

FINAL 2015 Round Q & A

Updated 12-4-2014

All NEW Questions are in RED

IFA Answers to NEW Questions are in BLUE

IFA will rely on the following when interpreting the requirements of the QAP: (1) the QAP, including the Tax Credit Application, appendices, exhibits, instructions, and any incorporated materials; (2) IFA's questions and answers for the QAP; (3) IFA's training guide; and (4) IFA's past practice. IFA may, at its discretion, conduct due diligence to verify information provided by the Applicant. An Applicant's interpretation of the QAP and its requirements is immaterial.

Online Application

I am working on a project that is not in an underserved city, but I am receiving the 8 points for underserved city in the scoring tab. Am I missing something or is this an application error?

There is currently not a building entered in the building tab for the application to identify the address of the building(s). Once you enter a building, the 8 preliminary points should be removed.

If a large company has done only consulting work on over 100 projects in various states and has the information in a spreadsheet form, would IFA accept the spreadsheet as an Exhibit in lieu of having to manually enter 100+ projects' information in the Development Consultant section in the Project Team Tab?

Please add a couple of projects in the Development Consultant section in the Project Team Tab and then select add project and then in the project name field state: See attached Excel Spreadsheet showing listing of all Projects for (Development Consultant Company Name) uploaded with Exhibit 1T. Put N/A in all remaining fields and then select save. The spreadsheet must contain all the project, developer, GP/mm, and Developer information requested in that specific application section.

Buildings: Seem to have all the information entered correctly however still getting red "X". In the Qualified Basis section of the Building tab, are we to fill in the "For New/Rehab Costs" box or is that supposed to flow over from the Costs and Credit Calc section?

Hit the submit button once, and it will inform you of what errors you have.

Site Control: Seems we have everything filled out correctly in this section however still have a red "X" therefore not sure what the issue would be. We have site control via Option to purchase therefore no fee simple ownership yet.

Hit the submit button once, and it will inform you of what errors you have.

Nonprofit Section: We are NOT a nonprofit so wondering how we eliminate the red "X" on that tab in the online application.

FINAL 2015 Round Q & A

Updated 12-4-2014

The Nonprofit tab is not a required tab and the red X will not prevent you from submitting your application.

Section 6.3.5: Where in the online application can we confirm that “All on-site property management staff will complete Mental Health First Aid training ...” in order to receive the 2 points for the Olmstead Goals category?

Applicants answer this question on the Project Team tab under the management company team member.

On the Project team tab we have entered that the co-developer has an identity of interest with the seller of the property. When we enter YES for IOI, the box offers a menu which does not include seller as a party? How do we enter this IOI in the project team tab?

Under Site Control tab select yes to the following question and provide explanation and any exhibits required.

“Does an identity of interest (direct or indirect) exist between the owner/principal or ownership entity with the option/contract for purchase of the property and the seller of the property?”

On the costs and credit calculation tab, how exactly is the “Applicable Fraction” calculated and where does that number come from? What other factors affect this calculation that would be lowering my Applicable Fraction?

Refer to QAP Appendix 2-Glossary of Terms-Applicable Fraction

Does the applicant create the application?

The applicant creates the application and may assign access to others.

Can you copy information from one tab to another in the same application?

No, you cannot copy within the application.

General Questions

Can an applicant which is acquiring a building that has been placed in service within the 10 year period described in Section 42(d)(2)(B)(ii) apply for and be considered for a reservation of the rehabilitation credits only?

Based on the limited details provided, if the project has not received a prior allocation of LIHTC, and otherwise meets the requirements of IRC Section 42, the project may be eligible for rehabilitation tax credits only. A final determination will be made once the application has been submitted. IFA suggests you contact your tax attorney for guidance.

I am requesting a due date for when comments must be submitted to the agency for the 2015 QAP. I am also looking to see when the final 2015 QAP will be finalized.

FINAL 2015 Round Q & A

Updated 12-4-2014

The public comment period ended September 9th and the 2015 QAP was approved by the IFA Board of Directors on October 8th. We held our mandatory developer meetings the week of October 20th. The 2015 LIHTC Applications are due December 9th, 2014.

Can the energy consultant work for 2 different entities?

Yes

When will the Q & A be updated?

We will update the Q & A every Friday.

Nonprofit Questions

What does materially participating mean in reference to the nonprofit set aside?

Refer to QAP Appendix 2-Glossary of Terms.

Does the nonprofit entity have to have a percentage of ownership in the Project?

Yes. Refer to QAP Section 2.2.1-Nonprofit Set Aside.

Does a nonprofit that is materially participating in the project need to submit an Attorney's opinion (2SA) if the project is not competing in the nonprofit set-aside? The nonprofits express purpose is not the promotion of affordable housing, but materially participating in the project is consistent with the nonprofit's express purpose.

Similarly, does the nonprofit need to submit the remainder of documents 1SA -5SA by November 7th if they will be materially participating but not competing in the set-aside?

Yes, Exhibits 1SA-5SA shall be submitted at the time the application is submitted.

IFA indicates that developers are required to share 50% of developer fee with nonprofit partners even if they are not vying for the nonprofit set aside. Since Section 2.2.1 of the QAP indicates that the 50-50 sharing relates to the nonprofit set-aside, does this requirement apply if the project is not applying under the nonprofit set-aside?

Yes, refer to QAP Section 4.6.4 which states, when the General Partner of the Ownership Entity is a nonprofit organization, the nonprofit shall receive no less than 50% of the combined total of the developer and consultant fee. The set-aside is a separate issue.

Does the applicant have to request approval annually to be a qualified nonprofit?

Yes

Can an applicant use the same nonprofit for multiple projects?

Yes.

FINAL 2015 Round Q & A

Updated 12-4-2014

If an applicant has multiple projects, do they have to request qualified nonprofit status approval for each project?

Yes.

For nonprofit entities, may the project's permanent loan be amortized for 40 years?

IFA will underwrite using a 30-year minimum amortization on the first mortgage debt.

Section 3

Will IFA deficiency scoring items?

No. Refer to QAP Section 3.3.

3.2.1 New or Returning Developer

Review process for management agents – If it's a new agent to Iowa, is the agent also required to attend the New Developer meeting?

No, the management agent is not required to attend the new developer meeting.

Is the agent also required to provide financial statements, evidence of LIHTC management in other states, etc.?

The management company is not required to provide financial statements with the LIHTC Application; however, IFA reserves the right to request this information during the application review and deficiency process. Required questions concerning evidence of LIHTC management can be found on the Project Team Tab under the management company team member information.

What does a "returning" developer mean?

If the applicant has not submitted an application with the last 3 years, they must meet with the LIHTC manager (Dave Vaske). Refer to QAP Section 3.2.1

Our organization is a new developer in Iowa, does Developer Training count as 'meeting the LIHTC Manager to review the QAP?

The Developer Training does not count as a meeting with the LIHTC Manager (per Section 3.2.1 of the 2015 QAP), so you will need to schedule a separate meeting with Dave Vaske.

3.4.3-State HOME

Regarding the 30 yr amortization for the HOME loan, is it really being amortized or is it just due at the end of 30 years?

IFA will expect and require payment of the HOME loan based on the underwriting of the project. The HOME loan will have structured payments over the 30 years.

FINAL 2015 Round Q & A

Updated 12-4-2014

If the applicant is applying for State HOME funds, do they have to fill out the LIHTC application and a separate HOME application?

No, the HOME information is a part of the LIHTC Application.

3.4.7-Fees

Which credit cards are allowed to pay the application fee?

Visa and MasterCard

Section 4

Underwriting

If we project a credit sales price of \$0.90 in the application, and receive an award, but actually receive \$0.91 from a syndicator/investor (let's assume that the additional \$0.01 generates another \$50,000 of equity)...is the applicant later on allowed to reduce other funding sources by that \$50,000?

If the price increases from the initial approval, generally funding sources cannot be reduced. Often project cost increases, provided these are within the unit cost cap, absorb the price increase. It all depends on the funding sources – IFA has allowed a deferred developer fee to be reduced or eliminated if pricing increases, but generally not other funding sources, so tax credit may be reduced.

What form does the utility allowances from a housing authority need to be in? We contacted the Keokuk HA and they sent over allowances in an excel document; is this sufficient or should we attempt to get these allowances in the HUD format? Is it possible for the HA to certify that the allowances submitted are correct?

Request the PHA to provide the utility allowances in the HUD format. Refer to Appendix K-11T.

Please provide an example of how IFA calculates the imputed interest savings on a loan where the term is shorter than the amortization period.

Ex: For a loan with an amortization period of 30 years with a 17-year term, the imputed interest savings is the difference in interest costs between the below market interest rate loan and the market rate 7% loan.

Provide the amortization schedules with the required exhibits.

Do the Total Development costs have to be below the Unit Cap Cost even if the project location is within a Qualified Census Tract?

Yes. Refer to QAP Section 4.9-Unit Cost Cap.

FINAL 2015 Round Q & A

Updated 12-4-2014

Is the “cost per unit” calculation take into consideration the Total Development cost or just the hard cost of construction?

The calculation is based on the total development cost.

Are road paving costs allowed in eligible basis?

The costs of construction of the paved road shall not be included in the project costs. Refer to QAP Appendix 1D-Access to Paved Roads.

What applicable rates will be used in the LIHTC Application?

7.6% and 3.3%

Regarding the fact that Congress has NOT approved the fixed 9% rate yet, it appears that IFA will be underwriting the projects in the QAP at the floating rate of 7.6%. IF Congress votes to keep the rate at 9% after the elections and before Dec. 9th when the applications are due, will IFA change the percentage in the QAP? This obviously changes the financial structure dramatically so just would like some guidance on how this will be handled.

If this scenario would happen, IFA would have to reevaluate this aspect of the application process. As of now, the project will be underwritten at 7.6%.

How is IFA going to address the use of workforce housing tax credits?

IFA has contacted Iowa Economic Development Authority (IEDA) regarding the availability of the workforce housing tax credits. IEDA will not have the rules and application for these tax credits in place prior to the LIHTC Application due date of December 9, 2014. Workforce housing tax credits are not an eligible selection under Section 4-Underwriting and Section 6.2.3-Local Government Contribution.

Are parking construction costs allowed in eligible basis?

Providing the parking spaces are included in the project with proper site control, parking construction costs are allowed in eligible basis only when there are no charges for parking.

Appendix J says that the available funds for the senior living revolving loan is \$2,000,000. Is this the total amount available for all developments, or is this the maximum loan amount for any one development? To be clearer, are all senior developments seeking a senior living revolving loan pulling from the same pool of \$2,000,000, or are they each able to receive a loan up to \$2,000,000?

The total amount available is \$2,000,000.

Appendix J states that the senior living revolving loan will be secured as a first mortgage; does this mean that other conventional perm loans cannot be taken out if a senior living revolving loan is being considered for a development?

FINAL 2015 Round Q & A

Updated 12-4-2014

No, but the overall DSCR for all debt must be at 1.20 or higher for permanent financing, and the senior living revolving loan must be in a first lien position. For construction financing, the senior living revolving loan can share a first lien priority pro-rata with a participating bank.

If you are applying for the senior living revolving loan, you may show an alternate funding strategy to use should sufficient loan funds not be available. Can you show an alternate funding source (i.e. a different debt source), but then also elect to include additional 40% AMI units to get the basis boost in 7.2.3.1?

No, you can only provide an alternative funding source; you cannot change the project unit AMI mix.

Does Iowa require a cost certification?

An independent auditor's report is due with the Carryover-10% Test Application and the IRS Form 8609 Application.

If you have to use the construction contingency for something not in the site plan, how long will it take you to review for approval or denial of the use of the funds?

Generally, within a few days of the request.

Is there a list that you have that states what you would deny in re: construction contingency?

No. IFA will make this determination.

We take a smaller developer fee and have a higher construction contingency to use as a crutch, may we transfer the remaining construction contingency to the developer fee?

No, the developer fee may not be increased unless the hard construction costs have increased from the amount in the approved threshold application.

If a Public Housing Agency (PHA) is unable to update their utility allowances before the deadline for 9% LIHTC applications, what information should we provide for the application? If no new allowances are released, should we use the allowances dated 10/28/2012?

Provide a letter on PHA letterhead that states the utility allowance dated 10/28/2012 is the most current utility allowance available.

We own a 100-unit non-LIHTC project that has IFA debt. Our intent is to rehabilitate this project through 9% tax credits in two phases due to the size of the project. To facilitate this we would pay down a portion of the existing IFA debt and not include this portion in the first phase LIHTC application. The balance of the IFA loan would remain in place for the units not included in phase one. We believe that this issue should be outlined specifically to IFA staff but want to insure that this is allowed contact pursuant to the QAP.

You need prior approval from the IFA Multifamily Loan Program. Also refer to QAP Section 5.2 which states the Ownership Entity shall be a single asset entity.

FINAL 2015 Round Q & A

Updated 12-4-2014

Is the 10% Builder fee limit include profit, fees and overhead?
It includes the general requirements, builder profit and builder overhead.

Is the project cap of \$800,000 annualized?
Yes

The QAP states that loans have to be amortized for a minimum of 30 years, is that term or the just amortization?
That is the amortization.

What are the expectations for operating expenditures?
Refer to QAP Section 4. Projects that cannot meet the minimum underwriting requirements, as determined by IFA, will not receive Tax Credits.

Section 5

5.2-Legal Ownership Entity

For our Ownership Entity, if the LLC is created in another state, do we need a certificate to conduct business (or something similar) in Iowa at the time we submit the LIHTC application, or is that something that can wait until a Carryover?

Documentation is not required to be submitted with the application but the Ownership Entity needs to be registered with the Secretary of State to do business in the state of Iowa.

5.4.1-Appraisals

Does IFA have a list of approved appraisers?
No

Last year, we were given an extension on submitting our appraisal a month after the Application was due. Will a similar extension be given this year as well?
No refer to QAP Section 5.4.1.

If the appraised value of the land differs from what the purchase & sale contract lists (for example the PSA is for \$300,000 and the appraisal comes back at \$275,000). How would this effect our HOME application, if such a discrepancy were to occur?

IFA reserves the right to evaluate the purchase price based on the appraisal. HOME dollars will not be used to reimburse the portion of the purchase price that exceeds the appraisal value.

When must the appraisal be submitted for projects requesting HOME funds?
The appraisals are due at the time of threshold application. Refer to QAP Section 5.4.1.2

FINAL 2015 Round Q & A

Updated 12-4-2014

5.4.2-Qualified Development Team (QDT)

Does the Ownership Entity, LLC need to be domiciled in Iowa, or can we create a Wisconsin-based LLC with a certification to do business in Iowa?

Yes, you can be domiciled in another state, as long as you are certified to do business in Iowa.

As a new developer, I understand that per QAP Section 3.2.1, we will have to provide financial statements from the past three years. However, what if we are a new entity and we do not have financial statements for that entity for the past three years?

All individuals of the development entity(ies) will be required to provide personal financial statements.

I am building my QDT and deciding if I want to utilize a member as Co-developer or development consultant in order to qualify my threshold requirement of QAP Section 5.4.2. My interested party did not attend the mandatory developer application training session, so would they be available to be a Co-developer?

If the co-developer satisfies the QAP Section 5.4.2 threshold requirement and a member of the QDT attended the mandatory developer training, the co-developer as referenced above would not

be required to have attended the mandatory developer training. If this co-developer is a returning or new developer, the entity may have to meet with the LIHTC manager as stated in QAP Section 3.2.1.

Is there an approved energy rater list anywhere? Do you have any suggestions as to how we might locate one?

Refer to the links in Appendix C.

To meet the QDT requirements, can the IRS Form 8609s be from other states?

Yes

5.4.6-Ineligibility

Has IFA prepared any written criteria/guidelines regarding Part A paragraph of QAP Section 5.4.6.3 “ineligibility”? When might IFA make the determination if a party is “ineligible”? We have the same questions as it applies to Paragraph 5.4.6.4.

We developed a project in partnership with an entity that is current on their HOME loan payments, but has been delinquent from time to time in the last 12 months. We are attempting to understand if those delinquencies make this entity ineligible to apply for an allocation of LIHTCs during the 2015 round. Can you shed some light on the written IFA guidelines if any that pertain to this paragraph?

Please refer to QAP Sections 5.4.6.3.1 & 5.4.6.3.2 of the 2015 QAP. Contact the appropriate state agency department regarding the status of your loan and compliance history.

FINAL 2015 Round Q & A

Updated 12-4-2014

5.13-Senior Projects

Can a manager's unit in a senior project be a 3 bedroom unit?

No, senior projects are not allowed anything greater than 2 bedrooms per unit. Refer to QAP Section 5.13.

5.16-Targeting Plan

Does the targeting plan template need to be submitted with the application?

The Ownership Entity or Developer will agree to complete the requirements of this subsection and Appendix F at least 120 days prior to the first Unit being Placed-in-Service.

Section 6-Scoring

6.1.1-Serves Lowest Income Residents

Does a manager's unit count towards total Project Units; for instance, a 50 unit project that has 1 manager unit for a total of 51 units. When calculating percent of Units for 6.1.1 or 6.1.2 would you calculate using 50 or 51 units?

The manager's unit is common space and is not included in the total project units stated in the threshold application. In your example the total project units equals 50.

6.1.3-Resident Profile

In our project, 10% of the total project units are listed as 4 bedroom units, but we are not receiving the scoring points for Resident Profile –Section 6.1.3.

The requirement of QAP Section 6.1.3 is that at least 10% of the Units shall be 4 or more bedroom LIHTC Units. If points are not listed, please confirm that the 10% you are referring to are LIHTC Units.

6.2.1-Location Near Services

Under the 2015 IFA QAP, “Medical Services” is defined as a “clinic or hospital at which a clinical diagnosis can be obtained from a medical doctor (MD), doctor of osteopathic medicine (DO), or a physician assistant (PA).” Under this definition, a nurse practitioner (NP) and chiropractor (DC) would not suffice to qualify as a Medical Service, correct?

Correct.

What if a park has more than one entrance and/or one or more access points?

The LIHTC applicant should identify the closest park entrance or access point that meets the one mile requirement. If there are any questions, provide the appropriate paperwork to the LIHTC manager at least 10 business days prior to application due date.

FINAL 2015 Round Q & A

Updated 12-4-2014

What if a nearby city park does not have an actual address?

Refer to QAP Section 6.2.1 and provide the appropriate paperwork to the LIHTC manager at least 10 business days prior to application due date.

What if a service is marked wrong on the Googlemap?

Refer to QAP Section 6.2.1 and provide the appropriate paperwork to the LIHTC manager at least 10 business days prior to application due date.

Regarding Workforce Training, Iowa Workforce Development has Iowa Works Access Points (www.iowaworkforce.org/accesspoints) that are locations that provide job search, skill assessment & testing tools, workforce data and trends, etc. Does one of these “Access Points” satisfy the definition of Workforce Training?

If the location is identified in the link provided in Appendix C, then that location would qualify as workforce training.

Is there an upload for Exhibit 3S-Location Near Services?

No, IFA will generate the Google Map(s) for each service. Contact the LIHTC Manager via email 10 business days prior to submission of the Application for approval of an alternate method.

What is qualified as a cultural site?

Refer to Appendix 2-Glossary of Terms.

6.2.3-Local Government Contribution

In regards to Local Housing Trust Fund (LHTF) contributions, what is considered the current fiscal year (this calendar year, city’s fiscal year or year the money is given to the company)?

The city would have to have made the contribution to the LHTF within the same LHTF fiscal year it is awarding funds to the project.

Is the city’s amount equal to the amount that the LHTF is providing? This example: LHTF 85,000 15 years @ 1% and \$31,000 grant - does the city have to have given us \$116,000?

Yes, at least \$116,000 in this example.

Can you tell me the scoring criteria for a local government contribution?

Refer to QAP Section 6.2.3 and Exhibit 5S.

Does the “total project units” refer to the sum of all affordable and market-rate units?

Yes, total project units means all affordable and market rate units (total project units), but doesn’t include a common-space manager’s unit.

FINAL 2015 Round Q & A

Updated 12-4-2014

Does Region VII Council of Governments qualify as a government entity or political subdivision for local contribution purposes?

Yes, refer to QAP Section 6.2.3 and Appendix 2-Glossary of Terms

When calculating the imputed interest savings for local contribution, does IFA use the term or the amortization period?

Use the loan term when calculating interest savings.

Can you give me the background of why local CDBG funds don't count for local contribution? Just want to understand it to explain it to the City.

IFA does not consider CDBG funds a local contributing source.

The Polk County Housing Trust Fund is a qualified Local Housing Trust Fund defined by Iowa law. Their main source of funding (approx. \$1.4 million in 2014) is from Polk County Government. Polk County Housing Trust Fund has the ability to provide documentation that Polk County Government has made contributions in excess of the local government contribution during the past fiscal year. Does Polk County Government fit the definition of a qualified Government Entity or Political Subdivision?

Refer to QAP Section 6.2.3 and Appendix 2-Glossary of Terms

6.3.1-Market Appeal

May a family project receive points for a medical alert system?

No, the points for this amenity are only available in a senior project. Refer to the table in QAP Section 6.3.1

To qualify for points, are storage units, as defined by IFA, required for each housing unit in the project?

Yes

Is a cage system acceptable to IFA to meet the additional storage for points, as long as it meets the definition? We are asking because of the term "room" in the definition.

No. Refer QAP Appendix 2-Glossary of Terms. Storage Unit means a dedicated, lockable, structurally strong and secure, floor to ceiling room.

In order to received points for this category, is it required that there is storage unit for EVERY unit in the project? Where must the 20 sq. ft. storage be located ... in other words, can it be in the tenant unit itself as long as it's in excess of the bedroom, linen and coat closets? If NOT located within the tenant unit, would a separate specific storage room with 20 sq. ft. tenant lockers be acceptable?

Yes –There must be a storage unit on the property for every residential unit. Refer to QAP Appendix 2-Glossary of Terms.

FINAL 2015 Round Q & A

Updated 12-4-2014

6.3.2-Projects with Historical Significance

If a project includes adaptive reuse of a historic structure, but also includes new construction on the same site, would the project be eligible to receive points under Section 6.3.2 of the 2015 Qualified Allocation Plan?

IFA would need documentation from SHPO that all buildings, including the new construction, are deemed eligible for the National Register.

6.3.4-Construction/Unit Characteristics

In order to get points for steel frame doors, does this refer to steel frame doors ONLY for all common space doors and unit entry doors? Or does this ALSO refer to having steel frame doors for the interior of the units as well (bathroom, bedroom, closets)?

Refer to QAP Section 6.3.4. The requirement applies to each unit main entry door(s).

Do you have to offer free internet?

Each unit must have internet access to meet threshold requirements. Free internet (paid for by the owner) is a scoring item. Refer to QAP Section 6.3.1 and Appendix 2-Glossary of Terms.

An applicant must show an internet expense line item in the operating expenses when free internet points are requested.

Is an on-site leasing office needed to qualify for the Olmstead Goal points related to disability awareness training?

No, an onsite leasing office is not required for these points but all property management staff who will be working with the tenants must complete the disability awareness/mental health first aid training.

Does a project need an elevator if it is over one story?

A building(s) may need an elevator based on QAP Section 6.3.5 Olmstead Goals scoring points selected or common space location.

6.3.5-Olmstead Goals

With regard to the Olmstead points, at the end of the section it states that in order to receive points, all buildings in the development need to have an elevator. We are looking to apply for preservation on 2 deals; one of them has 54 units with 5 buildings, each building 2 stories. We could capture all of the Olmstead goals, including the unit disbursement, but using the first floors. But the questions are:

Do we have to add elevators to all 5 buildings?

FINAL 2015 Round Q & A

Updated 12-4-2014

Do they have to be full elevators, or would a lift system work?

We are trying to figure out if/how we would add these to the already constructed buildings.

Refer to the Final QAP Section 6.3.5, this section was updated from the draft version in which you have referenced. To capture all of the Olmstead goals points, the project would have to have a full elevator in all buildings to have visitable units and have the accessible units dispersed among all bedroom sizes throughout the project.

6.3.7-Energy Efficiency

Is the HERS rating need to be below 62 per unit or an average? This would be for a multi-family single structure.

Each unit tested must exceed the HERS rating checked in the application for the project, (below 62 in this case).

Also, how many units need to be tested?

Refer to QAP Appendix 1 G-21.

6.4.2-Developer or Owner Contribution

Section 6.4.2 of the QAP refers to Owner Contributions of cash being eligible for points.

Does Owner contribution of land also count for points, if the land value can be established by a third party?

No, to be eligible the contribution must be cash.

6.4.3-Qualified Developer Team Experience

Please confirm my understanding of 6.4.3, that 10 points can be obtained if the Development Consultant on the QDT has completed 3 LIHTC projects which have received an IRS Form 8609 between the dates listed in the QAP, even if the Developer and GP do NOT have 3 years of experience.

Your proposed project's development consultant shall have completed 3 LIHTC projects in which they have received an IRS form 8609 from July 1, 2008 to July 1, 2014 as a developer, managing member or general partner.

If we were to bring on a team member who has completed 3 LIHTC projects which have received an IRS form 8609 from July 1, 2008 to July 1, 2014, what should we list the "Team Member Type" as? Would this be considered a Development Consultant?

The team member would be listed in the role in which they will be materially participating in your project.

Section 7

7.2.3-Basis Boost

FINAL 2015 Round Q & A

Updated 12-4-2014

Section 6.1.1 prohibits projects electing points under Section 6.3.3 (Project-Based Vouchers). However, Section 7.2.3.1 does not indicate that projects electing points under 6.3.3 cannot take the 15% basis boost for 40% AMI units. Please confirm that the basis boost is available in this case.

Projects that are not eligible for points in QAP Section 6.1.1 are not eligible for the increase in basis listed in QAP Section 7.2.3.1 and 7.2.3.2. Refer to QAP Section 7.2.3. Projects that have Project based rental assistance contracts may be eligible for rents higher than the LIHTC rents, and benefit from a higher cash flow.

Does the project qualify for the 30% boost if it is both (A) located in a non-MSA City or County AND (B) will do 10% of units at 30% AMI? Our interpretation of the QAP is that this project would qualify for the 15% boost related to the rural area plus the 15% boost related to having additional units at 30% AMI.

Yes, a maximum of 30% increase in basis boost would apply if the project is located in a non-MSA city or county if the project also served lower AMI tenants as referenced in QAP Sections 7.2.3.1 or 7.2.3.2.

For projects located in rural areas which already qualify for a 15% boost, we are unsure of whether the project needs to do both 10% of units at 30% AMI AND 30% of units at 40% AMI to get the additional 15% boost.

No, a maximum of 30% increase in basis boost would apply if the project is located in a non-MSA city or county if the project also served lower AMI tenants as referenced in QAP Sections 7.2.3.1 or 7.2.3.2.

Can the boost for 7.2.3.1 and 7.2.3.2 be taken together for a cumulative 30% boost?

Yes, QAP Sections 7.2.3.1 and 7.2.3.2 can be taken together for a cumulative 30% boost.

Can QAP Section 7.2.3.2 be taken for a 15% boost without taking that boost for Section 7.2.3.1? QAP Section 7.2.3.2 states "These Units shall be in addition to any units selected for the forty (40%) AMI or less".

Does this sentence mean you cannot reduce rents to the 30% AMI level and double count them as being 40% AMI or less and at the 30% AMI level?

A Project can receive the basis boost for QAP Section 7.2.3.2 without taking the basis boost for QAP Section 7.2.3.1.

As an example: In a 100 unit project, 10 units @ 40% + 5 units @ 30% would receive 15 points for QAP Section 6.1.1. By adding an additional 5 units @ 30%, the project would also receive a 15% boost for QAP Section 7.2.3.2. The online application will assist you in this calculation.

FINAL 2015 Round Q & A

Updated 12-4-2014

If the project is eligible for the boost (either 15% or full 30%), can the project receive credits above the \$800k max?

No. Refer to QAP Section 2.3.2.

Can you double up on lower AMI units for the boost and the points?

30% AMI units may not be counted twice in determining points in QAP Section 6.1.1.

Any 40% or less AMI units used to receive the basis boost under QAP Section 7.2.3.1 will not be counted again to qualify for the basis boost under Section 7.2.3.2.

The online application will assist you in this calculation.

The project site is not located in a qualified census tract so we do not automatically get a 30% boost. The county is listed as a Metropolitan Statistical Area. Does this mean the project will not automatically get a 15% boost either, right? This is referring to 7.2.2 of the QAP where it says projects in a NON-MSA city or county may receive a 15% boost. Does this leave the project's only chance at a boost to serving a lower AMI under QAP 7.2.3?

If the project is not in a QCT, then the QCT 30% basis boost does not apply. If the project is located in a MSA area, the 15% Non-MSA basis boost does not apply. The only opportunity for a basis boost is for serving lower AMI tenants per the QAP.

Section 8

Does the applicant need an energy audit for adaptive reuse projects?

Yes. Refer to QAP Section 8.1.7

Can the Ownership Entity change its name?

No. Refer to QAP Section 8.4.

Appendix 1

It says that all contractors must be registered to work in the State of Iowa. Do they need to be licensed at the time of application or at the start of construction?

The contractor must be registered by the start of construction.

B-Site Suitability

The QAP prohibits any site to be located in a FEMA 100 year flood plain. Are there any exceptions to this rule? Is it possible to fill or raise a site enough to bring it out of the flood plain?

A site that is located in a FEMA identified or proposed 100-year flood zone does not qualify as a suitable site per the 2015 QAP. Refer to QAP Section Appendix 1-B.

C-Zoning

Is there only one zoning exhibit now?

FINAL 2015 Round Q & A

Updated 12-4-2014

Yes, Exhibit 7B-Zoning.

G-Minimum Development Characteristics

Are the minimum square footages listed in the QAP net or gross?

The minimum square footages listed are net.

Exhibits

Exhibit 12T (Market Study) is in my list as well, however what should I upload if I did NOT have a market study completed?

A complete market study is not required at the time of application but the applicant is required to provide market information they believe may be helpful in determining market feasibility of their project. Please refer to Exhibit 12T – Appendix K, QAP Section 3.4.1.1 and Exhibit 12T in the online training guide.

Regarding Exhibits 14Ta, b, c, d, e, and f: Where does one get the Authorized Signor(s) documentation? Is there a specific form to use with certain required language?

Consult the attorney(ies) who drafted the organizational documents for the appropriate development team members.

For Exhibit 10T, what type of documentation are you specifically looking to be provided? Does it have to be an LOI or is there other documentation that is sufficient?

Provide a letter of interest from the syndicator or direct investor.

On Exhibit 15Ta, do we list all the projects in which we have an 8609 or just the 8609 issued in the past 7 years?

Please list all active LIHTC Projects. From Exhibit 15Ta Section 2: List all LIHTC properties developed or managed by the individual and/or entity listed on this 15Ta, Section 1.

What if we have a project “in work” but have yet to be issued an 8609?

Projects that are in process but have yet to be issued an 8609 have to be listed.

If a community is not mapped by FEMA, and a Firmette map can't be made for the HOME exhibit. What should be submitted for Exhibit H33 instead?

If an address is not mapped by FEMA, follow the advice from the FEMA response below to determine if there are any current flood studies being performed that could impact the property. For unmapped areas, a printout from the FEMA website indicating that this area is unmapped will be acceptable.

FINAL 2015 Round Q & A

Updated 12-4-2014

If the search results for the area indicates that it is unmapped and it is a corporation check the county maps that surround that area in case the corporation annexed part of the county floodplain.

What does it mean when the Address Search results indicate my location is in an "unmapped" area?

When the Address Search returns a result that the location is in an "unmapped" area, it means that FEMA has not published a flood map for the area in question. Not every area has been mapped by FEMA. You may check FloodSmart.gov to see if your area has a flood study underway or call the FEMA Map Information Exchange (FMIX) with additional questions.

For a limited partnership which currently owns a property, should Exhibits 7S & 7T be filled out with the name of the partnership, tax id and address OR filled out by the individual (President of the GP) with personal information? The form seems written to accommodate an individual and not a company/LP.

The entity that has the contract with the PHA/RD/HUD needs to sign the Release. An authorized signor of the entity is required to sign the Release.

What entity needs to sign the release of information for Exhibits 7T & 7S?

The entity that has the contract with the PHA/RD/HUD needs to sign the Release.

Regarding Exhibit 7T and 7S for Rural Development, in the case of acquisition/rehab, should the 'Requestor' be the current owner (seller) or the purchaser?

The entity that has the contract with the PHA/RD/HUD needs to sign the Release.

Regarding 7T & 7S HUD, in the case of acq/rehab, confirm the titleholder is the current owner (Seller).

The entity that has the contract with the PHA/RD/HUD needs to sign the Release.

Are Exhibits 15Ta, 15Tb and 15tc applicable to the Development Consultant?

If none of the developers, GPs, or ownership entities have materially participated in a development role, do we need to upload Exhibits 15ta, 15tb and 15tc?

If the development consultant satisfies the 5.4.2 threshold requirement, then Exhibits 15Ta, 15Tb & 15Tc must be completed by that individual or entity.

Where should a local contribution from a certified Local Housing Trust Fund be reflected on Exhibit 5S?

It depends on the type of contribution. Refer to chart under QAP Section 6.2.3.

FINAL 2015 Round Q & A
Updated 12-4-2014

