTC Carryover requirements will be applied later in 2018.

- C. LIHTC applicants with an existing contract for state historic credits will not be subject to the requirements described in items (A)(1) and (A)(3) above.

WHEDA will continue to require that a minimum of 85% of projected funding sources be 'committed' at the time of application – for a definition of 'committed' funding sources, please see the 2018 LIHTC FAQs on <https://www.wheda.com/LIHTC/2018-Program/>.

If you have questions, please feel free to contact David Ginger, Commercial Lending Product Manager, at david.ginger@wheda.com or 414.227.2296.