

HOW BUILDING OWNERS EVALUATE OPTIONS FOR SELLING TAX CREDITS

TOPICS OF DISCUSSION

WHERE DO I START?

- Is my project an attractive one for credit investors and where do I find them?
- What are the important items for my consideration? Consultants?
- What are the critical investor negotiation points?
- How and when does the investor exit the partnership? Issues?
- State Credit matters, is my project eligible?

SUMMARY DISCUSSION

Projects that generate federal tax credits - historic, housing and/or new market - are attractive to a select group of sophisticated investors. These investors may be large public corporations or a syndication group who represents a collective of large investors.

Historic projects require a certified historic structure for credits to be received. Age, historical and/or architectural significance determine eligibility.

Housing projects require state agency approval and the completion of a complex application amidst an often intensely competitive process. A "housing bond project" approach lowers the dollar value of credits received and brings a different complexity, but is less competitive.

New Market projects must have a commercial component and include a community development entity that will have been initially awarded these credits.

All projects involving credits require the successful completion of the development in full compliance with the rules governing these programs for the credits to vest. Your investor will monitor that process. Even the most successful and experienced developers of such projects hire consultants, accountants and attorneys to assist them and to handle the myriad of details these projects contain. We urge you to not be daunted. We all started with a "first" project and the selection of an experienced team can ease greatly the issues that may arise.