
**National Council of
Affordable Housing Market Analysts**
Underwriting Forum & Annual Meeting
Chicago, Illinois
November 9, 2009

**GAO Review of
TCAP and Section 1602
under the American Recovery and
Reinvestment Act**

GAO's Mission and Work

The U.S. Government Accountability Office (GAO) is an independent, nonpartisan agency that works for Congress.

- **Our Mission** is to support Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government.

- **Our Work** is
 - o done at the request of congressional committees or subcommittees
 - o mandated by public laws or committee reports
 - o undertaken by the authority of the Comptroller General

GAO's Work Overview

- GAO Products
 - Reports and Testimonies
 - Legal Opinions and Decisions
- Mission Teams and Field Offices
- Structure of Work and Coordination

Recent GAO Reports on Housing Issues

- Fannie Mae and Freddie Mac: Options for Revising the Long Term Structures (GAO-09-782)
- Affordable Housing in Transit-Oriented Development (GAO-09-871)
- Green Affordable Housing (GAO-09-46)
- New Markets Tax Credit: Minority Entities Are Less Successful in Obtaining Awards Than Non-Minority Entities (GAO-09-536, GAO-09-795T)
- Public Housing: HUD Oversight Should Focus More on Inappropriate Use of Program Funds (GAO-09-33)
- Reverse Mortgages (GAO-09-836)

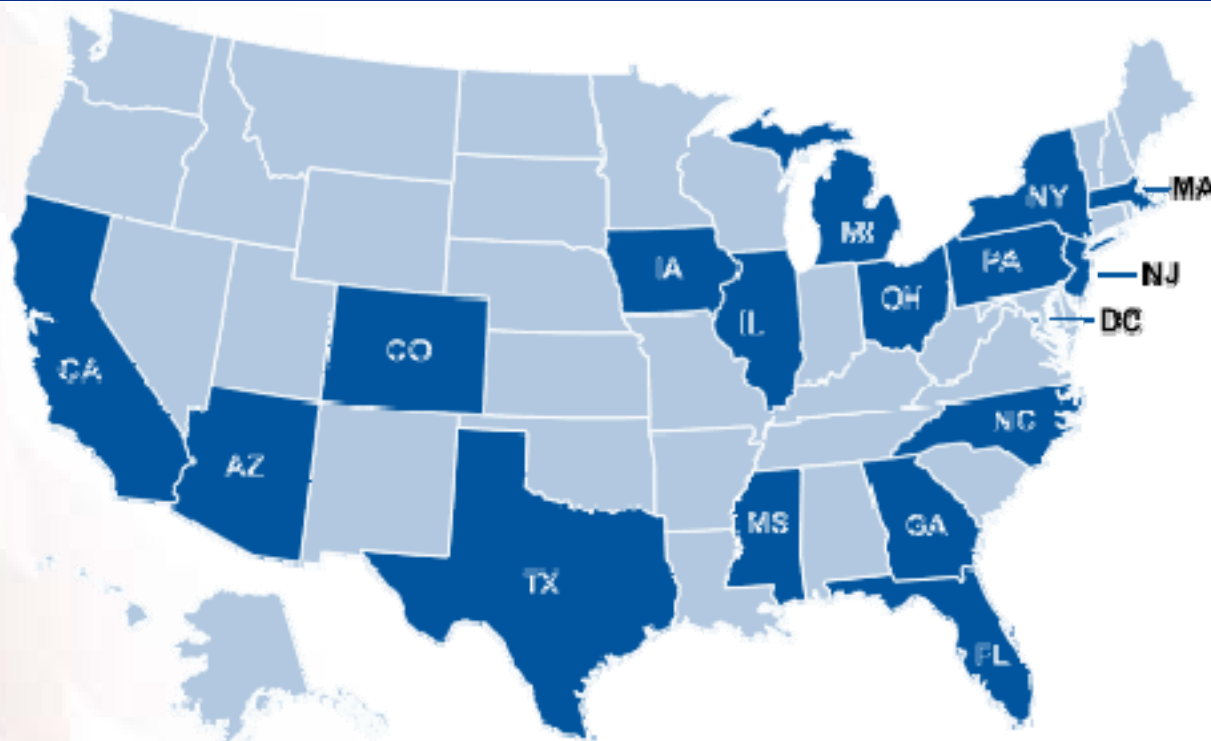
American Recovery and Reinvestment Act (Recovery Act)

Preserve and create jobs	Assist those impacted by the recession	Spur technological advances in science and health	Invest in transportation, environmental protection, and other infrastructure	Stabilize local and state government budgets
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American Recovery and Reinvestment Act (Recovery Act)

The Recovery Act mandates several roles for GAO, including conducting bimonthly reviews of certain programs and selected states' and localities' use of funds made available under the Act.

American Recovery and Reinvestment Act (Recovery Act)

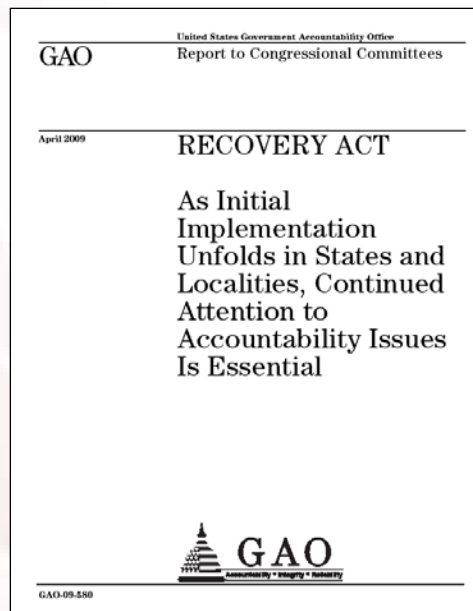


- Arizona
- California
- Colorado
- District of Columbia
- Florida
- Georgia
- Illinois
- Iowa
- Massachusetts
- Michigan
- Mississippi
- New Jersey
- New York
- North Carolina
- Ohio
- Pennsylvania
- Texas

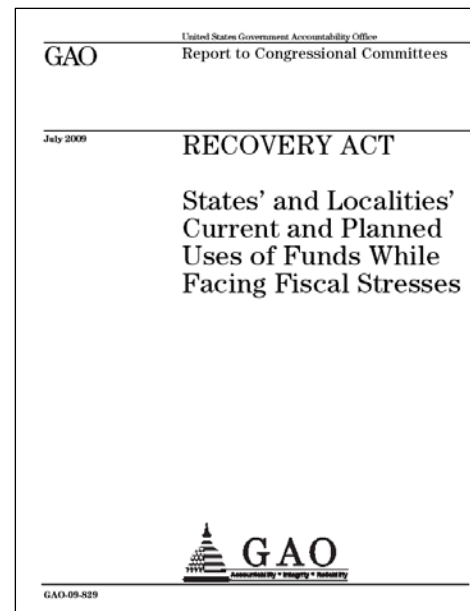
Geographic Areas Targeted for Bimonthly Reviews

American Recovery and Reinvestment Act (Recovery Act)

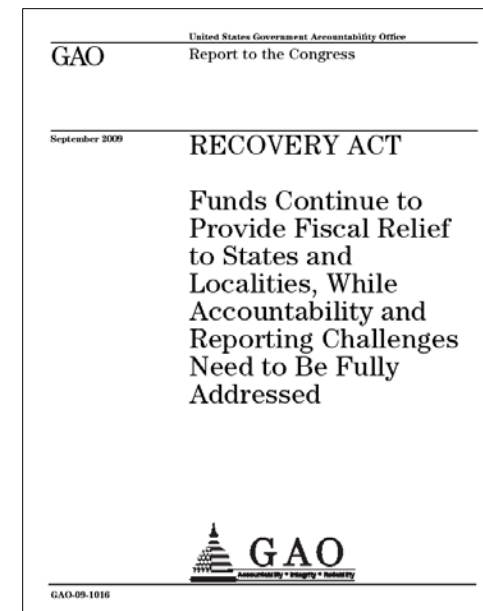
April 23:
GAO-09-580



July 8:
GAO-09-829



September 23:
GAO-09-1016



American Recovery and Reinvestment Act (Recovery Act)

Housing Programs Funded by Recovery Act

- **Public Housing Capital Fund**
 - Project Based Rental Assistance
 - CDBG
 - Homelessness Prevention
 - Native American Housing Block Grants
 - Assisted Housing Retrofit
 - Lead Hazard Reduction
 - **Neighborhood Stabilization Program (NSP 2)**
 - **Tax Credit Assistance Program & Section 1602**
-

TCAP and Section 1602 Programs

TCAP- Tax Credit Assistance Program

- Administered by HUD
- Provides funds to state housing credit agencies to act as gap financing and facilitate development of projects that received or will receive LIHTC between October 1, 2006 and September 30, 2009.

Section 1602 Program

- Administered by Treasury
- Allows state housing credit agencies to exchange LIHTC allocations in return for funds to finance construction or acquisition and rehabilitation of low income housing.

TCAP and Section 1602 GAO Reporting

Questions GAO is addressing:

- (1) How are HUD and Treasury implementing the programs?
- (2) How do state housing credit agencies plan to use TCAP and Section 1602 funds?
- (3) How are HUD, Treasury, and the state housing credit agencies providing oversight of the programs?

TCAP and Section 1602 GAO Methodology

- Web-based survey of all 56 housing finance agencies
- Audit work at HUD and Treasury
- Reporting areas:
 - Status of the award and disbursement of funds
 - Criteria in selection of projects
 - Challenges in implementing TCAP and Section 1602
 - Expected Program Impact
 - Suggested improvements

TCAP and Section 1602 GAO Methodology

State Housing Finance Agencies contacted for pre-testing the survey:

- District of Columbia
- Maryland
- Ohio
- Pennsylvania
- West Virginia

Review of survey by HUD and Treasury and consultation with industry professionals.

Survey will be distributed in web-based format to all HFAs in October.

TCAP and Section 1602 Progress to Date

TCAP-

HUD report as of November 1:

- Approximately \$2.25 billion awarded
- Sixty-one funding commitments totaling \$165 million and an estimated 4,673 units
- Approximately \$9.9 million drawn down

Section 1602-

Treasury report as of November 1:

- Approximately \$3.3 billion awarded
- Approximately \$93 million drawn down

Promise of funding is spurring activity in stalled developments.



TCAP funded project in Anchorage, AK.

TCAP and Section 1602 Future GAO Work

- Review status of implementation and follow progress of individual projects
- Provide updates on status of disbursements and projects completed
- Review impact of TCAP and Section 1602 on LIHTC program

GAO Recovery Act Reports and Contact Information

GAO Recovery Act website:

<http://www.gao.gov/recovery/>

GAO Contacts for TCAP and Section 1602 Reporting:

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