



2022 LIHTC ROUND QUESTIONS AND ANSWERS POSTED THURSDAY FEBRUARY 17, 2022

New Questions in RED

IFA Answers to New Questions in BLUE

*If there are any updates or clarifications to any IFA answers, they will be highlighted.

General

At the 2021 HousingIowa conference, it was announced that additional funds would be available for more LIHTC projects. Are there adequate funds to go back to 2020 applications, where a previous application that met threshold underwriting but was not awarded?

We are still working with Treasury along with the governor and NCSHA to get clarification on how we can use the ARP funds on LIHTC projects. At this point, we cannot give you a timetable on when we might have a clear picture and can move forward and if 2020 apps might be able to use the funds.

Is it allowed if a non-profit organization/school would like to have affordable housing on their campus/land but would want to limit the tenants to qualified students, faculty or staff affiliated with their school or programs?

Under Treas. Reg. §1.42-9(b), if a residential unit is provided only for a member of a social organization or provided by an employer for its employees, the unit is not for use by the general public and is not eligible for credit under IRC §42. Limiting the tenant population to students or those employed by a school is not for use by the general public.

1.1 Tax Reservation Schedule

Where do I find the timeline for the 2022 LIHTC Round?

See 2022-2023 QAP Section 1.1.1 for the 2022 Round schedule and 1.1.2 for the 2023 schedule. The 2022 Application package will be available December 2022. The 2023 Application package will be available November 2023.

2.2.6 Derecho Disaster Set-Aside

Do you know when IFA will know if there will be credits available in the Derecho Disaster set aside for 2022?

At this point, IFA does not have any Derecho Disaster credits available. IFA will plan to allocate any Derecho Disaster credits during the 2022 round if any are returned from a previously awarded project in the coming months.

2.3 – Developer Cap/4.10 Basis Boost

Could you please comment on how the per developer tax credit cap changes if a boost is being taken on a project? *The Developer Cap will remain at the \$1,760,000.*

2.3.2 - Project Cap/4.10 Basis Boost

Can you clarify what you mean in QAP Section 4.10 where the QAP refers to the "project cap". What is the project cap? How can the project cap increase by 50% if the project can only obtain a boost of 30%?

Project Cap information is listed in QAP Section 2.3.2. If a Project qualifies for a 30% increase in Eligible Basis (Basis Boost), the Tax Credit Cap would increase by 30% (same percent as the qualifying % of Basis Boost). The Project Cap (\$880,000) would increase by 15% to \$1,012,000.

3.4 HOME Funds for Rural or Supportive Housing for Families Projects

What will the repayment and interest terms be for HOME funds if they are available?

The HOME limit is \$500,000, 0% for 20 years, 1% loan repayment yearly for HOME, if the full \$500,000 then payment required would be \$5,000.

4.10.1.2 Concerted Community Revitalization Plan (CCRP)

What are the requirements for a Community Revitalization Report for a qualified census tract?

The requirements for a Community Revitalization Plan are listed in the 2022-2023 QAP Section 4.10.1.2.



4.1.9 Gap Financing

Could you please clarify Section 4.1.9? It says that no other funding source shall be used to fill a gap in financing. Does that mean if we have a deferred developer fee, that we can't replace it with another source later if one is identified? Also, it seems to disqualify any other source of financing such as historic tax credits, HOME, abatement loan, etc. Is this accurate?

If a funding gap occurs during the threshold Application deficiency review, the funding gap will be filled by either deferred developer fee or general partner loan. After the project is awarded, the funding gap may be filled with other financing sources, if available.

4.6.4 Professional and Other Fees

Could you please clarify and provide IFA's interpretation of what Professional and Other fees would be considered reduction in developer fees?

This section is referring to attorney, architect, or other professional fees where there is an identity of interest with the developer or general partner.

5.3.1 New Applicant

Is there mandatory annual developer training for the 2022 round?

Developer training is not required for the 2022-2023 Rounds. It is recommended that new Applicants attend an in-person meeting with the LIHTC manager to review the QAP and the Application process prior to submitting an application.

6.1.5 Supportive Housing for Families

In the event a project is not selected in the Supportive Housing Set Aside, will the maximum credit level for that project decrease from \$1,012,000 to \$880,000?

The QAP states the maximum amount for the Supportive Housing Set-Aside is \$1,012,000; however, 2.3.2 lists the Project cap which is \$880,000. To receive the \$1,012,000, whether in a set-aside or in general pool, the Project would need to receive the full 30% Basis Boost which would provide for a 15% increase in the \$880,000 which is the \$1,012,000. Refer to 4.10 of the QAP.

To be clear, projects not applying under the Supportive Housing for Families set aside cannot go for the Supportive Housing points. But if a project applying under the Supportive Housing set-aside does not get funded in that set-aside and goes on to apply in the general set-aside, they would be eligible for the points?

Correct. Supportive service points are only available to projects that apply for and qualify under the Supportive Service Set-Aside. This is further explained in the 2022 Appendix A.

6.2.2 Iowa Opportunity Index Census Tracts

Some of the listed Opportunity Index Census Tracts do not appear on the 2020 Census Tract Map but do appear on the 2010 Census Tract Map. Which Census Tract Map (2010 or 2020) should we be using to obtain points in this category?

IFA will continue to use the 2010 Census Tract information for the 2022 Round.

6.2.3 Scattered Sites Projects

In the scattered site definition will "similar Units" be considered similar if both sites have 2-, 3-, and 4-bedroom units, but one site has units in a rowhouse 2 story layout, and the second site has the unit designed to be all on one floor in a more traditional type of apartment?

IFA would consider this example having similar Units.

6.2.4 Acq/Rehab Projects in Underserved Cities

Can an acq./rehab project in an underserved city receive these points if the project will also contain 2 new buildings on different sites (scattered site project)?

All buildings of the Project must be acq/rehab to be eligible for points.

6.2.7 Public Transportation

How do I determine what is public transportation in Iowa?

Iowa Department of Transportation (DOT) has the following link to all Iowa Public Transportation Systems: [Maps and listings for Iowa's 35 public transit systems | Iowa DOT](#)

If dial-a-ride services are available, in addition to fix-route services can they count for points?

No, dial-a-ride services only count for scoring in areas that do not provide fixed route services.



6.3.7 Energy Efficiency

Can an Acq/Rehab project WITH Historic Tax Credits get the 8 points for this selection?

A project that will be utilizing historic tax credits, whether acq/rehab or adaptive reuse, is NOT eligible for the 8 points under energy efficiency.

Can an Acq/Rehab project attempt to get HERS index of 62 or less to get the 8 points?

No. The categories for the energy efficiency points are specific to New Construction (HERS or ASHRAE 90.1-10) and for Acq/Rehab or Adaptive Reuse (existing structures), the available points are for exceeding the 2015 IECC by 8%. If a project is both New and Acq/Rehab or New and Adaptive Reuse, both the applicable NC and existing structure requirements would be required to be met to receive the 8 points.

6.3.8 Single Family, Duplex, or Rowhouse

Could you please advise to if attached single-family cottage style ranches would qualify for the Single-Family home points identified in the QAP?

An attached single-family cottage style ranch would qualify for points under Section 6.3.8 but not as a single-family home. This example would be considered a duplex or rowhouse. See Glossary - Rowhouse.

2022 Appendices Package

Appendix E HOME Rental with LIHTC Requirements

Appendix E appears to reference the 2020-21 QAP and states the program is for Rural Housing Projects. Section 3.4 HOME Funds for Rural or Supportive Housing for Families Projects would indicate that HOME funds are available for both rural and supportive housing projects. Is Exhibit E Accurate?

Appendix E and HOME Appendix A have been updated on the IFA website.

Exhibits

Exhibit H-13 HOME Utility Allowance

If we need IFA to determine the HOME utility allowance to request HOME in the 2022 Round, where can I find the H-13 Exhibit and is there a due date to have this calculated?

Exhibit H-13 can be found on the Exhibit Tab in the on-line application. Complete the information listed on the form and submit it to Fabian.Awanyai@iowafinance.com. This Exhibit is due no later than March 1, 2022.