

2018-2019 Qualified Allocation Plan (QAP) Frequently Asked Questions (FAQs) – 2019 Edition

Updated: May 17, 2018

SET-ASIDES

- My project concept includes single-family homes that will be divided into multiple SRO units with shared common space. These buildings will be occupied solely by persons with intellectual or developmental disabilities. Does this qualify under the **Community Integration** set-aside? ----- OR ----- My project concept includes multiple buildings located on one site. Can I designate only certain buildings for occupancy by persons with intellectual or developmental disabilities and still qualify under the Community Integration set-aside?

No. To compete in the Community Integration set-aside, the QAP states that units occupied by persons with intellectual or developmental disabilities “must be spread throughout the property and cannot be clustered into a separate designated area.” Creating designated buildings or areas solely for occupancy by persons with intellectual or developmental disabilities does not qualify under the set-aside. The goal of the set-aside is reserve a certain percentage of the total development units (20-25%) for occupancy by this population, not to limit choice by designating that those have to be certain pre-assigned units. Residents with disabilities should be given a choice in determining the unit they will live in.

- To compete in the **Work Force Housing** set-aside, do all of the units in the project have to be in an eligible county?

Yes, according to RED Notice 18-16.

THRESHOLD

- Can you clarify what **financial statements** are needed?

“Most recent financial statements” means the 2017 year-end financials. If providing Principals for the Owner financials, all Principals listed on Form A p. 19 should provide personal financial statements (year-to-date) to satisfy QAP requirements.

- Can you clarify how IHCD calculates the 14% **contractor fee** limitation?

IHCD calculates the contractor fee by taking the General Requirements, Contractor Overhead, and Contractor Profit and dividing that total by the Site Work, New Building, Rehabilitation, and Accessory Building costs. Demolition costs and Hard Cost Contingency are not part of the calculation.

- Can you clarify if it’s still permissible for the **capital needs assessment and/or structural conditions report** to be performed by the same entity serving as the project architect or engineer? I am unclear about the new language regarding *independent*.

Yes, this is acceptable. By “independent”, we mean an entity that is not a related party to the applicant or developer.

- Will Work Force Housing projects be eligible for the **basis boost**, based on item 6 on page 31 of the QAP?

Workforce housing projects that are committing to do 100% of the units at 60% AMI rents or market rate qualify for max points under the Rents Charged scoring category. Therefore, it does qualify for the 30% boost under item 6—committing to rent levels that maximize total points under the Rents Charged scoring category.

EVALUATION CRITERIA

- Do we need to submit any documentation for either the **Opportunity Index** or the **Housing Needs Index**?

Documentation is not required, as IHEDA will check these against the published lists.

- Can you clarify the maps needed for **Desirable Sites**?

The maps should have indication of distances within a ¼ mile, ½ mile, and 1 mile radius.

- The required documentation to receive points for **Non-IHEDA Rental Assistance** is a “commitment or conditional commitment letter from the funding agency.” Please explain how this applies to project-based Section 8 vouchers received from a local public housing agency (PHA).

The local PHA would need to provide a letter that meets all of the requirements listed on page 71 of the QAP. Under project-based voucher regulations at 24 CFR 983.51, the PHA may utilize its own competitive process (e.g. an RFP) to select developments to receive project-based vouchers or the PHA may rely on another competitive process for housing assistance. If the PHA is utilizing its own selection process, the letter must state that the development was selected to receive vouchers through that process. The selection process would need to already be completed. If the PHA is making an award based on another selection process, the letter needs to state such and identify the competition that was used. In either situation, the letter awarding the vouchers can be conditional upon (1) receipt of the tax credits and (2) the project passing HUD subsidy layering review.

- The QAP says that the required documentation for **Smoke-Free Housing** points must be placed in “Tab TBD.” In which tab should I place the smoke-free housing policy?

Please place this information in Tab T. In addition to the policy, you also must include a draft smoke-free housing lease addendum.

- Is there any required documentation for **Tenant Investment Plan**? Previously we had to place forms in Tab T.

The only requirement for the initial application is the completion of the self-score sheet in Form A. This will establish the number of services in each category.

- Regarding the partial points (2 points) under **Integrated Supportive Housing**, is that intended for teams or individual entities that have gone through the Institute at some point in the past?

The developer, management company, and service provider must have gone through the Institute together as a team in the past.

- Under **MBE/WBE** non-profit entity points, how do you define “sponsor”?

For the purposes of this category, a sponsor is defined as an owner that owns 100% of the GP.

- Will the redevelopment of vacant schools and churches continue to qualify as **greyfield** sites, assuming they meet all of the greyfield criteria?

These structures may qualify as long as all of the documentation requirements are met.

- Can you confirm whether or not a **greyfield** site that is proposed to be demolished and redeveloped as parking for the LIHTC development will qualify for neighborhood stabilization points?

Residential units are not required to be on the greyfield site, so this may qualify as long as the greyfield is within the overall project scope of work.

- Would the redevelopment of a **greyfield** site to green space or a park qualify under this category?

These may qualify, but if the greyfield redevelopment site does not contain any residential units, it must be on the same parcel as residential units or on a contiguous parcel and be part of the project.

- Does the engineer or architect’s assessment for **greyfield** need to address whether the site is vacant?

Yes, they must confirm that the site is at least 90% vacant, in addition to the other three required items listed on p. 59 of the QAP.

- For a scattered site project in a large city, can more than one **local redevelopment plan** be submitted?

For scattered site projects that are targeting different areas (even within the same city), we would accept separate plans for each. However, each site must meet all of the requirements under one plan and not have to pull from multiple plans.

- Would Section 108 count under the **Leveraging of Capital Resources** Category?

This funding source may qualify as long as all of the documentation requirements are met.

- For **Previous 9% Tax Credit funding**, what are considered the last 3 calendar years for the 2019 round?

2016, 2017, and 2018.

- For **Census Tract without Active Tax Credit Developments**, what is the occupancy type for project competing in the Community Integration Set-Aside?

It would default to the occupancy type for the 75% to 80% of units not serving individuals with intellectual or developmental disabilities.

- For **Certified Tax Credit Compliance Specialist** and **Community Participation**, who should provide qualifying information for a nonprofit applicant & owner if the Executive Director/President will retire shortly after the application due date?

If either the current President or future President (where documentation of the change is submitted) has the certification at the time of application, points would be awarded. If just the current President does at the time of

application and the project is awarded, the applicant must submit a modification request as soon as it is determined that the points are not preserved.

CORRECTIONS

- Correction to page 51 of the QAP:

An “accessible unit” under the QAP must be constructed as a “**Type A Unit**” as defined in the International Code Council’s Accessible and Usable Buildings and Facilities Standard (ICC A117.1-2009 Section 1003).

An “adaptable unit” under the QAP must be constructed as a “**Type B Unit**” as defined in the International Code Council’s Accessible and Usable Buildings and Facilities Standard (ICC A117.1-2009 Section 1004).