



IOWA FINANCE
AUTHORITY

2017

**LIHTC Mandatory
Developer Training
September 20, 2016**

Corrected 9-26-16

AGENDA

TIME	SPEAKER	TOPIC
9:00 a.m. – 11:00 a.m.	Dave Vaske Karen Kulisky John Keress	<ul style="list-style-type: none">• Introduction & Qualified Allocation Plan (“QAP”) 101• Common Errors
11:00 a.m. – 11:30 a.m.	Dave Vaske	<ul style="list-style-type: none">• Questions & Answers
11:30 a.m. – 1:00 p.m.	Lunch	
1:00 p.m. – 2:30 p.m.	Stacy Cunningham	<ul style="list-style-type: none">• Online Application 101• Common Errors
2:30 p.m. – 3:30 p.m.	Nancy Peterson Stacy Cunningham	<ul style="list-style-type: none">• Appendix K / Exhibits
3:30 p.m. – 4:00 p.m.	Dave Vaske & LIHTC Team	<ul style="list-style-type: none">• Questions and Answers

Common Errors

- Exhibit 4B: Not providing both a legible city map showing the site location and a plat map.
- Exhibit 5B: Not providing legible site plans and/or providing site plans that don't show the location of utilities and/or easements.
- Exhibits 6B(a–c): Not providing these remediation exhibits when there's existing knowledge of Detrimental Site Characteristics.
- Exhibit 8B: Submitting plans and specifications that do not meet IFA's minimum development characteristics.

Common Errors

- Exhibit 9B: Not including all costs or not separating specific costs out.
- Exhibit 1T: Listing the incorrect entity name(s) and/or having individual(s) sign that aren't listed in the Application.
- Exhibit 3T(b,d) / 4T(c,a): Not providing the file-stamped organizational document and not providing the required organizational documents for each GP/mm.
- Exhibit 3T(f): Providing an incorrect Owner organizational chart.

Common Errors

- Exhibit 6T: Not providing a commitment letter for the GP/mm \$100 minimum contribution.
- Exhibit 10T: Providing documentation that isn't executed by both required parties.
- Exhibit 11T: Providing the incorrect utility allowance form or entering incorrect information into the Application for the utility allowance.
- Exhibit 12T: Providing very little or no information for the required market study documentation.

Common Errors

- Exhibit 15T: Not providing for all applicable states or not completing the form correctly.

LIHTC Website Review

1. 2017 LIHTC webpage

- <http://www.iowafinanceauthority.gov/Home/DocumentSubCategory/206>
- Links

2. Application Training Guide

- Helpful Resource – Recommend using it.

APPENDIX K

Appendix K - Exhibit and Scoring Checklist

- Lists each exhibit, the source (“supplied by”), application reference(s), description, and when required.
 - ✓ Exhibits are listed by type (Threshold, Building, Set-Aside, Scoring)
 - ✓ Some scoring categories do not require an exhibit, but elections to be made in the Application.

EXHIBITS

Always use the current allocation round exhibits.
Do **not** use a prior year's application exhibit or an exhibit from a prior allocation round.

1. Threshold
2. Building
3. Set-Aside
 - SA
 - HSA (Homeless Applicants only)
4. Scoring

EXHIBITS

Threshold (T)

1T - Application Certification and Acknowledgements (IFA Required Form)

- Insert the requested information and obtain the required signatures.
- ✓ The submitted Exhibit 1T should match the Ownership Entity, Qualified Development Team (“QDT”), and Buildings Tabs and the applicable organizational documents.
- ✓ If there is a change after completed and before submission, update the exhibit and application.

EXHIBITS

Threshold (T)

2T – Current Real Estate Tax Assessment

- Review QAP Appendix 1-A.6.
- Provide a copy of the most current real estate tax assessment(s).

EXHIBITS

Threshold (T)

3T– Ownership Entity (“OE”) Documents

Ownership Entity					
3T(a)	3T(b)	3T(c)	3T(d)	3T(e)	3T(f)
IRS F.E.I.N. letter	File-stamped Certificate of Limited Partnership	Current Limited Partnership Agreement (“LPA”)	File-stamped Articles of Organization	Current Operating Agreement (“OA”)	Organizational Structure Chart
Must be in the Ownership Entity Name	Ensure document provided is file-stamped.	Ensure the entity names and percent of ownership in the LPA matches the Application and is fully executed.	Ensure document provided is file-stamped.	Ensure the entity names and percent of ownership in the OA matches the Application and is fully executed.	Ensure entity and/or individual’s names match the Application.

EXHIBITS

Threshold (T)

4T– Ownership Representative (General Partner / Managing Member Documents

Owner Representative (required for each GP/mm)						
4T(a)	4T(b)	4T(c)	4T(d)	4T(e)	4T(f)	4T(g)
File-stamped certificate of Limited Partnership	Current Limited Partnership Agreement (“LPA”)	File-stamped Articles of Organization	Current Operating Agreement (“OA”)	File-stamped Articles of Incorporation	By-laws	Board Resolution
Ensure document provided is file-stamped.	Ensure the entity names and percent of ownership in the LPA matches the Application and is fully executed.	Ensure document provided is file-stamped.	Ensure the entity names and percent of ownership in the OA matches the Application and is fully executed.	Ensure document provided is file-stamped.	Ensure current.	Ensure Board Resolution is completed prior to Application submission.

EXHIBITS

Threshold (T)

5T – Letters of Intent from lending institutions (on their letterhead) for construction and permanent financing

- Review QAP 4.5.1 for content requirements.
 - ✓ The letter shall be valid for at least nine months beyond the Application due date.

6T – Commitment letters from all other funding sources

- Review QAP 4.5.2 for content requirements.
 - ✓ Includes existing debt to be assumed, grants, loans, tax credits, TIF, etc.
 - ✓ Shall be provided for the \$100 minimum GP/mm contribution.

EXHIBITS

Threshold (T)

7T – Authorization of Release of Information – HUD, RD or PHA (IFA Required Forms)

- Complete the applicable form and upload to the Application.
 - ✓ Make sure the Project Description Tab lists the project-based rental assistance or HUD VASH Voucher information.

EXHIBITS

Threshold (T)

8T – Tax Attorney Opinion As to a Project Acquisition Qualification (IFA Required Template)

- Review QAP Section 5.6.
- Shall be completed and signed by a tax attorney and on the tax attorney's letterhead.
- Applicable to Projects requesting acquisition credits to determine eligibility for acquisition credits in accordance with Internal Revenue Code ("IRC") Section 42(d) and IRC Section 179(d)(2).
- ✓ Submit even if one of the exemptions applies.

EXHIBITS

Threshold (T)

9T – Executed Copy of Development Consultant Agreement

- Submit for the Project's Development Consultant, if applicable.

10T – Syndication or other sale/exchange of tax credit interest to investors documents

- Review QAP Section 9.4.
- Make sure all parties have signed prior to Application submission.

EXHIBITS

Threshold (T)

11T – Utility Allowance Documentation

- Circle the applicable amounts on the Public Housing Authority (“PHA”) utility allowance schedule.
- If the date on the PHA utility allowance schedule is older than 13 months, obtain a letter from the PHA stating it’s current.
- If the Project has RD or HUD project-based rental assistance, provide the approved RD utility allowance or the most recent HUD Rent Schedule.

EXHIBITS

Threshold (T)

12T – Market Study Documentation

- Review QAP Section 3.3.1 – 3.3.1.4.
- All Applicants are required to provide market information they believe may be helpful in determining market feasibility of the Project including, but not limited to, an independently obtained market study, information from proposed service providers, or other market information.
- ✓ If none of the above are available, provide a narrative explaining why the community was selected for your Project.

EXHIBITS

Threshold (T)

15T – State Agency Performance Information and email to each state agency (IFA Required Form)

- Review QAP Sections 5.4.2 - 5.4.2.1 and 5.4.6 – 5.4.6.4.5.
- Each individual/entity shall complete a separate 15T.
- Complete Parts 1-2 and email to the applicable allocating state agency for completion of Part 3.
- Upload each 15T, along with the email(s) to each state allocating agency to the Application.

EXHIBITS

Threshold (T)

16T – QCT/DDA Documentation

- Generate a map showing the entire Project is located in a QCT or DDA and upload to the Application. *Maintain a copy in your records as well.
- Required if Project is located in a QCT or DDA.
- https://www.huduser.gov/portal/sadda/sadda_qct.html

EXHIBITS

Threshold (T)

19T – Scattered Site Project Google map

- Review QAP Section 5.9.
- Provide a Google map showing the Project is located within a 20-mile radius.
- ✓ A Scattered Site Project shall be owned by the same Ownership Entity and financed under the same agreement(s).
- ✓ All Units shall be qualified LIHTC Units.

EXHIBITS

Building (B)

1B – Site Control or Ownership of Site Documentation

- Review Appendix 1-A.
- Provide a recorded warranty deed, an Iowa attorney real estate title opinion or an Iowa Title Guaranty Owner Certificate if the Ownership Entity has sole fee simple ownership of the real estate; otherwise, provide a fully completed and executed Option to Purchase or Option to Lease, along with any Assignments.
 - ✓ The legal description shall match the legal description entered in the Site Description Tab.
 - ✓ Shall include all existing and proposed easements on the site.
 - ✓ Shall be valid for at least 9 months from the Application submission due date.
 - ✓ Purchase price in exhibit shall match the Site Control and Costs and Credit Calc Tabs.

EXHIBITS

Building (B)

Exhibit 2B – Appraisal

- Review QAP Sections 5.4.1.1 and 5.4.1.2.
- If land and buildings are acquired from a party with an Identity of Interest, provide an appraisal by an MAI certified appraiser who is not a related party and is currently in good standing.
- ✓ The appraisal shall specify an allocation of value between land and buildings and shall be no more than 180 days old on the date the Application is submitted to IFA.
- ✓ Make sure questions on Site Control Tab are answered correctly to require Exhibit 2B.

EXHIBITS

Building (B)

Exhibit 3B – Color Photos of Property & Adjacent Properties

Exhibit 4B – Map with Site Locations & Plat Map

Exhibit 5B – Site and Floor Plans

- ✓ Shall show Accessible, Additional Accessible Type A, and Visitable Units.
- ✓ Shall show existing and/or proposed easements.
- ✓ Shall show amenities.

EXHIBITS

Building (B)

Exhibit 6B(a) – Detrimental Site Characteristics Remediation Plan

Exhibit 6B(b) – Detrimental Site Characteristics Budget to Make Site Suitable

Exhibit 6B(c) – Map showing Detrimental Characteristics on Site Plan

- All 3 are required to be provided when the site(s) has Detrimental Site Characteristics.
- Ensure questions are correctly answered on the Site Description Tab.

EXHIBITS

Building (B)

Exhibit 7B – Political Jurisdiction Certification (IFA Required Form) **Revised Form Not Yet Available*

- Review QAP Appendix 1-A, Appendix 1-C, Appendix 1-D and Appendix 1-E.
- Generate from the Exhibits Tab and enter the remaining information on the top of the form and then send to the city for completion.
- ✓ Make sure to enter the legal description in the Site Description Tab, complete the Project Name and Location Tab, Site Control Tab, as well as the Buildings Tab prior to generating the exhibit.
- ✓ Shall be completed by the Political Jurisdiction and then uploaded to the Application as Exhibit 7B.

EXHIBITS

Building (B)

Exhibit 8B – Plans and Specifications

- Review QAP Appendix 1-F and Appendix 1-G.
 - ✓ Shall show all proposed work at a minimum schematic design level and ensure IFA's Minimum Development Characteristics are included.
 - ✓ Shall match the Application.

EXHIBITS

Building (B)

Exhibit 9B – Preliminary Costs and Scope of Work for all Projects

- Review QAP Section 5.4.3.
 - ✓ Scope of Work shall include a cost estimate for the Hard Construction Costs.
 - ✓ Unifomat II Level 2 or a format with a comparable level of details
 - ✓ Prepared by third party. May be a member of the QDT, but may not be the Ownership Entity or Developer.

EXHIBITS

Set-Aside (SA)

Submit through the Nonprofit Set-Aside Tab in the Application no later than October 21, 2016.

Exhibit 1SA – IRS Letter Stating the Nonprofit is a Qualified Nonprofit

Exhibit 2SA – Attorney's Opinion Regarding the Nonprofit (IFA Required Template)

Exhibit 3SA – Nonprofit Articles of Incorporation & 2-Year Requirement

Exhibit 4SA – Nonprofit Resume

Exhibit 5SA – IRS website print-out confirming continued IRS qualified Nonprofit status

EXHIBITS

Homeless Set-Aside (HSA)

Exhibit 1 HSA – Qualified Service Provider Capacity Determination Form (IFA Required Form)

- Review Appendix M & QAP Section 2.2.2.
- **Submit through the Housing for the Homeless Set-Aside Application Qualified Development Team – Qualified Service Provider ~~Tab 2~~HSA no later than 10-21-16 4:30 p.m. (Updated 9-26-16)**

Exhibit 2 HSA – Continuum of Care Review Form (IFA Required Form)

- Due with the submitted Housing for the Homeless Set-Aside Threshold Application.

EXHIBITS

Scoring (S)

Exhibit 1S – Capital Needs Assessment (Acq/Rehab and Rehab Projects Only)

- Review QAP Section 6.4.5.

Exhibit 2S – Appendix G – Iowa Rose Program Requirements (IFA Required Form & Owner's Plan)

- Review QAP Section 6.1.4. and Appendix G.

EXHIBITS

Scoring (S)

Exhibit 5S – Local Government Contribution (IFA Required Form)

- Provide an Exhibit 5S completed and signed by each contributing Local Government entity, along with any applicable required supporting documentation.

Exhibit 5S(b) – Local Community Contribution (IFA Required Form)

- Provide an Exhibit 5S(b) completed and signed by each contributing local entity, along with the commitment letters and an appraisal by an MAI certified appraiser for land (if applicable).

Enter amounts for both Local Contribution scoring categories separately under the appropriate sub-heading under Local Contribution in the Funding Sources Tab.

EXHIBITS

Scoring (S)

Exhibit 6S – Historical Significance Documentation

- Provide information from the State Historic Preservation Officer showing all buildings within the Project are on the National Register of Historic Places or are determined eligible for the National Register.
 - ✓ If the box is checked on the Project Description Tab to request these points, State and Federal Historic Tax Credits shall be listed in the Funding Sources Tab.
 - ✓ Ensure all buildings are listed as Historic on the Buildings Tab.

EXHIBITS

Scoring (S)

Exhibit 7S – Authorization of Release of Information – HUD, RD, or PHA

- Review QAP Section 6.3.3.
- Provide the applicable signed Authorization of Release of Information form.
 - ✓ Be sure to check the applicable box on the Project Description Tab to request the points.

2017 QAP and Online Application Questions

Submit questions to the Q&A on the 2017 IFA website. Answers will be posted weekly until the week prior to the Application submission due date.

<http://www.iowafinanceauthority.gov/Home/DocumentSubCategory/206>



QUESTIONS?

Online Application 101

1) Log-In

2) Access and Roles

Reference: 2017 Online Training Guide Page 6, A.1-3.

- Must have a user name to access the Online Application. Request a user name through the Online Application.
<http://www.iowafinanceauthority.gov/Home/DocumentSubCategory/206>.
- Once a request is received by IFA, a role is assigned and an email is sent confirming approval.

Online Application 101

a) Granting Access

- Log in to the Online Application.
- Select the View Tab.
- Select MYIFA Account scroll down to “Authorized Users”.
- Select “Add New Authorized User”.
- Enter the user name, select the authorization level, and select “Continue”.
 - ✓ The user name must have been assigned a role that correlates to the level of authorization selected or an error will be generated.
- Check the boxes by the Application name(s) to grant access.

Online Application 101

- The user name that creates an Application & any user name granted editing rights to that Application have the ability to grant Application access to other users.
 - Each Applicant is responsible for granting access and ensuring the user names they've granted access to has been assigned the correct role.
 - If a user leaves the company or no longer requires access, then remove it.
- Do not share usernames and passwords. This is for your benefit so you can see who & when a change was made to an Application.
- Do not ask IFA to grant other users access to your Applications.
 - IFA will assist in ensuring the correct role has been assigned to a user.
 - IFA will not release user names or passwords to anyone other than the user.

Online Application 101

b) Roles

- Guest
 - Ability to create, edit, and grant access
- Reviewer
 - Review only
- Construction
 - Review rights & ability to upload documents to Construction Tab
- Prior to Placed-in-Service
 - Review rights & ability to upload documents to the Prior to Placed-in-Service Tab

Online Application 101

2) Search Criteria

Reference: 2017 Online Training Guide Page 6 – A.2.

- Not all criteria must be entered to perform a search. If the Application has been submitted, just enter the Application Number.
- If multiple Applications are in process for the 2017 round, select 2017 in Allocation Year, Status - InWork, and Version - Threshold.
 - Allocation Year (click arrow to select year)
 - App No
 - Project Name
 - Status (Click arrow to select status)
 - Version (Click arrow to select version)
 - Type (9% or 4%)

Online Application 101

3) Application Resources

Reference: 2017 Online Application Training Guide, pages 6-8, A.4.a-d.

a) Error Identification

- Tabs will have **red x's** until all information is completed.
- Some tabs are linked due to related information so the **red x's** won't clear until information has been entered in the linked tabs.

Online Application 101

- Select “Submit” to generate an error listing at any time.
- If after selecting “Submit” there are no errors shown, but a Tab has a **red x**, go back to that Tab and select “Save” to clear the **red x**.

b) Help Tab

- 2017 Qualified Allocation Plan (“QAP”)
- Link to the 2017 9% LIHTC Website

Online Application 101

4) Creating an Application

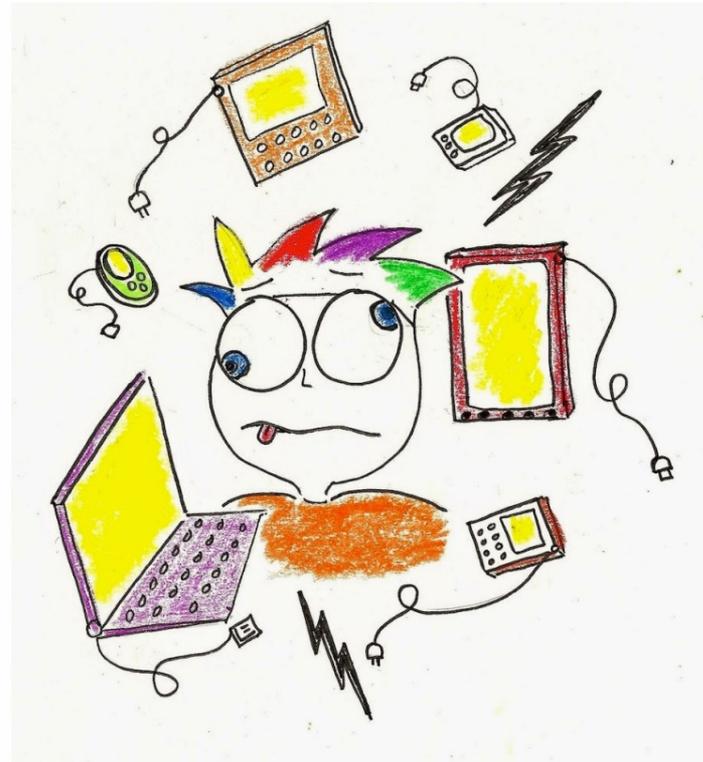
Reference: 2017 Online Application Training Guide, Section D., beginning on page 23.

- Log in and select, “Create a New 9% Application” or “Create a New Housing for the Homeless Set-Aside Application”.
- Enter information into each tab and select “Save” before exiting each Application Tab.
 - ✓ The only copy feature available is an InWork 2017 Threshold Application.
 - ✓ Applicants have access to the Application until it’s submitted to IFA.

Online Application 101

5) Review IFA's 2017 Training Application

Questions may be asked at any time.
Project-specific – see me individually.



Online Application 101

6) Tips

- If a change is made in the Project before Application submission, make sure the person(s) entering the Application are informed and understand the impact the change has for the Project as it may not be as simple as changing a utility type check box in the Project Amenities Tab.
 - ✓ Exhibit 8B, 9B, and 11T could be impacted.
 - ✓ Utility Allowance Chart on Building Tab may need corrected which could affect rents in the Buildings Tab which affects Projected Cash Flow.
 - ✓ Construction Characteristic Tab would be impacted in regards to specifications.

Online Application 101

- Copy fields that have the same names or information as much as possible between each tab. (Example: Ownership Entity (“OE”) Name to Site Control Tab and to the OE Component section)
- Don’t assume. Submit a question to the Q&A for clarification.
- Do not wait until the last minute to start OR to submit.

Online Application 101

- Perform a detailed review of the Application prior to submission.
 - ✓ Threshold: Compare Threshold and Building Exhibits to Application entries – especially Plans and Specifications to Construction Characteristics & Project Amenities Tabs.
 - ✓ Scoring: Compare the QAP scoring requirements to the Project's Scoring Exhibits and Application scoring entries to ensure requirements met.

Online Application 101

7) Common Errors

- Entering different purchase prices in the Site Control Tab and the Costs and Credit Calc Tab or entering an amount that doesn't match Exhibit 1B.
- Entering an incorrect legal description in the Site Description Tab.
- Answering No on the Site Description Tab for Detrimental Site Characteristics when Exhibit 1B identifies Detrimental Site Characteristics.

Online Application 101

- Completing the Ownership Entity Component on the Ownership Entity Tab with information that doesn't match the LP Agreement/Operating Agreement or organizational documents.
- Completing the Ownership Entity and Qualified Development Team ("QDT") Tabs with entities that don't match Exhibit 3T(f).
- Not listing all GP's/mm's in the QDT Tab and/or listing the incorrect "type of management" for an LLC entity.
- Not listing all officers/members/managers under Organizational Structure on the QDT Tab.

Online Application 101

- Incorrectly listing the type and amount of fees or not listing the fees for Identity of Interest in the QDT Tab.
- Not entering all entities with an Identity of Interest in the QDT Tab.
- Not listing the Construction Loan as a Funding Source in the Funding Sources Tab.
- Entering the incorrect Local Contribution amount in the Funding Sources Tab. Must match Exhibit 5S and 5S(b).

Online Application 101

- Entering the incorrect Tax Credit Reservation Fee in the Costs and Credit Calc Tab.
- Entering the Consultant Fee amount incorrectly in the Costs and Credit Calc Tab.
- Entering taxes without some escalation in the Projected Operating Costs Tab.

Online Application 101

