

DCHFA Supplemental Bond Issuance Policy

DCHFA will only consider projects that evidence the failure of the 50% Test for supplemental bond issuance.

The following requirements must be met to apply for a supplemental bond issuance for a project that has been issued tax-exempt bonds and has not yet submitted 8609 Forms:

- Sponsors must submit an agreed-upon procedures (AUP) report from an independent CPA that evidences that the project is currently failing the 50% Test or is anticipated to fail the 50% Test.
 - If the project is anticipated to fail the 50% Test but costs have not yet been incurred, then a detailed supporting memorandum is required. The supporting memorandum must delineate any anticipated future costs with written input from the General Contractor and other 3rd professionals providing detailed projections.
 - This memo must be signed by the sponsor, their General Contractor, and any third-party professionals that provide input.
 - This memorandum must explain any line-item projections that are used in the AUP report.
- Sponsors must evidence that at least 10 years of developer fees have been deferred to balance project sources and uses prior to requesting a supplemental tax-exempt bond issuance from DCHFA.
- Applicants will not be moved to the credit committee until the assigned DCHFA underwriter has completed their review.
- Applicants will not be issued additional bonds prior to approval by the DCHFA Credit Committee.
- Applicants are responsible for all associated third-party fees associated with supplemental bond issuance.