

The Department’s Proposed Changes to the Qualified Allocation Plan

Existing Section	Existing Language	Proposed Language	Action	RATIONALE
A.1 In General	“This Qualified Allocation Plan (the Allocation Plan) includes necessary changes as a result of the passage of the Housing and Economic Recovery Act of 2008, H.R. 3221, and H.R. 8, the American Taxpayer Relief Act of 2012.”		Language deleted.	Language is dated and no longer relevant.
C.3 Fees	Fees and descriptions of fees are listed in this section’s text.	“Fees associated with the LIHTC Program are outlined at the following website.”	Language amended.	Draft Fee Schedule will be posted as a stand-alone document on October 23, 2017.
D.1 In General	“For projects competing in any round of rating and ranking with LIHTC awards made after June 30, allocations, not reservations, may be issued by CDA after recommendation by HFRC and approval by the Secretary. See Section E. Allocations, for more information.”	“For projects competing in any round of rating and ranking with LIHTC awards made on or after <u>July 1</u> , allocations, not reservations, may be issued by CDA after recommendation by HFRC and approval by the Secretary. See Section E. Allocations, for more information.”	Language amended regarding date terminology.	Clarification and accuracy.
D.7 Limitations on Reservations	“Based on the demand for LIHTC and on project rankings, CDA may in its sole discretion limit LIHTC reserved for any one sponsor, for projects in any specific jurisdiction, or substitute CDA multifamily loan funds for the estimated LIHTC equity otherwise lost to the project.”	“Based on the demand for LIHTC and on project rankings, CDA may in its sole discretion limit LIHTC reserved for any one (1) sponsor or for projects in any specific jurisdiction. CDA may also, in its sole discretion, substitute CDA multifamily loan funds for the estimated LIHTC equity <u>that was available but not reserved for the project.</u> ”	Language amended.	Clarification and accuracy.

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F.1 Non-Profit Set-Asides	<p>“As required by §42(h)(5)(A) of the Internal Revenue Code a minimum of 10% of the total LIHTC available for allocation must be set aside annually for projects involving qualified nonprofit organizations (the Non-Profit Set-Aside). CDA agrees to satisfy this federal requirement first by making awards, consistent with the scores determined in accordance with the Guide, to the top rated projects in which 100% of the controlling interest is held by nonprofit organizations. If there are not enough such projects in a competitive round to meet the federal requirement, CDA will include the highest scoring projects in which the controlling interest is held by a nonprofit/for-profit joint venture to meet the Non-Profit Set-Aside. Additional set-aside categories and amounts may be established periodically by CDA, by amendment to this Allocation Plan, to address particular needs. Other than the required Non-Profit Set-Aside, set-aside amounts shall have an expiration date established by CDA, at which time uncommitted LIHTC will revert to the general pool of LIHTC available to all qualified projects.”</p>	<p>“As required by §42(h)(5)(A) of the Internal Revenue Code a minimum of 10% of the total LIHTC available for allocation must be set aside annually for projects involving qualified nonprofit organizations (the Non-Profit Set-Aside). CDA agrees to satisfy this federal requirement first by making awards, consistent with the scores determined in accordance with the Guide, to the top-rated projects in which 100% of the controlling interest is held by nonprofit organizations. If there are not enough such projects in a competitive round to meet the federal requirement, CDA will include the highest scoring projects in which the controlling interest is held by a nonprofit/for-profit joint venture to meet the Non-Profit Set-Aside. Additional set-aside categories and amounts may be established periodically by CDA, by amendment to this Allocation Plan, to address particular needs.”</p>	<p>Language moved and new section (F.2) created.</p>	<p>Provides structure for possible future set-asides.</p>
F.2 Other Set-Asides	N/A	“Other than the required Non-Profit Set-	Language added and	Provides structure for possible future

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		<p>Aside, set-aside amounts shall have an expiration date established by CDA, at which time uncommitted LIHTC will revert to the general pool of LIHTC available to all qualified projects. There are currently no other set-asides other than the Non-Profit Set Aside detailed in Section F.1 above.”</p>	<p>Section F.2 created.</p>	<p>set-asides.</p>
<p>H.8 Compliance Monitoring</p>	<p>“CDA shall charge an annual compliance-monitoring fee for all low-income housing projects of \$30.00 per unit as detailed in Section C.3. The fee shall be applicable to all rent or income restricted units in all new and existing low-income housing projects receiving LIHTC. The fee will be charged on or about January 1 of each year for the preceding calendar year. Fees may be adjusted at the discretion of CDA to cover increases in compliance monitoring expenses generally, or in the case of instances of noncompliance of a particular project, at such project.”</p>	<p>“CDA shall charge an annual compliance-monitoring fee for all low-income housing projects. (See Section C.3 – Fees). The fee shall be applicable to all rent or income restricted units in all new and existing low-income housing projects receiving LIHTC. The fee will be charged on or about January 1 of each year for the preceding calendar year.</p> <p>All Projects must pay the Compliance Monitoring Fee during the Initial Compliance Period. In addition, projects which reach the end of the Initial Compliance Period on or after January 1, 2018 and are operating under the remaining term of the Extended Use Period will be charged the Compliance Monitoring Fee during the remaining term of the Extended Use Period.</p> <p>Fees may be adjusted at the discretion of</p>	<p>Revised language to increase annual monitoring fee from \$30 per unit to \$40 per unit, and to charge fee for projects that enter Extended Use Period after 1/1/2018.</p>	<p>Increased fees proposed to cover increasing costs associated with compliance monitoring of LIHTC portfolio by DHCD.</p>

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		CDA to cover increases in compliance monitoring expenses generally, or in the case of instances of noncompliance of a particular project, at such project.”		