

**September 20, 2002**

**2003/2004 QUALIFIED ALLOCATION PLAN  
SUMMARY OF MAJOR CHANGES**

**Scoring Changes**

- Only Qualified Census Tracts (QCT) areas will receive points in the "Lower Income Area" category. Rural developments no longer score points in this category. Points increased from 14 to 15.
- Rural developments now score points in the "Small Developments" category. Points increased from 18 to 24 total points. Points are now awarded to developments of 24 units or less with no gradations.
- "Mixed Income Incentive" category decreased in total points from 50 to 25.
- "Serves Lowest-Income Residents" scoring formula changed, with total points remaining at 45.
- "Rehabilitation" category now requires a minimum hard cost of \$12,000 per unit for Existing Multifamily, and \$60,000 per unit for Adaptive Reuse to score points.
- Family developments now qualify for points in the "Services" category.
- "Daycare" category has been eliminated.
- Former "Energy Efficiency" scoring category has become a threshold requirement.
- "Financial Feasibility" category is now entitled "Proforma Benchmarks". Hard cost thresholds removed. Additional debt service ratio and deferred developer's fee ratio added. Increased PUPM expenses and DCR thresholds. Clarification of underwriting percentages for vacancy rates and interest rate.
- "Financial Participation" category has increased from 24 to 40 total points to accommodate Section 8 developments.
- General Contractor quality portion of "Development Team" category has been removed, however, evaluation of GC incorporated in overall Development Quality scoring. Points decreased from 66 to 60.
- "Readiness to Proceed" category - zoning portion increased to 15 points.

**Process Changes**

- QAP shall govern both 2003 and 2004.
- Adaptive reuse developments will now apply under the General set-aside rather than the Preservation set-aside.
- Annual per-development Credit cap increased to \$825,000.
- Certification required prior to 8609 issuance, stating the management agent on the initial application will continue to manage the property.
- Developer/Owners moving forward to Reservation will have a period of 90 days to submit required Additional Documentation. Prior to the issuance of the Reservation letter for the development, fees of one-half (1/2%) percent of the total development credit amount will be due for any 30-day extension period requested.
- Developer fee for the acquisition portion of a "non arms-length" acquisition-rehab development will be limited to 3% of the acquisition price, or a minimum of \$5000.
- Fees up to \$500 will be charged to reissue 8609 forms if the corrections are not due to WHEDA error.
- Automated Clearing House (ACH) form required at 8609 application.
- Monitoring fees reduced with ACH agreement in place.
- Development Owners required to schedule a monitoring inspection prior to 8609 issuance.
- Financial Statements required from all Owner Applicants.