

## 2016 Low-Income Housing Tax Credit (LIHTC) Program Frequently Asked Questions

Below is an important clarification plus two new questions and answers. For more information, applicants are strongly encouraged to review the 2016 Qualified Allocation Plan ([QAP](#)) as well as the CHFA [Procedures](#) and the 2016 [Guidelines](#).

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### **Clarification:**

Point item 5.b. provides points based on the percentage of Permanent Developer/Sponsor Resources (manually entered) compared to Total Development Resources (TDR). TDR is defined as excluding Tax Credit Equity, Deferred Developer Fee, and rental subsidy reserve funds; however, the auto-calculation in the ConApp pulls from the total of all sources. Please be advised that CHFA will make a correction to each application to address this when the applications come in rather than issue an updated ConApp before the application deadline.

### **New Questions:**

**Q23.** Under the Application Threshold requirements section of the QAP, there is a requirement that: “A minimum of 20% of the units in the development shall serve households with incomes greater than 25% but less than or equal to 50% of the Area Median Income (“AMI”). Points will be awarded based on the percentage of the total units in a development over 20% that will serve households with incomes greater than 25% but less than or equal to 50% AMI.” Could you please explain this?

**A23.** Points will be awarded based on the percentage of units that serve households above 25 and at or below 50 percent of AMI. See examples below:

#### **Example 1 Development A**

84 unit building:

0-25% AMI	11 units
>25-50% AMI	34 units
>50-60% AMI	39 units

Minimum of 20% of 84 units (the total in the development) that are >25 and ≤50% AMI  
= 16

As there are 34 units that are >25 and ≤50% AMI, Application Threshold requirements have been met and points may be calculated.

For points award calculation:  $34/84 = 40\%$

The percentage of total units serving households that are >25 and ≤50% AMI is ≥ 40%, so 6 points may be awarded.

**Example 2 Development B**

**56 unit building:**

0-25% AMI	10 units
>25-50% AMI	18 units
>50-60% AMI	28 units

Minimum of 20% of 56 units (the total in the development) that are >25 and ≤50% AMI = 11. As there are 18 units that are >25 and ≤50% AMI, Application Threshold requirements have been met and points may be calculated.

For points award calculation:  $18/56 = 32\%$

The percentage of units serving households that are >25 and ≤50% AMI is ≥30% and <40% so 4 points may be awarded.

**Example 3**

If the unit mix in the above Development B were changed:

**56 unit building:**

0-25% AMI	10 units
>25-50% AMI	8 units
>50-60% AMI	38 units

Minimum of 20% of 56 units (the total in the development) that are >25 and ≤50% AMI = 11. As there are only 8 units that are >25 and ≤50% AMI, Application Threshold requirements have not been met and points may not be calculated. In fact, the application may not be considered further as it has not met Application Threshold requirements.

**Q24. Do drawings and specifications need to list the square footage of the development?**

**A24.** Yes. Sections 4.2.a and 4.8.a Unit Information of the ConApp require square footage information of the project be provided and the square footage amounts provided in the application must match the square footage tables on the drawings provided by the project architect. The application clearly states that “Applicants must make sure the square footage amount below match those contained in the drawings and specifications.”