

# **2014 Round FINAL Q & A**

**Updated 12-5-2013**

**All NEW Questions are in RED**  
**IFA Answers to NEW Questions are in BLUE**

## **Who do I direct questions to?**

First, please refer to the 2014 Online Application Training Guide and the previous posts of the 2014 Q & A. If your question is not answered, please submit your question to the Q & A email link on the IFA website.

## **Specific questions:**

On-line application technical issues— [Stacy.Cunningham@iowa.gov](mailto:Stacy.Cunningham@iowa.gov)

Underwriting— [Karen.Kulisky@iowa.gov](mailto:Karen.Kulisky@iowa.gov)

## **2014 QAP**

### **Section 1—Introduction**

I wanted to confirm with you a couple deadline dates for 9% tax credit applications. I have December 9th 2013 as the date the applications are due to IFA and May 2014 for the awards announcement. Are these current?

Please refer to the 2014 QAP Section 1-Introduction.

### **Section 2—Reservation and Allocation Process**

#### **Section 2.2—Set Asides**

The Q&A shows the following italicized response from IFA but I do not see in the QAP that a non-MSA project would qualify for the 30% boost. Do projects located in non-MSA areas qualify for the 30 boost?

*Yes, refer to 2014 QAP Section 7.2.2.*

How will the 9% credit be priced for this year's applications, a full 9%, a floating rate with a basis boost, etc.?  
*IFA will be using a 7.7% rate for the 9% rate and a 3.3% rate for the 4% rate for all projects. The QAP does allow a 30% basis boost if the project is located in a QCT or in a non-MSA area.*

#### **Section 2.2.1--Non-Profit Set Aside**

We have a nonprofit that has operated a HUD project for the past 40 years, including operating under a HAP contract since 1982. The organization does not have a 501 (c)(3) designation at this point. While we understand that they are unlikely to qualify for the nonprofit set-aside, we do not see any reason that they cannot share in the ownership structure. Do you agree with that assessment? The nonprofit will still be sharing 50% of the developer fee.

*If the organization is not a qualified nonprofit entity, they would not qualify for the nonprofit set aside but they could be considered a Project Team member.*

We would like to bring in a non-profit partner into our project as a 25% owner. We will not compete in the non-profit set-aside, and the non-profit will not act as material participant. They would be in the ownership role, and will not participate in the construction, management, or service coordination for the project. Can this non-profit be considered in the ownership if they were not certified by the Nov. 8<sup>th</sup> deadline?

*The deadline is strictly for the organizations that were applying for the nonprofit set aside.*

Our non-profit is a wholly owned subsidiary of the General Partner. I asked about this specifically at the training and it was my understanding that this would still be fine under nonprofit and CHDO. Can you please confirm that this is correct; we are receiving the following errors in the Application:

Management Company: in order for a qualified non-profit to be considered for the nonprofit set-aside, the non-profit must have ownership in the project.

Developer: in order for a qualified non-profit to be considered for the nonprofit set-aside, the non-profit must have ownership in the project.

*The error you received has been corrected. If the qualified non-profit meets the requirement of QAP Section 2.2.1(4), then you are eligible.*

Where do you request “non-profit status”?

*On the Project Team Tab.*

When are the non-profit approval requests due?

*November 8, 2013*

### **Section 2.2.3—Preservation Set-aside**

Please confirm that the requirement that “more than 50% of the Units are currently income restricted and rent restricted to households at or below 60%” does not apply to or limit a “Section 8 project based contract” project from applying within the Preservation set-aside.

*In order for a Section 8 Project to apply for the Preservation set-aside, the requirement that “more than 50% of the Units are currently income restricted and rent restricted to households at or below 60%” must be met.*

### **Section 3—Application Process**

#### **Section 3.2.1**

In order to comply with QAP Section 3.2.1 is it acceptable for a New Tax Credit Developer to engage a Consultant, who does meet the experience requirements, to assist a New Developer or does this section require involvement of a co-developer?

*Refer to 2014 QAP Section 5.4.2 “Either the Developer, managing member, General Partner or Development Consultant must have Materially Participated in a LIHTC Project that has received an IRS Form 8609 from any state within the past five (5) years.”*

If a general partner does not have financials for three past years, what can be submitted in lieu of it?

*This section requires a new Developer/Co-Developer in Iowa to submit financials for the past three years.*

#### **Section 3.4.3 HOME Funds**

**How do the HOME funds come in - all at once, quarterly??**

**We are trying to figure out the construction financing and the development funding from the financing sources.**

HOME funds will be disbursed based on the percentage of project budget expended in most cases. Depending on the position of the HOME loan compared to other perm financing (higher priority), we can sometimes advance the funds earlier in the process. You should anticipate the incremental funding as the most likely approach though.

What limitations are there on physical activities and commitment of funds to a project between the time of application and clearance of Environmental Review?

**UPDATED ANSWER**-----*Enter dates of known conditional and firm financial commitments. If dates are unknown, please enter approximate date expected. State HOME funds in particular would have a conditional commitment at the time of award and a firm commitment upon clearance of environmental review and execution of a contract.*

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Is there a mandatory HOME match requirement?

*There is no mandatory HOME match for this round of applications.*

What are acceptable terms on HOME loans?

*Terms are flexible with 0% interest, variable payments, and up to 30 year term. Payments typically are adjusted to assist with meeting DSCR underwriting requirements. Any unpaid balance at the end of the term will be due as a balloon payment.*

If you are not applying for HOME funds, do you have to supply a DUNS number?

*No*

What limitations are there on physical activities and commitment of funds to a project between the time of application and clearance of Environmental Review? HUD's regulations at 24 CFR 58.22 prohibit grant recipients and partners in the development process from committing or spending HUD or non-HUD funds on any physical activity such as acquisition, rehab, leasing, site clearance, etc. once a project becomes "federal." A project becomes "federal" for purposes of HUD's environmental review process when a recipient submits a project application for HUD funding.

*Enter dates of known conditional and firm financial commitments. If dates are unknown, please enter approximate date expected. State HOME funds in particular would have a conditional commitment at the time of award and a firm commitment upon clearance of environmental review and execution of a contract.*

Can your Sect 3 plan be a part of your Administration Plan?

*Yes, the Section 3 plan may be included in your Administration Plan or submitted separately.*

What is the max HOME per unit cost cap?

*HOME uses the same per unit cost cap as the QAP, the current 221(d)(3) limits for elevator construction effective January 1, 2012.*

If HOME funds are the only permanent financing what am I supposed to enter for the dates of conditional & firm commitment?

*There is no need to enter dates for these commitments on State HOME funds. HOME funds provided from another participating jurisdiction (city) must have a conditional commitment date entered, no firm commitment date required if they are conditioned on an award of tax credits.*

If we are not awarded the HOME funds, does that decrease our score on the LIHTC application because there would be gap in the source of funds if the HOME funds are not awarded? We understand the HOME funds are very competitive so it seems to be a risk to apply for them if it has a negative influence on our LIHTC app. How is this handled during the application review and scoring process.

*Please refer to the introduction in Section 4 of the QAP. If you apply for HOME funds and are unsuccessful in obtaining these funds, a gap in financing would be apparent. The gap may be filled from no more than 50% of the Developer fee as a deferred developer fee.*

What is the dollar amount of HOME funds available to LIHTC projects?

*The estimated amount of HOME funds available to LIHTC applicants for this round is \$5-\$6 million.*

### **Section 3.4.7—Fees**

We are applying for 9% tax credits this year for a project for which we were not awarded credits last year. As such, we did pay for a market study last year. Do we need a brand new one for this application? Or can we just update last year's or re-submit it? I didn't see this issue specifically addressed for 9% credits in the QAP.

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*You will be required to pay the full application fee and market study fee to re-apply in the 2014 round.*

If we have already submitted an application in a prior year and will be resubmitting the same project in the 2014 Round, do we then pay the \$800 change in application fee this year?

*You will be required to pay the full application fee and market study fee to re-apply in the 2014 round.*

#### **Section 4--Underwriting**

For purposes of Enterprise Zone Local Government Contributions, does IFA count the full value of the Tax Abatement/ Enterprise Zone Credit as local contribution or do we include only the value of the equity/loan generated (once adjusted for the estimated market value of the credits)?

Please refer to Exhibit 5S, #6—Enterprise zone credit (equity value). The tax abatement is the full amount determined by the local government entity.

Our project received a set number for its TIF financing. It is 5 years full rebate, ten years at 75%. As with many TIFS, it could hit the set amount prior to the year 15. For purposes of underwriting, how should we underwrite it: (1) 5 years full rebate, then the remainder averaged over the next ten years, or; (2) do we spread the set amount over the 15 years of the project?

In your cash flow, list your estimated tax payments due. Generally, a Project will obtain a tax abatement loan in order to balance the DSCR.

We have a follow-up question to your response that we cannot use stepped-up rents even though they are explicitly permitted by HUD. The historical expenses at the property fall below IFA's underwriting minimums on a per unit basis. Can we nevertheless use these historical expenses? If so, by what means do we get the red X to turn into a green checkmark for the Feasibility section? If not, then can you suggest how to make this project conform to the 2014 QAP for underwriting? It is very much "in the box" in terms of a preservation project: it has fully paid off its debt and thus is eligible to exit the HUD Section 8 program, it is 40 years old, it meets three of this year's set asides, and HUD is working earnestly with its owner to facilitate a rehab and rent increase.

IFA will not accept a HUD letter with an estimated post-increase rent level. IFA will underwrite with the HUD approved rents at the time of the Application due date. If you are awarded credits, the HUD approved rent adjustment would be considered at the time of Carryover and 8609.

We are working on a rehab of a project with 75% HUD Section 8. This project is in poor condition with rents that are substantially below market levels due to artifacts of its particular subsidy history. Per the HUD handbook, this project is eligible for a much-needed rent increase. The rent increase would take into effect the comparable market rents as if the rehab were complete. This would be the crux of putting this formerly troubled project on a firm footing for the future. However, due to process and timing reasons, HUD cannot process the rent increase until next summer. (If awarded, we would sync our closing with the rent increase.) In response to a question from a different developer, IFA indicates that unless the HUD rent is in effect \*now\*, it cannot be used in the 2014 LIHTC application. This would waste an important preservation tool that HUD has made available for helping projects of this type. Would IFA accept a letter from HUD explaining the mechanics of the rent increase and indicating an estimated post-increase rent level?

*IFA will not accept a HUD letter with an estimated post-increase rent level. IFA will underwrite with the HUD approved rents at the time of the Application due date.*

On deals with expiring HAP contracts that require a RCS (rent comparability study) to determine new market rents, will IFA underwrite to the full rents listed in the RCS?

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*For HUD Section 8 Projects with expiring HAP contracts going through contract renewal, IFA will underwrite with HUD approved rents. RCS may be required as part of the process but we would still use the final rents determined by IFA/HUD, not necessarily the RCS rents.*

Would you accept a financing commitment from a LHTF that was contingent upon the LHTF's receipt of FY2014 funds? The Board is scheduled to approve FY2014 LHTF Program awards on December 4, so the timing would be cutting it close. I wasn't sure if you would even entertain a contingent financing commitment like that in the first place???

*A financing commitment cannot be contingent on the LHTF's receipt of FY2014 funds. A commitment letter from the qualified governmental entity must accompany the application.*

If utilizing Enterprise Zone benefits does the Enterprise Zone application need to be filed at the time of application?

*An application for Enterprise Zone credits/rebate needs to be submitted prior to the LIHTC application due date.*

It appears the EZ Sales Tax Rebate is meant to be shown as a reduction in construction uses and not shown as a source. Is this correct? Does the EZ Sales Tax Rebate need to be a credit against Eligible Basis?

*Yes, the EZ Sales Tax Rebate is meant to be shown as a reduction in construction uses. Yes, the EZ Sales Tax Rebate needs to be a credit against Eligible Basis*

How do you handle problems with syndication price and rounding?

*IFA awards 100% of the credits. The \$100 GP contribution should alleviate most of the rounding issues. The system does allow a \$3 variance.*

#### **Section 4.1.3—DSCR**

IFA requires certain minimums for Debt Service and Operating Reserves. If we were to go with the HUD FHA 223f financing, which has a lower requirement, would IFA accept the lower amount if it's a guaranteed mortgage?

*No, refer to 2014 QAP Sections 4.1.3, DSCR & 4.3.1, Operating Reserves.*

#### **Section 4.5.2—Financing Commitments**

Section 4.5.2 requires a commitment for funding from all sources, except HOME funds, that specifies the value of the commitment, the use of the funds and time limitations. For projects proposing funding from the syndication of Federal Historic Tax credits, in addition to a syndicator's LOI that specifies the value of the commitment, use of funds and time limitations, must a current Part 1 or Part 2 be included, and if so, is it adequate to include SHPO's recommendation to NPS, or must an approved Part 1 or 2 from NPS be included, or is the properties listing on the National Register adequate to supplement the syndicator's LOI?

*Part 1 and Part 2 of the Historic Preservation Certification Application are not required. A syndicator's Letter of Interest (LOI) is required.*

Section 4.5.2 requires a commitment for funding from all sources, except HOME funds, that specifies the value of the commitment, the use of the funds and time limitations. For projects located in an area entitling them to an Urban Revitalization Tax Exemption conditioned on an application due February 1, 2014, what documentation must be included to support this source of funds inclusion in the operating pro-forma?

*A commitment letter from the qualified governmental entity must accompany the application. Also see 2014 QAP Section 6, Location, Category 3—Local Government Contribution.*

### **Section 4.5.3-Financing Commitments**

Appendix J mentions that this product is for service enriched housing for seniors and persons with disabilities. Are there other requirements to qualify a project for service enriched housing?

This loan program is available to senior housing projects as defined in the QAP –there are no service enriched requirements.

The lender we are working with has asked if this loan can be in second position to their conventional loan? We are also proposing a HOME loan for this particular project. I understand that you can use HOME in conjunction with the Senior Revolving Loan, but how does this affect position with the conventional lender, if at all?

The senior living loan must be in 1st position. The HOME loan would be in 2nd lien position or potentially third position if you also needed a conventional loan. IFA also has a MF loan program if you wanted to use IFA exclusively on your project.

Do we need to provide a separate pro forma (source/use & cashflow) in addition to the additional commitment letter assuming the Senior Revolving Loan is not awarded?

As noted in Appendix J, provide commitment letters for your alternative funding source along with amortization schedules so we know what payments you want in order to meet the DSCR requirements of the QAP. We are not allowing a different project budget (costs and credit calc) or operating expenses for the alternative plan. Since you will have a HOME loan, the payments will likely change from one plan to the other to meet the DSCR due to the 1% interest rate on the Senior Living loan.

Does the application request for the Senior Revolving Loan essentially become all or nothing? In other words, will IFA potentially award a lesser amount than what was applied for if the funds are available, but just not to the extent applied for?

We will plan to award loan funds to the best extent possible. The highest score will receive the 1<sup>st</sup> award and then we will need to determine the best use of funds for the remainder.

Can applicants use Senior Living with HOME Funds?

*Yes. The Senior Living loan would be in 1st position.*

May I list alternate funding sources in the event the Senior Living Revolving Loan or the Transitional Housing Loan is not awarded to my project?

*Refer to Appendix I and J on the IFA website*

*Also see QAP Section 4.5.3--If a loan is being requested from IFA for a revolving loan program, the Applicant may submit the designated financial documents listing the IFA construction and/or permanent loan(s) listed as a source, and may submit the designated financial documents with an alternative source for the construction and/or permanent loan(s).*

### **Section 4.7.1-General Partner Contribution**

Is the General Partner Contribution of \$100 built into the “total sources of funds” on the Costs and Credit Calc Tab?

*Yes, the General Partner Contribution of \$100 is built into the application. The applicant may contribute more than \$100 by listing the contribution in the funding sources table.*

In regards to the minimum \$100 GP contribution, what if they are contributing more than \$100?

*The GP can contribute more; the \$100 is a minimum.*

## **Section 4.9—Cost Caps**

My understanding is that these are proposed, not finalized caps. Is that correct?

*The IFA Board approved the final QAP on October 2, so these are final numbers.*

How are these caps determined?

*IFA chose to use the 221(d)(3) limits as determined by HUD for 2014. These caps are generally higher than what was listed in the 2013 QAP. The 221(d)(3) limits have been widely used as a benchmark for cost caps by many state housing agencies.*

Why are the caps different for different regions in the state?

*This is a determination by HUD.*

## **Section 4.9.1—Tax Credit Cap**

Is the 30% boost applied only to the Tax Credit per Unit Calculation and not the total project costs?

*If the Project is eligible for the 30% Boost per 2014 QAP Sections 7.2.1 and 7.2.2, then the Project would be eligible for the 30% boost in the Tax Credit Cap per LIHTC Unit and eligible basis. The 30% boost does not apply to the total project costs or the Unit cost cap listed in 2014 QAP Section 4.9. The Unit cost caps are maximum amounts.*

What LIHTC credit cap applies if you have an adaptive reuse project?

*There is not an adaptive reuse category under the LIHTC credit cap, so you will use the LIHTC credit cap for acq/rehab.*

*If your project includes both adaptive reuse units and new construction units, you will use both the LIHTC credit caps of acq/rehab and new construction based upon the number of units there are in each category.*

## **Section 5—Threshold Requirements**

*Can you submit an application for an existing LIHTC Project which is still in the initial 15 year compliance period and is transferring ownership?*

*IFA will not allow a project to transfer ownership AND apply for additional low income housing tax credits. There are various concerns, but the primary reason is based on the fact that the project is still in the initial 15-year compliance period. IFA has not allowed a project to transfer ownership AND apply for tax credits prior to the expiration of the 15-year compliance period.*

## **Section 5.4.1-Appraisals**

*We have an appraiser that was suggested to us by IFA that is not an MAI certified appraiser. They have appraised a number of projects for IFA in the past and are willing to work on our project. Is this someone we can use?*

*No, an MAI (Member of the Appraisal Institute) certified appraiser is required in the QAP. Appraisers with an MAI designation are monitored and held to a higher professional and ethical standard than licensed appraisers.*

*Also, could you verify that we can submit the appraisal 30 days after the December 9th deadline?*

*Please refer to 2014 QAP, section 5.4.1.1 and 5.4.1.2.*

Is there a list of approved appraisers that are in good standing?

*No, you must use an MAI certified appraiser, who is not a related party and is currently in good standing.*

Pursuant to 5.4.1.2, Please confirm that an “as-is” appraisal will suffice for LIHTC-HOME application requirements. We understand that another appraisal will be required after receiving LIHTC-HOME award that establishes the “as-completed” value.

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*The Applicant must provide an “as-is” appraisal with the Threshold Application. A successful Applicant must submit an “as completed” appraisal 60 days after the LIHTC/HOME award date.*

Can you please tell me the required elements of the appraisal for the LIHTC-HOME application? Can it just be an “as-is” appraisal?

*We will need an “as-is” value to determine the purchase price and “as completed” value for the HOME requirement. Refer to 2014 QAP Section 5.4.1*

What special elements are required of the appraisal the will determine the value of the land and/or buildings that is being donated for scoring points under Section 6, Location, Category 3—Local Government Contribution? An “as is” appraisal must be completed by an MAI certified appraiser who is not a related party and is currently in good standing.

### **Section 5.4.2—Qualified Development Team**

*If I am only doing new construction, I do not need a lead service provider as part of the qualified development team, correct? This may not be lead as in “led,” but lead as in “leed.” However, either way, I would be interested in knowing if this is a mandatory development team member. If it is “led,” I don’t think I need it because my project is now all new construction. If it is “leed,” I don’t think I need it because I believe IFA did away with the service provider requirement in this 2014 version of the QAP.*

*A lead service provider is not a mandatory development team member. Refer to 2014 QAP Section 5.16 (m) An Energy Consultant is a mandatory development team member, but does not have to be LEED certified.*

For projects relying on a Development Consultant to satisfy the requirements of Section 5.4.2, is a Consulting Agreement committing the Development Consultant to consult with the Developer in support of the Developer’s accomplishment of all phases of the development process adequate, and if not, what additional provisions must be included in the Consulting Agreement?

*The Development Consultant shall be listed as a Project Team member and a Development Agreement (Exhibit 9T) is required. In the Development Agreement the consultant must commit to assisting the Project through the 8609 issuance. The agreed upon consultant fee shall be disclosed as well.*

### **Section 5.4-Readiness to Proceed**

What evidence of site control is needed?

*See Appendix 1.A.*

### **Section 5.4.3-Capital Needs Assessment**

Who performs the CNA?

*The CNA must be prepared by a competent third party that regularly provides CNA’s as a basic or core service. The third party may be a member of the Qualified Development Team with prior approval by IFA, but may not be the Ownership Entity or Developer.*

### **Section 5.16—Targeting Plan**

Per this section a minimum of 10% of all units must be Fully Accessible on the building accessible routes which include all floors if an elevator is provided. Per page 8 of the Mandatory Developer Training handout; Buildings Tab a) Accessible Units MUST be disbursed throughout the Project rather than segregated and if a project offers units with different bedroom sizes, then all Accessible Units need to be disbursed throughout all bedroom sizes as well.

Our proposed project (townhouse style) which has a HUD HAP Contract contains existing conditions which prevent the segregation of the accessible units. Achieving the required 10% will cause the unit mix per bedroom size to change due to the existing conditions. This will then require the existing HUD HAP Contract to

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be amended; something we believe can be amended. Since the IFA Preservation Set Aside is a priority for the State, would you allow a waiver regarding the disbursement of accessible unit sizes/buildings as long as the 10% accessibility is met to achieve preserving existing HUD complexes?

*No, a waiver will not be contemplated.*

How are supportive services funded?

*There is not a requirement that the project must fund or supply supportive services.*

*If the project provides supportive services, it is generally funded through Medicaid, a local lead agency, etc. and will be an operating expense.*

Do you need Local Lead Agency picked out at the time of application?

*No, the Local Lead Agency needs to be identified at Carryover/10% Test Application submission.*

In last year's QAP, there was a requirement to include \$150 per unit in the operating budget. I do not see that in this year's plan. If this fee is not included in the budget (under this year's application) is the developer penalized in any way?

*The 2014 QAP eliminated the past requirement for a service budget consisting of a \$150 per unit minimum annual contribution. Accordingly, the Supportive Services requirement and the Service Coordinator-Employee line items are no longer required under Section IV-- Other Expense under the Projected Operating Costs Tab in the 2014 online application. Section 5.16 of the 2014 QAP states that projects targeting Units under that subsection are not required to provide on-site supportive services or a service coordinator. No penalty will be incurred for adhering to the QAP requirements.*

*There is a line in the Projected Operating Costs Tab in the online application to show supportive services expenses, if needed.*

## **Section 6--Scoring**

### **Resident Profile**

#### **Category 1, Serves Lowest Income Residents**

To calculate the required number of units to receive the 15 points under Resident Profile Category 1, is it 15% of total units or 15% of the LIHTC units?

*It is 15% of the LIHTC units.*

#### **Category 2, Mixed Income Incentive**

*Under Resident Profile Category 2-Mixed Income Incentive you can get up to 15 points for market rate units. Is this percentage based on the total number of units in the project?*

*The percentage is based on the Total Project Units.*

*Secondly, under this same category you can achieve another 5 points for 30% AMI units. Is this percentage based on the total number of units in the project or the LIHTC units. I mention this since a previous answer for a question under Category 1 stated that the percentage of 40% AMI units was based on just the LIHTC units.*

*The percentage is based on the Total Project Units.*

#### **Category 4, Opportunity for HOME Ownership**

Can HOME be used in a single family (ROSE Program) project?

*Yes. HOME funds can be invested in this type of rental project. Some additional restrictions would apply at the time of sale to the tenant if the unit is still within the affordability period.*

### **Category 5, Rent Reduction**

I understand that all the 60% AMI units must be at the 50% AMI LIHTC rent level if I am electing points for scoring category Resident Profile Category 5, Rent Reduction, and I'm electing the 40/60 set-aside. If I am applying for HOME funds and am requesting points under 2014 QAP, Resident Profile, Category 5—Rent Reduction do the gross HOME rents at 50% have to match the Resident Profile, Category 5—Rent Reduction rents at 50% AMI?

No, the gross HOME rents of the 50% units do not have to match the Resident Profile, Category 5—Rent Reduction rents at 50% AMI, as long as the maximum gross HOME rents are the lesser of the LIHTC or HOME rent requirements.

We are electing for 60% AMI incomes but 50% rents. For each individual unit in the buildings section, it asks to elect CMI%. Would we put in income % or rent %?

You would enter in the 60% AMI income level but if you elect the rent reduction points, the system will apply the 50% AMI rent level.

If I am electing points for scoring category Resident Profile Category 5, Rent Reduction and I'm electing the 40/60 set-aside, how do I enter the unit information to obtain the points? Do I enter 60% or 50% AMI at the unit level?

*If 40/60 Set-Aside is elected, then all units would be 60% AMI units at the unit level, but if the box is checked reflecting the points for rent reduction, the system will check at the LIHTC rent level to ensure the gross rents don't exceed the 50% AMI rent level.*

Category 5-"Rent Reduction" offers 15 points if 100% of the tax credit units are at 10% below the applicable LIHTC limits. Does this mean that if I also want to try to achieve points in categories 1 and 2 that I have to set rents at 30% AMI (40% less 10%) and 20% AMI (30% less 10%)? I have never seen a request for rents at 20% AMI before.

*The rent reduction requirement only applies to 50% and 60% AMI units relative to the Owners minimum set aside election, as stated in 2014 QAP Section 6, Resident Profile, Category 5.*

### **Location**

#### **Category 2, Great Places**

I did not see any required documentation to support taking the points for this category. Last year there was exhibit 4S. There is no exhibit this year. Will there be a list provided or do we obtain the letter from the state as we did last year? *If the entire Project will be located in and be a part of a Great Place community approved by the Department of Cultural Affairs mark the box if points are requested for this category. Reviewing Scoring Tab prior to submission to ensure requested points for this category, if applicable, is shown. IFA obtains a list of qualifying communities from the Department of Cultural Affairs.*

#### **Category 3, Local Government Contribution**

Will funding from NeighborWorks America qualify as a "Local Government Contribution?"

*No, refer to 2014 QAP Appendix 2, Glossary-Local Government Contribution.*

Can the local government contribution for the project be in the name of the general partner?

*Yes, when the General Partner is a qualified nonprofit entity.*

We are working with a local municipality who would like to contribution a specific amount of funding to the project, but they would like to leave themselves flexibility as to how they provide the funding. They are contemplating a combination of cash, permit fee waivers and TIF financing. Would it be allowable for the City to provide the hard commitment for a specific amount, but leave the actual funding mechanism flexible?

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*No, the amounts must be specified in Exhibit 5S—Local Government Contribution.*

For scoring purposes of Local Government Contribution, will IFA require an official approval from IEDA for Enterprise Zone Credits or will submission to IEDA for the credits be sufficient?

*Exhibit 5S must be signed by the appropriate Government entity; in this case (Iowa Economic Development Authority) IEDA or the city.*

Will the local Enterprise Zone Commission approval satisfy the QAP scoring requirement for local government contribution?

*Exhibit 5S must be signed by the appropriate Government entity; in this case (Iowa Economic Development Authority) IEDA or the city.*

Can you please help me further define this section and give me some examples of what type of agencies, departments or similar subunits would be allowable?

*An example of a local government contribution could be a local school district that donates, or sells below market, a closed neighborhood school building to a developer. If you have a question whether a specific agency is qualified or how to calculate the contribution amount, please contact IFA.*

Does a commitment of City HOME funds, structured as a loan, get entered in the last box of 5S Local Government Contribution (below market interest rate loan)?

*It depends on how the city/county discloses the contribution on Exhibit 5S.*

*If it is a grant then the contribution is the full value of the grant (the value of the grant will come out of basis). If it is a below market rate loan then the contribution is the value of the interest savings. A zero interest loan with a balloon payment would be treated as a below market rate loan.*

If a county housing trust fund also commits funds structured as a loan is that entered on the same form as the local government (in this case city), or should the trust fund complete its own form as a county entity?

*The LHTF must complete its own Exhibit 5S as a Political Subdivision. For scoring purposes under this Category, a Government Entity or Political Subdivision contribution to a Project provided through a certified Local Housing Trust Fund (LHTF) will be considered a qualified Local Government Contribution only if the Applicant provides documentation from the LHTF that the Government Entity or Political Subdivision has made contributions to the LHTF during the current fiscal year totaling at least the amount of the proposed Local Government Contribution to the Project.*

Is the assessor's valuation adequate to determine the value of a City's contribution of vacant land?

*No, an appraisal is required.*

How do we account for a tax abatement contribution and a related tax abatement loan as a funding source?

*Funding sources might not match the local government contribution. As an example, the city would include the total amount of the tax abatement in Exhibit 5S however, in your funding sources you would list the amount of the tax abatement loan supported by Exhibit 6T.*

What happens if project costs go up resulting in a lower percentage in local government contribution?

*We recognize that this can happen and we require that the local contribution be at least the amount submitted at the time of Threshold Application. IFA would not require an increase in the local contribution amount after an award has been made.*

In the 2014 QAP, City HOME funds are allowed to be considered in this section. Is the contribution the total value of the funds?

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*It depends on how the city/county discloses the contribution on Exhibit 5S.*

*If it is a grant then the contribution is the full value of the grant (the value of the grant will come out of basis). If it is a below market rate loan then the contribution is the value of the interest savings. A zero interest loan with a balloon payment would be treated as a below market rate loan.*

If a Des Moines based project received funds from the PCHTF (Polk County Housing Trust Fund) would it count as a Local Contribution if the primary source of funds is from Polk County through the PCHTF and not the City of Des Moines?

*Please refer to 2014 QAP Section 6, Location, Category 3—For scoring purposes under this Category, a Government Entity or Political Subdivision contribution to a Project provided through a certified Local Housing Trust Fund (LHTF) will be considered a qualified Local Government Contribution only if the Applicant provides documentation from the LHTF that the Government Entity or Political Subdivision has made contributions to the LHTF during the current fiscal year totaling at least the amount of the proposed Local Government Contribution to the Project.*

If the site we are working with is owned by the school district, is it considered by IFA to be a ‘qualified Government Entity or Political Subdivision’ under the Local Government Contribution section? Is their donation of land or a building or sale at a price below appraised value would qualify for points in this section. *A school district would qualify as a Political Subdivision under Local Government Contribution. The value contributed would need to be supported by an appraisal and purchase/option contract. Refer to Exhibit 5S for details.*

The 2014 QAP lists the Enterprise Zone Credit as an eligible source of Local Government Contribution. Would this also include the sales tax rebate portion of the Enterprise Zone benefits, or is it strictly limited to the credit portion?

*The contribution value of the Enterprise Zone credit is the discounted equity value, not the full amount of the credits. The sales tax rebate is also an eligible contribution.*

What rate do you use for a market rate loan?

*Use no higher than 7%.*

## **Building Characteristics**

### **Category 1, Market Appeal**

For a single family homes project we will be installing a 4 foot sidewalk/path and have seating along the sidewalk in the middle of project. The City is installing street lights, which are downward directed as specified in the application guidelines. This sidewalk will run the length of the project. Would that qualify as a walking trail for the points?

*No, a walking path on the property that is paved, has a width of no less than four (4) feet and has effective lighting directed towards the ground. Benches or other seating options will be provided to offer tenants a place to rest. Street lights will not qualify as effective lighting.*

Is it correct that IFA now requires a casino grade video monitoring system capable of capturing and storing facial recognition images anywhere on the property including the playground, walking trails, etc.? Can IFA provide technical specifications for a point eligible video monitoring system that a vendor could use to prepare a bid?

*No, a video security system shall record activity at the site such that no part of the site can be accessed without that activity being recorded at a level of resolution wherein the persons recorded are recognizable. The recordings must be maintained for a minimum of 30 days.*

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## **Category 2, Buildings with Historical Significance**

What does IFA require as evidence that state historic tax credits will be available prior to the carryover 10% test date?

*Generally the State Historic Tax Credits are not committed by SHPO at the time of Carryover/10% test and a GP loan is shown as a funding source. IFA will need to receive a copy of the application for State Historic Tax Credits at the time of Carryover/10% test application.*

If utilizing Federal Historic Credits does a Part I need to be filed or is it acceptable if proof of registration in a National Historic District is shown?

*In order for the project to be eligible for historic credits the entire Project must be on the National Register of Historic Places or it must be determined eligible for the National Register by the State Historic Preservation Officer.*

Is a provisional reservation of historic tax credits from the State Historic Preservation Officer adequate documentation in this Category?

*In order for the project to be eligible for historic credits the entire Project must be on the National Register of Historic Places or it must be determined eligible for the National Register by the State Historic Preservation Officer.*

*State Historic Tax Credits may be listed as a source of funds, provided that the Applicant can demonstrate that the credits will be available to the Project prior to the due date of the Carryover-10% Test submission date.*

If you have a qualified historic project and you are adding new construction, will this still qualify as a historic project?

*You can add new construction to the project as long as all buildings qualify. The entire project must be on the National Register of Historic Places or be determined eligible for the National Register by a State Historic Preservation Officer.*

## **Category 4, Construction Characteristics**

In Category 4 "Construction/Unit Characteristics" it allows for 0-8 points based on "Exterior construction: durability", how is this calculated?

*Refer to the Online Application Training Guide, Part A, 9-c-(i). The online application will provide the value based on your election in the Project Amenities Tab.*

## **Category 5, Olmstead Goals**

*All site managers at the property's 'onsite leasing office' will complete mental health First Aid Training as explained in the 2014 QAP. These site managers have set fixed hours at the property, but do not live on the property. Please confirm we can claim the 2 points for this portion of Category 5 (Olmstead Goals).*

*Yes, please refer to 2014 QAP, Section 6, Building Characteristics, Category 5—Olmstead Goals.*

We intend to rehab a 1978 project that has 24 two-bedroom apartment flats in two three-story buildings plus 4 two-level three-bedroom townhouses for a total of 28 units. The first floors of the two-bedroom apartments are on accessible routes. We propose to make 7 of these first-floor units (i.e. 25.0% of units) fully Accessible, and give the eighth (i.e. 3% of units) Accessible communications features. Our percentage of units would therefore be 8 of 28, or 28%. We believe this would entitle us to 7 points, but our concern is IFA would require a mix of two- and three-bedroom apartments within the Accessible mix. We do not believe we can make any of the three-bedroom units Accessible without building an external elevator which would serve just one unit.

*To receive points in this section, accessible units must be distributed among all bedroom sizes and buildings. A chair lift may be a possible alternative to an external elevator.*

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If we put any accessible or Type A units on a 2<sup>nd</sup> or 3<sup>rd</sup> floor do we need to have an elevator to truly make them accessible and be on an accessible route & to get points?

*Yes.*

If we have two-three story buildings with no elevator in the Project, is it acceptable to put all the accessible units on the ground floor of each building as long as the accessible units are distributed among all bedroom size. Could we be eligible for accessible unit points under 2014 QAP Section 6, Building Characteristics, Category 5—Olmstead Goals?

*Yes, provided all the accessible units and the Projects amenities are on an accessible route. In order to receive points you would need to meet the requirements outlined in 2014 QAP Section 6, Building Characteristics, Category 5—Olmstead Goals.*

IFA's new targeting plans require 10% of the units to be fully handicapped accessible. Given the Olmstead ruling does this new targeting requirement essentially mandate elevators in all newly constructed apartment buildings so as not to have all of the fully accessible units "clustered" on the ground floor?

*We do not require elevators in buildings up to 3 stories. Accessible units must be dispersed between all bedroom sizes on an accessible route. A building without elevators will not be able to utilize the upper level floors with accessibility and visitability.*

How do you come up with the 12 points in the Olmstead scoring section, we are having issues with the rounding of units exceeding total project units?

*The number of Visitable units may be rounded down beyond the nearest whole Unit number so as not to exceed the total number of Project Units. All other fractional calculations (Fully Accessible, Accessible Communications Features, and Accessible Type A) must be rounded up to the next whole Unit number.*

Under the Olmstead scoring category, can a Project receive the full 12 points if they are 100% accessible with the 2% for communication features even though the chart says visitable is required? If it is fully accessible, isn't it visitable?

*Yes, a Project that meets or exceeds the percentage thresholds for each Accessibility category as specified in the chart under Category 5, Olmstead Goals scoring will be awarded the full points for which the Project qualifies. In your example, a Project committing to develop 100% of the Units as Fully Accessible with 2% of the Units with Accessible Communications Features would be awarded 12 points. Likewise, a Project committing to develop 10% of the Units as Fully Accessible plus 2% of the Units with Accessible Communications Features and all remaining Units as Additional Accessible Type A would also be awarded 12 points. A Unit that is either Fully Accessible or Accessible Type A will, by definition, exceed Visitability standards.*

### **Category 6, Readiness to Proceed**

We are in the process of competing an application for a Phase II in Grimes, there is not going to be an onsite manager's office for these townhouses, they will be managed through the onsite office which already exists for Dovetail Family Housing, which is 601 SE Dovetail. Can we use that address for this application? I am completing the Readiness to Proceed exhibits?

*You must use the primary address of Phase II. You cannot use the address of a previous Project.*

I define "utility extension" as construction of new lines from the current utility location to the site of the subject property. Is IFA's definition different?

*Refer to 2014 QAP Section 6, Building Characteristics, Category 6—Readiness to Proceed—Utilities. The Applicant demonstrates that all of the required Utilities are already available at the Project site, they are*

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*adequately sized for the Project, and no extensions are needed. A letter from the applicable utility companies shall be required. Also, refer to 2014 Exhibit 9S—Readiness to Proceed—Utilities.*

I assume that an extension of service is a situation where service is available in the area but is not currently available at the site and in order to provide service to the site utilities must be constructed from the existing location to the site of the proposed project. Please confirm.

*Refer to 2014 QAP Section 6, Building Characteristics, Category 6—Readiness to Proceed—Utilities. The Applicant demonstrates that all of the required Utilities are already available at the Project site, they are adequately sized for the Project, and no extensions are needed. A letter from the applicable utility companies shall be required.*

If the intention is to only use electric, water, and sewer utilities, do you need a gas confirmation letter to receive the maximum amount of points in this category, or will getting everything other than gas suffice for these points?

*No, provide only the utilities that are required for the Project.*

If a city approves a resolution with the intention of changing zoning after the applicant receives an award of credits, will this resolution be sufficient for readiness to provide points?

*No, zoning must be appropriate at the time of Threshold Application to be eligible for readiness to proceed points.*

If you have correct zoning but need a special use permit, would this qualify for readiness to proceed points?

*No, to receive points you would need to have the special use permit prior to application submission.*

### **Category 7, Impact on the Environment**

Because passive radon systems are normally installed in new construction projects; is it possible to receive the 2 points available if a radon mitigation system is installed in a renovation project?

*Yes, as long as the requirements stated in 2014 QAP Section 6, Building Characteristics, Category 7—Impact on the Environment are met.*

### **Category 8, Energy Efficiency**

Is a developer penalized for failing to follow through on green building points claimed in their application? How so?

*Yes, the IRS Form 8609 will not be issued until all measures are met.*

Our project is both new construction (24 units) and adaptive re-use (19 units). If we claim energy efficiency points on the New Construction piece (HERS Index of 64 or less), but not on the Existing Structure piece, are we eligible for the full eight points? Or are we only eligible for a pro-rated share of points (category indicates 0 to 8 points available)? How should I handle this in the online application?

*Both requirements must be met and both boxes in the online application must be checked if points are sought.*

### **Other**

#### **Category 2, Developer/Owner Contribution**

Can you please help me understand the Developer Contribution section of the QAP? Would I be able to get points in this section in a form of a seller carryback note or deferred developer fee? If not, what is allowable?

*To qualify for points in Scoring Section 6, Other, Category 2—Developer or Owner Contribution, the contribution must be a cash contribution (equity) to the Project, it cannot be a loan, deferred developer fee or seller carryback note.*

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Does a GP loan qualify as a Developer/Owner contribution?

*To qualify for points in Scoring Section 6, Other, Category 2—Developer or Owner Contribution, the contribution must be a cash contribution (equity) to the project, it cannot be a loan.*

## **Sections 7-13**

### **Section 7.2.2**

Can you please confirm that projects located in all non-MSA's (Denison and Mt. Pleasant in our case) may be eligible to receive a thirty percent increase in eligible basis per section 7.2.2 of the QAP? I want to be sure that we can include the basis boost when calculating our tax credits. .

*Refer to 2014 Appendix B. If the Project is in a non-MSA locality, the Cost and Credit Calc Tab in the Application will calculate the basis boost.*

### **Section 8.3—Material Changes**

We are in the process of obtaining our Loan and Equity Commitments. However, sometimes a better deal can be worked out after award of credits. Therefore, we are asking if a change in Lender or Syndicator/Investor is considered a material change. It does not specifically state it is but we want to ensure that is the case.

*No, a change in Lender or Syndicator/Investor is not a material change.*

### **Section 8.9.2—Prior to Placed in Service Date**

I see the ASHRAE language was removed from Appendix 1-G.21 under Energy Efficiency. Is 8.9.2 still a requirement?

*This is still a requirement. The Project is required to meet the 2012 IECC.*

## **Appendix 1—Threshold Requirements for Bldg/Const/Site & Rehab**

### **A. Site Control**

Does a title commitment need to be provided at the time of the application?

*No, refer to 2014 QAP, Appendix 1A—Site Control.*

### **E. Access to Utilities**

**What evidence do I need to provide with my Project application that adequately demonstrates per Appendix 1 we will have the sewer extension in place prior to the start of construction?**

To meet threshold requirements, submit a narrative that satisfies the information requested in 2014 QAP, Appendix 1, E—Access to Utilities. If this narrative is insufficient, IFA will request clarifying information in the deficiency notification.

Note—if an utility extension is required, the Project is not eligible for points under Section 6, Building Characteristics, Category 6—Readiness to Proceed—Utilities.

### **G. Minimum Development Characteristics**

#### **17-Accessible Units**

In the recent Q & A, an answer was provided regarding Minimum Development Characteristics-Accessible Units concerning unit distribution. In your reply, you stated that the accessible units must be distributed among all **buildings** and **bedroom sizes**. The QAP does not appear to state this. The QAP says that the units must be dispersed throughout the Property rather than segregated. It does not state anything about distribution amongst unit sizes. In order to score added points 50% of the LIHTC units be either Accessible or Type A and be 2, 3 or 4 bedrooms. It specifically states “or” not distributed among all unit types. Is this not correct?

*Refer to Section 504, HUD regulation 24 CFR 8.26 and 2014 QAP Appendix I, F – Building Standards.*

Does the 10 percent figure relate to the project as a whole, or must the units be spread out proportionately to the units?

*10% of all Project units and buildings must be accessible. Accessible units must be distributed among all bedroom sizes and buildings.*

### **20-Closets**

ADA requirements do not allow closets over 20" deep on the inside. If you count the wall you hit the 2' requirement. They just want to verify that you are not seeking 2' on the inside of the closet but for the overall dimension.

*In Appendix 1, G20, the dimensions indicated for closet sizes, 2'x3' and 2'x5', are nominal dimensions, to centerline of wall.*

Is a broom closet required or not?

*No, please refer to the Final 2014 QAP Appendix 1, G20.*

If a larger unit has 2 linen closets do they both have to be 2'x3' or does only one of them have to meet that? I suppose one is the linen and the other is just an extra storage area.

*We have a minimum requirement. There are no requirements on anything above the minimum.*

### **21-Energy Efficiency**

It says in the first paragraph you only have to test an amount of the units. In the next paragraph it states that the design must meet the 2012 IECC and the architect must certify to that. To meet the 2012 IECC you have to test every unit. The architect would like some clarification.

*We only require the amount we ask for, but they need to meet the 2012 IECC. They need to test every unit per Code and submit to IFA the required number units tested as outlined in Appendix 1.*

I see the ASHRAE language was removed from Appendix 1-G.21 under Energy Efficiency. Is 8.9.2 still a requirement?

*This is still a requirement. The Project is required to meet the 2012 IECC.*

### **22-Minimum Square Footage**

Does the minimum square footage apply to acq/rehab projects?

*We took out the exemption request in QAP because acq/rehab units will automatically be exempt. New units and adaptive reuse units still need to meet the QAP minimum square footage requirements.*

## **Online Application**

**Is there a specific way that we can view the completed applications online once they are received? As a syndicator we are interested in a few projects that we anticipate will be applying for credits.**

**Prior to the award date, applicants can grant access to individuals or entities that they want to view their application. Refer to Online Application Training Guide, Section A3. After the awards are made, this request would be satisfied through a public information request.**

**I believe applications with a due date approaching very soon for tax credits are available to public. If so, how can the public access such application?**

**Refer to 2014 QAP, Section 3.3—Contact with IFA After the Application is Received.**

Can you delete extra copies of applications?

*No, every year we delete applications that were not submitted the prior year.*

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Do you have to change or add a guest or reviewer each year?

*Yes, it must be done for every year for every application.*

Can you copy a 9% application to a 4% application?

*No, if you have this need, please contact IFA for assistance.*

Can you copy a withdrawn application?

*No*

### **Project Name and Location Tab**

Our Political Jurisdiction is requesting clarification of the CEO acronym. Does this stand for Chief Elected Officer? If yes, the City wants us to list the mayor. If the acronym stands for Chief Executive Officer, the City wants us to list the City Manager. Can you please clarify?

*Chief executive officer (or the equivalent), per Section 42.*

### **Targeting Plan Tab**

Are we supposed to check the Boarding Home Registration box to acknowledge that there is such a law or that our project might fall under this law? We are confused as to whether or not we should also check the box for this first paragraph. The paragraph is set in the context in the online application of other required acknowledgements we must make – such as fair housing and the targeting plan. I am wondering if this first paragraph is also one of these required acknowledgements.

*Yes, the check box must be marked to acknowledge the Applicant is familiar with, understands and will comply with Iowa's Boarding Home Registration Law, as set forth under Iowa Code Chapter 135O and Iowa Administrative Code 481 – chapter 66. After review of the law and administrative rules in consultation with appropriate individuals and entities, the Applicant should then mark the appropriate "radio button" selection indicating the Applicant's determination as to whether Iowa's Boarding Home Registration Law will or will not apply to the Project.*

### **Ownership Entity Tab**

**For purposes of the application, can we use the DUNS number of the General Partner, instead of obtaining one for the Limited Partnership?**

**No, you must obtain a new DUNS number for the Ownership Entity.**

**What do you do with the DUNS numbers- how do you use them?**

**It is a HUD requirement.**

Is it acceptable for Ownership Entities to be filed in another state, but still be registered to do business in Iowa?

*Yes*

### **Project Amenities Tab**

The site manager we plan to use is a full-time site manager with set hours she is to be at the project. She does not live at the property. Please confirm this is considered 'on site'.

*This situation would be considered an onsite leasing office not a 24 hour onsite manager.*

If the proposed building is another phase of an existing project can we claim the onsite manager points if there is an existing rental office in one of those existing phases?

*An onsite manager is not a scoring item. A full time on site manager should adhere to Revenue Rule 92-61, Full Time Resident Manager in Building eligible for Low Income Housing Credit.*

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Under the Section 42 application section "Project Amenities: Exterior Construction and Durability", the QAP states that there are 0-8 points available. In the application, four different exterior construction materials selections are provided as options but there is no corresponding point score. (i.e. 60% brick, 100% cement fiber board, etc.) Please clarify the scoring ramifications.

*Refer to the Online Application Training Guide, Section B(9)(c)(i).*

Is the community room optional? Appendix 1 did not have any requirements for a community room and there are no scoring requirements but there were square footages requirements based on the community room definitions. Under Project Amenities - construction characteristics, there is an option for the community room and the square ft.

*Yes, a Community Room is optional. If you choose to include a Community Room as an amenity to the Project, you must comply with the Community room description in the 2014 QAP, Appendix 2—Glossary.*

Does reference to an "on-site" manager necessarily mean the property manager lives on-site in a unit designated for a manager?

*Yes, in order for it be a manager's unit it has to be necessary for the success of the project and the manager needs to be full time. Rent cannot be charged on the unit.*

In regards to the microwave requirement, can this be a free standing microwave?

*Yes*

If a special needs tenant does not want a range, can you request a variance?

*If it is not a Single Room Occupancy (SRO) then an exception or variance is not allowed.*

*Refer to Appendix 2-Glossary for SRO requirements.*

### **Buildings Tab**

Can you copy buildings on the Building Tab?

*No, you can copy units but not buildings.*

### **Costs and Credit Calc Tab**

My Rehab costs do not carry from the Cost and Calc page to the Feasibility page.

*Enter the rehabilitation costs per building in the Building Tab and it will show on the Financial Feasibility Tab.*

### **HOME Tab**

*I was confused as to how we should be filling out "Staffing Experience for Proposed Project" under "Capacity" in the HOME Tab of the Online Application. I don't understand what you want us to fill out in each box. When you say "staff member," what staff members are you talking about, full-time employees of whom? I guess I'm just not sure how the rows and columns are supposed to relate to each other. Will every box be filled out?*

*If possible, I was wondering if you could include an example of what we're supposed to put in each box.*

*You need to demonstrate capacity for each line item applicable to your Project by entering one or more persons on that line item under that person's applicable column. Staff members can be members of the Development team, General Partner, managing member or any other entity(ies) responsible for required elements of the Project.*

## **Exhibits**

I am having issues finding Appendix D with the Section 221 d 3 unit cost limits. All I found was Appendix C and those contained the unit cost limits as of 2010? Help?

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*Refer to Help Tab on the Online Application and the Appendices Tab on the 2014 LIHTC page on the IFA website.*

Do you have to use 2014 Round Exhibits?

*Yes, each and every exhibit changes each and every year.*

Can we delete exhibits?

*No, you can add another exhibit and mark “use this”, or contact Stacy Cunningham and she can have it deleted.*

## **T—Threshold**

### **1T—Application Certification**

In reference to the contractors certification on Exhibit 1T, is this “are registered”, or “will be” registered to work in Iowa?

*“Are registered”. Refer to Exhibit 1T.*

### **4Tg—Board Resolution approving actions of corp. concerning proposed project**

Regarding “Exhibit 4Tg – Board Resolution Approving Actions of Corp. Concerning Proposed Project” – does IFA require any particular language to be contained in the resolution? Does IFA have sample/model language to use in the resolution?

*IFA requires a Board Resolution approving actions of the Corporation concerning the proposed Project. There is not a standard format.*

### **5T—Letters of Intent**

What documentation is required to be uploaded if seeking Affordable Housing Program (AHP) funding?

*A commitment letter is required.*

### **8T—Ten Year Rule**

A question on form 8T, what is the waiver referenced at the bottom of the form?

*Please refer to Section 42(d)(6) or Treasury regulation 1.42-2(b) on waiver requirements referenced in Exhibit 8T.*

### **11T—Utility Allowance**

I am working on a project in a smaller satellite community that is located in the MSA of a larger community. The local PHA says they do not have utility allowance information for their community. The PHA in the large community in the MSA has sent me their allowances. Can I use the allowances from the major city for my neighboring city project?

*No, you must use the current local PHA that serves the community in which your Project is located.*

Can a developer use HUD's form 52667, Allowance for Tenant Furnished Utilities and Other Services, to estimate utility allowances? Unfortunately the local PHA is not forthcoming with utility allowance data. The form is published by HUD's Office of Public and Indian Housing and calculates utility allowance based on location and related climate data.

*No, you must use the current local PHA utility allowance.*

We are going to use geothermal so we will be very energy efficient but the PHA utility allowances will not reflect this. Is there another way to calculate the utility allowance?

*You can request documentation from the utility company.*

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Will a determination from energy consultant work in calculating the utility allowance?

No

When do the utility allowance guidelines come out and what if they change prior to Threshold Application submittal?

*You will use the utility allowance guidelines that are currently in place and not older than 13 months.*

### 13T—Relocation Plan

If you have 6-7 acres and 1 house is on the property being rented, do we still have to supply a relocation plan?

*Yes, in a federally assisted project, displacement occurs when a “person” or their property moves permanently as a direct result of acquisition, demolition or rehabilitation and a relocation plan must be provided. Owner-occupied properties are the only situations where full relocation benefits do not apply.*

### 15T, 16T & 17T—Performance Documents

*I submitted forms 15T-17T to the appropriate housing agencies a month ago. The QAP states that after each agency completes the forms, they are to send them to IFA, at which point IFA will upload form 17T onto the Exhibits Tab in the online application. I checked our exhibits tab, and 17T still hasn't been uploaded. I just want to confirm that IFA has received these forms before the deadline. How can I get confirmation that you've received them? If you haven't received them, I would like to know so that I can contact the housing agencies I sent them to.*

All applicants must have submitted 15T, 16T and 17T to all state agencies and uploaded into the on-line application by Dec. 9<sup>th</sup> at 4:30pm which is the same as the application deadline.

State agencies however have been requested to return Exhibit 17T to the Iowa Finance Authority **On December 9, 2013 but no later than January 10, 2014.**

The training manual says that Exhibit 16T must list IRS form 8823's which have been issued against 'the property' in the previous 12 months. Does 'the property' mean the property or properties held by the ownership interest and directly related to the project application? Please confirm that 16T does not need to list any 8823's related to any other properties that the parties (Developer, GP, Management Co, etc.) may be involved in outside of the application.

*Exhibit 16T should list all 8823's issued against each “tax credit property” which they have an ownership interest in as the Developer(s), General Partner(s), managing member, etc., in the last 12 months. If a property has any non-corrected 8823's in the past 3 years, also is to be disclosed on all properties which they have an ownership interest.*

Exhibit 15T asks for all the State financial programs you have utilized in the past. Do you also need to include local contributions on the list as well?

*No, local contributions do not need to be included. In Exhibit 15T, when asked for any state financial programs, we are referring to any financial products that a state may offer (i.e. loan/grant of some form, HOME, state tax credits, etc...).*

If a LIHTC property has not received its 8609, should it be included in exhibits 15T, 16T and 17T?

*Yes, if a Project has been awarded Tax Credits, it should be listed.*

In Section 1, the Exhibit states that it must be completed by Developer/Co-Developer, General Partner, Managing Member and Ownership Interest. Then it requires a Certification to be sign on behalf of the organization. Does the Exhibit need to be completed and signed by the Developer, and then signed and completed by the General Partner/Member and then completed and signed by the Managing Member and then completed and signed by the Owner/Applicant? If I am reading your form correctly, I would submit 4 forms for

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each state that we have participated, but then the form also states that the “Applicant” will complete and submit Exhibit 15T. So I am confused on whether you need a form for each entity listed, or is this form to be signed by the applicant for all of the entities listed above (Developer, General Partner, Managing Member and Ownership Interest) and submitted to each state? And if your intent is that we submit 4 forms (one for each entity) for each state, what if the developer, general partner, managing member and owner are all related entities with an identity of interest? Can we submit one form for each state and have it signed by the applicant?

*A separate 15T shall be completed for the Developer, General Partner, Managing Member and Ownership Interest and submitted to each state. If Developer, General Partner, Managing Member and Ownership Interest are related entities with an identity of interest, one 15T can be submitted for all with a narrative of the relationship. If there is other ownership outside of this defined relationship, then a separate 15T is required for each.*

If my project has been in the program more than 15 years, do we need to disclose any uncorrected federal 8823s/state non-compliances?

*Yes, if the project is still being monitored thru the program and has any uncorrected federal 8823s/ state non-compliance in the past 3 years or any federal 8823s/state non-compliance within the past year.*

Does the state agency return the 17T directly to IFA?

*Yes and it does state this on the 17T form itself.*

## **S—Scoring**

### **Exhibit 3S—Location Near Services**

What do you do if you need a 9 digit zip code and there is no address?

*Use the closest building or intersection or talk to the post office for assistance.*

Are the googlemap directions, walking directions or driving directions?

*It is driving directions. IFA has determined that googlemaps are more consistent.*

If you do not have an official address, what do you use to identify the project?

*Refer to QAP Section 6, Location, Category 1—Contact the LIHTC Manager via e-mail prior to Threshold Application submission.*

If you have 2 sites that are not contiguous but may be across the street, are they considered a scattered site?

*If all buildings are not on 1 site, then it is a scattered site.*

*If you have special circumstances, contact the LIHTC Manager via e-mail prior to Threshold Application submission.*

### **Exhibit 9S, 10S & 11S—Readiness to Proceed Documents**

The City Engineering representative has indicated that a sewer extension will be needed for a LIHTC application on a Des Moines site. Can the Engineer complete the form and add a comment about the needed extension?

*Yes, as long as the individual is a properly authorized city official.*

When will revised Exhibits 9S, 10S and 11S be available?

*Friday, November 1, 2013*

### **Exhibit 6S—Historical Significance**

What documentation is needed for Exhibit 6S (historical significance)?

12/05/2013

*Documentation from the State Historic Preservation Office that the entire project is on the National Register of Historic Places or determined eligible by the State Historic Preservation Officer.*

## **B—Building**

### **3B—Color Site Photos**

What if a building on the site is going to be demolished?

*Note that it is going to be demolished.*

### **8B—Plans and Specifications**

Regarding plan requirements, do the individual building floor plans need to show unit layouts for all units? Is it acceptable if the floor plans reference a unit type, and that unit type is provided on a separate page which shows the unit layout, including all rooms, etc.?

*Yes*

We have three unit types (efficiency, 1br and 2 br ) and as many as twelve different floor plans for the individual units in our historic rehab. Are we required to provide individual floor plans for every single unit that is not typical in size or shape?

*If the building floor plans show the layout in enough detail to show all the application requirements are met, that would be OK.*

## **SA—Set Aside**

Will you confirm that the 5SA is sufficient for non-profit approval for organizations that have received approval in this category in the past? I believe that's how it was last year.

*No, ISA-5SA is required of all applicants seeking the non-profit set-aside approval, regardless of prior years' non-profit approvals.*

Do you need to upload anything specific for the "Two Year Requirement?"

*The required uploads are Exhibits ISA-5SA. The information provided in these uploads must document that the Two-Year Requirement has been met.*

## **H—HOME**

### **H8—Local Support**

Regarding Exhibit H-8 Local Support, are we required to obtain this letter from the governing body of the local government? Alternately, will it suffice to obtain this from another local citizen or organization?

*The letter of local support should be from a local group, organization, or governing body that would be in a position to understand the benefits and drawbacks of the proposed project. The letter of support is not required to come from a governing body.*

### **H23—Sellers Acknowledgement**

The HOME Exhibit list shows that Exhibit H-23 - Sellers Acknowledgment Form is required for all projects seeking HOME funds. However it seems to apply only to those projects that are relocating an existing resident(s). If the project we are seeking HOME funding for is proposing new construction on vacant land is H-23 still required?

*For any acquisitions involving HOME funds, the H23 Exhibit is required. In addition to notification of relocation benefits, this form also covers the requirements of notification of voluntary sale, lack of eminent domain authority, estimated market value, and purchase price offered. The form may be signed by the seller prior to or after execution of the purchase contract.*