

OVERVIEW OF CHANGES FOR THE 2018 9% QUALIFIED ALLOCATION PLAN
Changes in red indicate changes made from the Approved Draft 2018 QAP to the Approved Final 2018 QAP.

Introduction

- Updates the schedule with applications due on November 16, 2017 and awards presented at the March 2018 IFA Board Meeting. **Updates the Mandatory Developer Training date to on or about September 14, 2017.**

Part A: Requirements for 9% Tax Credits

- 2.1 Updates the Per Capita Tax Credit amount.
- 2.2.1 Clarifies Owner Representatives and Nonprofit organization structuring requirements.
- 2.2.2 Renames Set-Aside from “Housing for the Homeless” to “Supportive Housing for Families”. Redefines “persons experiencing homelessness” to “families experiencing homelessness”. Raises maximum amount of Tax Credits per LIHTC Unit for each bedroom type. **Updates the location requirement of this set-aside from within an MSA to within a city with a population of 25,000 or more based on 2010 U.S. Census data. Updates LURA requirements for this set-aside.**
- 2.3 Renames section from Tax Credit Cap for Single Developer/Project to Maximum LIHTC Allocation.
- **2.3.3 Prohibits a Developer, General Partner/managing members and Developer consultants from submitting an allocation if they have four or more open LIHTC projects. Lowers restriction from “may not apply” to “may only apply for one Application in the 2018 round” and clarifies language to four or more open nine (9%) LIHTC Projects in Iowa. Development consultants would only be limited if they are the sole qualifying member in four or more open nine (9%) LIHTC Projects in Iowa.**
- 3 Section number updates. **Clarifies language.**
 - 3.2.1.1 Clarifies that only one developer needs to meet this requirement in cases of co-developers.
 - 3.3.3 Updates qualified service provider information due date.
 - 3.3.4 Updates nonprofit participation information due date. **Clarifies language.**
 - 3.3.7 Fees
 - Adds a \$500 fee for the pre-closing review.
 - Raises the Compliance Monitoring fee from \$25 to \$28 per Unit x number of total Project Units.
 - 3.3.8 Adds Documents Timelines from 9.5.
 - 3.3.9 Adds Opinions and Certifications from 9.6.
 - 3.3.10 Adds Costs Associated with Application Preparation from 9.7.
 - 3.3.11 Adds Ownership of Applications from 9.9.
 - 3.3.12 Adds Public Information from 9.10.
 - 3.3.13 Adds Qualified Residential Rental Property from 9.13.
- 4 Section number updates.
 - **4.1.6 Clarifies language.**
 - 4.1.7 Adds a rent increase limitation exemption if there is an executed Federal Project-Based Rental Assistance Contract.
 - 4.2.1 Raises operating expenses for housing for older persons from \$3,400 to \$3,600. **Removes change of operating expenses for housing for older persons.**

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- 4.2.2 Raises operating expenses for housing for families from \$3,600 to \$3,800. **Removes change of operating expenses for housing for families.**
- 4.6.2 Lowers builder and contractor fees to 10% of Hard Construction Costs and if there is an Identity of Interest from 10% to 8% of Hard Construction Costs. **Removes change of builder and contractor fees.**
- 4.9 Raises the Unit Cost Caps by 3%. **Allows all fees from Section 3.3.7 – Fees, to be outside the Unit Cost Cap.**
- 4.9.1 Raises the Tax Credit Cap per LIHTC Unit by 3%.
- 4.10 Adds Basis Boost from Section 7.2.
- 4.10.1 Lowers the maximum Basis Boost for Projects located in QCT's and DDA's from 30% to 15%.
- 4.10.3 Clarifies language. Clarifies language.
- 4.12 Clarifies IFAs right to not allocate National Housing Trust Funds to LIHTC Projects.
- 5 Section number updates
- 5.1 Clarifies that changes to the Application that maintain or improve the score are not allowed.
- **5.10 Adds the Acknowledgment of the commitment to notify the Local Lead Agency of all vacancies.**
- 5.14 Removes the Targeting Plan requirement. **Clarifies Local Lead Agency requirements.**
- **5.17 Adds that IFA encourages developers to coordinate with Iowa communities regarding their community revitalization plans. Clarifies Community Revitalization language.**

Section 6 - Scoring:

- 6 Section number updates
- Intro Clarifies that changes to the Application that maintain or improve the score are not allowed.
- 6.1.1 Serves Lowest Income Residents – Clarifies that this category is available for Section 4.10.3 - Special Considerations for Projects Serving Lower AMI's.
- 6.2.2 Density – Increases points for LIHTC Unit density from maximum 5 points to maximum 8 points.
- 6.2.4 Local Contribution – Removes points for government and community contribution.
- 6.2.4 Adds Infill category for infill projects at 5 points. **Removes category.**
- 6.3.1 Market Appeal – **Clarifies language and increases the total maximum points to 35.**
 - Adds ceramic tile option for 1 point. **Removes this point category.**
 - Adds community room and exercise room option categories for senior projects only for 3 points maximum
- 6.3.2 Projects with Historical Significance - Raises points from 7 to 8 points.
- 6.3.3 Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA (Public Housing Authority) Voucher Assistance. Clarifies that this section is not available for Section 4.10.3 - Special Considerations for Projects Serving Lower AMI's.
- 6.3.4 Construction Characteristics – Clarifies language. Removes points for maximum ¾" threshold and adds 1 point for minimum 9" inch platform under front loading washer and dryer.

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Removes minimum 9” inch platform front loading washer and dryer point category. Clarifies the maximum points available to 17.

- 6.3.5 Olmstead Goals
 - Adds IFAs Held for Occupancy Policy to the required 10% fully accessible units and 2% communication feature units.
 - Removes points for visitable units.
 - Realigns point structure.
 - Clarifies language.
 - Allows points to all Projects that designate at least 50% of the Fully Accessible and Additional Accessible Type A LIHTC Units to be 2, 3, or 4 bedroom Units.
- 6.3.6 Impact on Environment
 - Decreases maximum points from 10 to 9. Clarifies that the maximum points available is 8 points.
 - Adds 1 point for efficient irrigation system. Removes this point category.
 - Adds choice of 2 points for in unit water heaters or 1 point for central boilers or 1 point for central water heaters for a maximum of 2 points.
 - Clarifies language.
- 6.3.7 Energy Efficiency – Separates new construction category into less than 3 stories or 4 stories or more with each Unit having its own heating, A/C and water heating, or 4 stories or more without each Unit having its own heating, A/C and water heating
- 6.4.2 Developer or GP/MM Experience – Removes points for having completed 2 LIHTC Projects in Iowa. Updates the dates required for the remaining points in this category. Clarifies language.
- 6.4.6 Environmental Site Assessment – Adds 1 point for projects who have a phase I environmental study.
- 6.4.7 Leverage – Adds category and subcategories
- 6.4.7.1 Land/or Cash Contribution – Adds category for up to 7 points. Allows funds contributed to the Project by a certified Local Housing Trust Fund to be eligible for this section.
- 6.4.7.2 Limited Tax Credit Use – Adds category for 7 points. Removes this point category. Below Market Interest Rate Loan – Adds category for up to 7 points. Allows funds contributed to the Project by a certified Local Housing Trust Fund to be eligible for this section.
- 6.5 Moves Selection Criteria to 7.2.
- 6.6 Moves Discretion of the Board to 7.3.

Selection Criteria and Notice of the Tax Credit Award

- 7 Renames Section and updates section numbers
- 7.2 Moves Basis Boost to 4.10 and Adds Selection Criteria from 6.5. Adds second tiebreaker of preference to Projects located within a community that is in a QCT for which a Community Revitalization Plan exists.
- 7.3 Removes Reserve category and adds Board Discretion from 6.6
- 7.5 Moves Second and Third Application and Credit Allocation to 8.6. Adds Waiting List from 7.7.

Post Reservation Requirements

- 8 Section number updates

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- 8.1.4 Clarifies language.
- 8.1.5 Removes language that the project must be appropriately zoned by Carryover.
- 8.1.8 Removes language that the final relocation plan must be submitted with the IRS Form 8609 Application.
- 8.2.1 Adds that a Project may be deemed ineligible if the original funding sources are not available at IRS Form 8609 Application submission. **Allows IFA to reduce the amount of tax credits if a funding source is not available in the stated amount.**
- 8.4 Renamed to Changes to Ownership Entity and is split into 2 subcategories
- 8.4.1 Adds Transfers from 8.4
- 8.4.2 Adds Changes to the Ownership Entity Structure from 8.8
- 8.6 Removes Reserve category and Adds Second and Third Application and Credit Allocation and its subcategories from 7.5.
- 8.7 Adds construction requirements from 8.9. **Clarifies language.**
- 8.8 Moves Changes to the Ownership Structure to 8.4.2. Adds Destruction of a Project Prior to Placement–in Service from 7.6
- 8.9 Moves Construction requirements to 8.7. Removes Leasing Addendum, Targeting Plan, and Tenant Selection Criteria, and renames Affirmative Fair Housing Marketing Plan Package.
- 8.12 Adds Compliance category and subcategories from 9.14
- 8.12.9 Updates Violence Against Women Act (VAWA) language.

Terms and Conditions

- 9 Section number updates.
- 9.5 Moves Document Timeliness to 3.3.8
- 9.6 Moves Opinions and Certifications to 3.3.9
- 9.8 Moves Costs Associated with Application to 3.3.10
- 9.9 Moves Ownership of Applications to 3.3.11
- 9.10 Moves Public Information to 3.3.12
- 9.13 Moves Qualified Residential Rental to 3.3.13
- 9.14 Moves Compliance to 8.11

Appendix 1-Threshold Requirements for Building, Construction, Site and Rehabilitation

- A-Site Control – Clarifies site control language
- C-Zoning – Clarifies zoning requirements. Removes that if site is not zoned properly at threshold application it will be by Carryover-10% Test Application due date. Requires the site to be zoned appropriately at submission of the threshold application. **Removes the zoning requirement at threshold submission.**
- F-Building Standards – Updates language
- **G-Minimum Development Characteristics – 21. Removes Held for Occupancy requirement for required Accessible Units. 25. Clarifies Energy Efficiency requirements.**
- H-Submission of Site Characteristics – Adds that the Applicant shall not change the site location.

Appendix 2-Glossary of Terms

Amends and adds glossary terms.