

OVERVIEW OF CHANGES FOR THE 2013 QUALIFIED ALLOCATION PLAN

Introduction

- Updates the application process schedule with the applications due on December 10, 2012 and awards presented at the March 2013 Board Meeting.
- Final approval of the QAP by the Governor shall be a precondition to the execution of any Carryover Agreement under this QAP.

Part A: Requirements for 9% Tax Credits

- Section 2.2.5—Board may redirect RD funds to general pool
- Section 2.2.5.2—Establishes a set-aside for additional credits if the 9% tax credit rate is extended by Congress
- Section 2.3—Clarified Developer benefits
- Section 3.2.1—Require New Developer financial statements for the past 3 years
- Section 3.2.2—A new tax credit developer is only eligible for one project.
- Section 3.2.3—Mandatory Developer Training requirement set
- Section 3.3.1—Restricts applicant contact with IFA during the appeal period
- Section 3.4.8—Realigned the set-aside priorities
- Section 4.1.2—Increased maximum vacancy rate from 9% to 10%.
- Section 4.1.4—Increased the number of rental units from less than 20 to less than 25.
- Section 4.5.2—Requires a commitment for tax increment financing. Clarified that a resolution from the city satisfies this commitment requirement.
- Section 4.9—Increased Unit Cost Cap by \$5,000 per bedroom type and increased the per unit cost cap by 10% for the ROSE program and Assisted Living Projects.
- Section 4.9.1—Clarifies that the applicant may subtract the residential portion of the federal historic tax credits when calculating the per unit cost cap.
- Section 5.4.2—Clarifies the Qualified Development Team participation
- Section 5.4.6.1.14—Clarified this is applicable to 9% awarded projects.
- Section 5.4.6.1.15—Added ineligibility for failure to submit a copy of the 8609 with Part B (or Part II) completed to IFA, submit at all, or submits an incorrectly completed IRS form 8609.
- Section 5.14—Added a commitment to notify DHS referral network of vacancies
- Section 5.15—Added lease addendum concerning handicap accessible units
- Section 6—Resident Profile—Category 3—Clarified resident population with Special Needs. Added requirements that the Lead Service Provider's nonprofit documentation should be submitted at the same time as LIHTC nonprofit documents are submitted through the on-line application system. Added requirements that the Lead Service Provider should be listed as a required mandatory project team member, if applicable. Added definitions for Special Needs and Held for Occupancy.
- Section 6—Resident Profile—Category 5—Clarified that this category is not available to an Applicant that has a Subsidized Project-Based Rental Assistance Contract
- Section 6—Building Characteristics—Category 3—Added Projects with HUD-VASH vouchers
- Section 6—Building Characteristics—Category 5—Clarified Handicapped Accessible Units to meet Olmstead goals
- Section 6—Other—Category 1—Clarified Title Guaranty requirements
- Section 6—Other—Category 3—Removed points for Syndication Pricing.
- Section 7.2.3—Added a basis boost up to 15% for projects that must use a floating rate if Congress does not extend the fixed 9% Tax Credit rate
- Section 8.7—Clarified requirements for Compliance Training certification. Added the requirement that the Ownership Entity is to complete Part B and return a copy to IFA within 60 calendar days of IFA's issuance date of the IRS form 8609 and removed that the Ownership Entity must complete and sign Part B of the Form 8609 before IFA will sign Part A.

Part B: Requirements for 4% Credits

- Section 9.4.14—Clarifies IFA’s Executive Director’s authority to award 4% Tax Credits subject to approval by the Board of the use of tax exempt financing
- Section 10.8--Increased Unit Cost Cap by \$5,000 per bedroom type. Increased the per unit cost cap by 10% for the ROSE program and Assisted Living Projects.
- Section 10.8.1—Clarifies that the applicant may subtract the residential portion of the federal historic tax credits when calculating the per unit cost cap
- Section 11.4.2—Clarifies the Qualified Development Team participation
- Section 11.4.6.1.14—Clarified this is applicable to 9% awarded projects.
- Section 11.4.6.1.15—Added ineligibility for failure to submit a copy of the 8609 with Part B (or Part II) completed to IFA, submit at all, or submits an incorrectly completed IRS form 8609.
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Part C: Terms and Conditions

- Section 13.3— Clarifies that if the property in the Application has an existing LIHTC LURA, then the original LURA requirements, in addition to the project LURA requirements, will be enforced by IFA.

Appendix 1

- Section A.5—Site Control—Leases and installment contracts are not allowed when HOME funds are provided
- Misc. clarifications in Construction items and clarified Code requirements.

Appendix 2

- Amends and adds glossary terms