

EXHIBIT A – Low-Income Housing Tax Credit Selection Criteria

(Applicants must achieve at least 145 points in order for the application to be considered)

In calculation percentages: “total residential units” includes all rent-restricted and market units (and excludes manager or employee units). “Rent restricted” units includes both Tax Credit and HOME units.

If you do not receive a Tax Credit Reservation, do you wish to place your application on the Waiting List for consideration during the next application period?	Yes	_____
	No	_____

Please indicate whether your development or sponsorship meets the following criteria: Enter appropriate points in space provided.	<u>Maximum</u>	
	<u>Points</u>	<u>Points</u>
	<u>Possible</u>	<u>Earned</u>

Selection Criteria:

1. Developments that will be ultimately owned no later than the date Form 8609s are issued by an Idaho tax-exempt organization as defined by §42 of the Internal Revenue Code. Said tax-exempt organizations must have proven ownership experience of LIHTC developments.....	15	_____
---	----	-------

For-profit Tax Credit developers/applicants may structure applications to receive nonprofit points if the application clearly documents that the completed development will be ultimately owned by a qualified nonprofit organization, serving as the managing ownership entity. Such applications may initially reflect a nonprofit owner with a for-profit developer serving in a developer/consulting role or may reflect a turn-key style transaction allowing the nonprofit to only come into the transaction upon completion of the development. Regardless of the structure used in the application, for-profit developers that materially serve as the application’s housing sponsor, but are turning the long-term ownership and management over to a nonprofit, will be attributed with the allocation of tax credits for the purpose of maximum allowed outstanding credit, etc.

Developments wishing to receive preference points in this category will be required to meet all the following conditions:

- a) Included with the Application must be an enforceable agreement between the for-profit developer and the nonprofit sponsor requiring the general partnership interest in the limited partnership or the manager’s interest in a limited liability company or limited liability partnership be transferred from the for-profit developer to the nonprofit sponsor no later than the date Form 8609s are issued.
- b) Written acknowledgement from the tax credit equity provider issuing the Letter of Intent contained in the Application that it would consent to the transfer of the interest provided in the paragraph above no later than the date Form 8609s are issued.

Selection Criteria (Continued):

	<u>Maximum Points Possible</u>	<u>Points Earned</u>
2. Developments which give preference to persons on Public Housing Authority waiting lists.		
<p>To receive points in this category, attach a copy of the proposed development's Management Plan that includes a Tenant Selection Policy which specifically states that a preference will be given to potential tenants on Public Housing Authority waiting lists. Preference must be stated as a percentage of total residential units.</p>		
Preference given for 30% to 60% of total residential units	5	_____
Preference given for 61% or greater of total residential units	10	_____
3. Developments with mix of rent-restricted and market units.		
10% to 19% of total residential units are market units.....	5	_____
20% or greater of total residential units are market units	10	_____
4. Sponsor is a resident of Idaho.	15	_____
<p><u>Sponsor</u> is defined to include the owner and, if a partnership, the managing general partner and all co-general partners of the owner or the parent corporation of the managing general partner and all co-general partners of the owner, or if an owner is a limited liability company, such terms also include the limited liability company and all managing members or managers of the limited liability company, and if owner is a corporation, such terms include the president and vice president of the corporation.</p> <p><u>Resident</u> means an individual person maintaining his or her principal residence in Idaho or an (the) entity which is organized under the laws of Idaho and which also maintains a (its) principal office in Idaho at the time of application.</p> <p><u>Principal Office</u> is defined as a staffed office physically situated in Idaho in which one or more principals maintain a regular, daily office from which they conduct their business.</p>		
5. Developments designed for special needs populations (elderly, handicapped, mentally ill, developmentally disabled) <u>and/or</u> which provide continuing supportive services to assist families in becoming more self-sufficient or which address identified tenant needs as follows:	15	_____
<p><u>Special Needs:</u></p> <p>a) Developments with 25% of the rent restricted units designed solely to provide independent living opportunities for persons with mental, physical or developmental disabilities provided there is a Supportive Services Plan with an established organization to provide services for such persons. (Copy of the Supportive Services Plan, as defined below, which illustrates how the development will provide services needed by the tenant population must be submitted in the application.), OR</p>		

Selection Criteria (Continued):

**Maximum
Points
Possible**

**Points
Earned**

- b) Developments which provide 100% of the total residential units designed and dedicated for elderly persons 62 years of age or older. Persons with disabilities may also be eligible occupants. **(Copy of the Supportive Services Plan, as defined below, which illustrates how the development will provide services needed by the tenant population must be submitted in the application.), OR**

Elderly Family. Elderly family means a family whose head or spouse or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly Person. An elderly person is a household composed of one or more persons at least one of whom is 62 years of age or more at the time of initial occupancy.

Persons with Disabilities. A disabled family is a family whose head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.

For more detailed definitions, please refer to the HUD Occupancy Requirements of Subsidized Multifamily Housing Programs Handbook, 4350.3 REV-1, Chapter 3: Eligibility for Assistance and Occupancy, Section 3-17.

- c) Developments designed and operated for occupancy where at least 80% of the total residential units are occupied by at least one person 55 years of age or older. **(A Copy of the Supportive Services Plan, as defined below, which illustrates how the development will provide services needed by the tenant population must be submitted in the application.),**

Supportive Services:

The costs of the services provided must be funded outside the operations of the property.

Self-sufficiency is defined as the ability to improve economic stature to decrease reliance on government assistance.

It is at the sole discretion of the Association to ascertain whether points will be awarded in this category

To be considered for points in this category, Sponsors must submit the following:

- **Completed Exhibit F – Supportive Services Plan from the Tax Credit Application, and**

Selection Criteria (Continued):

- Executed commitment letter or memorandum of understanding from a supportive services provider that: 1) outlines the services provided, 2) gives the background and experience of the provider in providing the proposed services, 3) mentions how often and where the services will be provided. Please note that supportive services must be offered on an on-going and regular basis, i.e., monthly or weekly, and not just once a year, and the majority of supportive services must be offered on the development site. In the event that the development is an existing structure and the original design did not accommodate a community room concept, the Association will consider an off-site alternative.

Note: The Regulatory Agreement will restrict use of the development in accordance with this section.

	<u>Maximum Points Possible</u>	<u>Points Earned</u>
6. Family developments which designate at least 5% of the rent-restricted units to three-bedroom or larger units for households earning no more than 50% of area median income. Such developments must provide <u>all</u> appropriate amenities for children and families (i.e., open space, playground laundry, etc.)	5	_____
7. Developments that rehabilitate existing federally assisted rental units. To be awarded these points the application must meet the rehabilitation requirements as defined in Section 4.18	10	_____
8. For those tax credit applications that include another federally-based funding resource and/or subsidy, the following points will be awarded if the Sponsor has obtained appropriate approval of the federally based funding resources and/or subsidy prior to applying for tax credits. The application must provide written evidence of the approval and any and all terms and conditions associated with the approval	10	_____
9. Scarcity of federal HOME financing. HOME Investment per total number of units (including Manager's unit): Applications which aid IHFA to maximize limited HOME resources by limiting the per-unit HOME amount will score points based on the HOME per-unit amount. Projects will be scored if the total HOME request divided by the total number of units (including manager unit) in the project is at the following level: =< 10,000	10	_____
10. Developments located <u>outside</u> of a Difficult to Develop Area or Qualified Census Tracts, or developments that don't qualify for the state-designated increase in eligible basis as mentioned in Section 5.5. (This category recognizes the economic difficulty of funding without the up to 30% increase in eligible basis.).....	10	_____

Selection Criteria (Continued):

	<u>Maximum Points Possible</u>	<u>Points Earned</u>
11. Developments with developer fees less than the maximum* identified under Section 7.3.5 will be awarded the following:		
1% (or more) below maximum.....	5	_____
2% (or more) below maximum.....		
3% (or more) below maximum.....	15	
<p>* Acquisition/Rehabilitation maximum is based on the percentage of total rehabilitation cost portion only, the aggregate percentage and excludes acquisition cost.</p>		
12. Developments which utilize private grants in an amount of \$10,000 or more, or developments which utilize other state or federal housing assistance programs (i.e., Section 8, CDBG, USDA Rural Development 515 or 538, FHLB Affordable Housing Program, etc.*), in conjunction with the tax credit. Documentation regarding proposed conditions and terms of the grant or other funding must accompany the tax credit application.	10	_____
<p>If so, state what assistance will be received:</p> <p>_____</p> <p>NOTE: Hard cost material or professional service donations will not be considered as grants for this particular point category. Additionally, grant funds must not be conditioned upon the award of a side contract.</p> <p>Tax exempt bond financing, Historic Tax Credits, HOME or Association financing will not be considered "other state or federal housing assistance programs" for this particular category.</p>		
13. Community based developments which receive local government assistance in an amount not less than 5% of the Total Development Cost* (i.e., land donations, cash, or tax increment financing). For purposes of this category, state allocated CDBG or Idaho State Participating Jurisdiction HOME funds are not considered as eligible assistance.	20	_____
<p>* Total Development Costs does not include Developer Fee or Development Reserves.</p>		

Readiness Points:

14. Readiness Points:		
a) Evidence of zoning approval for development as intended	10	_____
<p> If zoning requires a conditional use permit, the evidence of application for such permit must be included in the tax credit application. Developments requiring zone changes or annexation do not meet readiness criteria.</p>		
b) Site control by Sponsor as evidenced by an earnest money agreement or other legal documents evidencing site control.	10	_____
<p> <i>Sponsor</i> is defined to include the owner and, if a partnership, the managing general partner and co-general partners of the owner or the parent corporation of the managing general partner and co-general partners of the owner, or if the owner is a limited liability company, such terms also include the limited liability company and managing members or managers of the limited liability company, and if owner is a corporation, such terms include the president and vice president of the</p>		

corporation.

Selection Criteria (Continued):

	<u>Maximum Points Possible</u>	<u>Points Earned</u>
15. a) Previous program sponsors who have consistently completed their §42 development(s), and who are maintaining their development(s) in compliance with tax credit regulations	15	_____
<p><u>Out of state sponsors will be required to provide references from Housing Financing Agencies acknowledging sponsor's track record and that their developments are in compliance.</u> The sponsor will provide IHFA with the authorization to contact said Housing Finance Agencies. Completed development(s) are defined as development(s) which have received a Certificate of Occupancy, and development(s) will be deemed in compliance unless a review has evidenced substantial noncompliance; OR</p>		
b) sSponsors who have previous housing development experience (at least a 24-unit multifamily complex) in the State of Idaho.....	5	_____
<p><i>Sponsor</i> is defined to include the owner and, if a partnership, the managing general partner and all co-general partners of the owner or the parent corporation of the managing general partner and all co-general partners of the owner, or if the owner is a limited liability company, such terms also include the limited liability company and all managing members or managers of the limited liability company, and if owner is a corporation, such terms include the president and vice president of the corporation.</p>		
16. Developments with 36 or fewer total residential units in rural areas with populations of not more than 20,000 as defined in most recent census report. The adjusted census data should not be more than 18 months old and be updated from a reliable source (i.e., state of Idaho Department of Commerce, U.S. Census Bureau). This category does not apply to cities adjacent to other cities if both populations, when added together exceed 20,000.	10	_____
17. Developments located within a certified urban renewal district, or other city-designated geographic area, that specifically address affordable housing as a goal. To receive points in this category, documentation from the urban renewal district or the city must confirm to the Association's satisfaction that the proposed development lies within certified boundaries and meets the urban renewal district's or city's goal of providing affordable housing.....	10	_____
18. Developments that utilize the 30% present value credit only and not in conjunction with the 70% Present Value Credit.....	10	_____
19. Developments intended for eventual tenant ownership after the end of the 15-year compliance period has ended.....	5	_____
<p>Developments wishing to convert to home ownership at the end of the 15-year compliance period will be required to meet the following conditions:</p>		
a) The units must be single-family detached units, condominiums, or townhouses;		

Selection Criteria (Continued):

**Maximum
Points
Possible**

**Points
Earned**

- b) Intention to convert must be expressed in writing at the time of application;
- c) Purchasers must occupy units as primary residences; and
- d) A comprehensive plan must be submitted at the time of application that demonstrates the feasibility of physical conversion to home ownership and includes, but is not limited to:
 - Provisions for repair or replacement of heating systems, water heaters, and roof repair or replacement prior to sale;
 - Requirements for extent of stay in rental unit to be eligible for purchase;
 - Financial counseling plan for potential home buyers;
 - Market and unit pricing strategy for conversion; and
 - Any limitations established for seller equity.

20. Developments which incorporate the following optional “green building items or practices into their design. To receive points in this category, a licensed architect’s “preliminary” certification that lists items to be incorporated must accompany the application (See Exhibit C-2 for required format). At placed in service, an “as built” certification by a licensed architect that lists the incorporated items will be required (See Exhibit D-2 for required format.)

Up to a maximum of 15 points.

(Select any of the following items)

- | | |
|--|---|
| <input type="checkbox"/> Energy Star appliances | 1 |
| <input type="checkbox"/> Developments that use 50% or more of their total lighting fixture cost (not including any engineering, installation, wiring, etc.) for Energy Star rated fixtures. Total fixture cost includes both interior and exterior lighting fixtures | 1 |
| <input type="checkbox"/> HVAC equipment that meets Energy Star for Homes requirements, or that is in accordance with ASHRAE handbooks or equivalent | 1 |
| <input type="checkbox"/> Water saving shower heads | 1 |
| <input type="checkbox"/> Programmable thermostats | 1 |
| <input type="checkbox"/> Low or No VOC paints, primers, adhesives, and sealants | 1 |

Preference Points (Continued)

		<u>Maximum Points Possible</u>	<u>Points Earned</u>
4.	Developments with 50% area median income (AMI) units. Manager's unit not included in calculation.		
	Developments with 1-50 total residential units where at least 5% of the restricted units are at 50% AMI.....	5	_____
	Developments with 51 or more total residential units where at least 10% of the restricted units are at 50% AMI	5	_____
TOTAL NUMBER OF UNITS TARGETED FOR HOUSEHOLDS EARNING NO MORE THAN 50% AREA MEDIAN INCOME		_____	
		# of units	

Note: The Regulatory Agreements for developments designating units under preference items 2, 3, and 4 above will state the number of units restricted to lower rent levels. 55% and 60% area median income (AMI) units will also be mentioned in the Regulatory Agreement even though preference points are not awarded for these units. Rent restrictions will be effective for such units during the initial compliance period and the extended use period.

Sponsors are expected to disperse units targeted for 40% and 45% area median income households throughout the development to the extent possible taking into consideration other programmatic requirements. Allocating such units so that one building(s) is/are 100% occupied by households at 40% and 45% of area median income is not recommended.

5.	Developments located in a qualified census tract in which the development contributes to a concerted community revitalization plan.	10	_____
	A concerted community revitalization plan is defined as a certified urban renewal district or other city-designated geographic area located within a qualified census tract that specifically addresses affordable housing as a goal. To receive points for this category, documentation from the urban renewal district or the city must confirm to the Association's satisfaction that the proposed development lies within certified boundaries and meets the urban renewal district's or city's goal of providing affordable housing.		

Total Points Earned

=====