

OVERVIEW OF CHANGES FOR THE 4% QUALIFIED ALLOCATION PLAN

Part A: Requirements for 4% Tax Credits

- 1 Section number updates
- 1.4.10 Moves Special Considerations for Projects Located in a Qualified Census Tract to 2.8. Adds Site Visits from 1.4.11.
- 1.4.11 Adds Authorization Forms from 1.4.12
- 1.4.12 Adds Fees from 1.4.13. Adds Appendix F – Fee Schedule
- 1.4.13 Adds Discretion by the Board from 1.4.14
- 1.4.14 Adds Joint Review
- 1.4.15 Adds Document Timeliness from 5.5
- 1.4.16 Adds Opinions and Certifications from 5.6
- 1.4.17 Adds Costs Associated with Application Preparation from 5.8
- 1.4.18 Adds Ownership of Applications from 5.9
- 1.4.19 Adds Public Information from 5.10
- 1.4.20 Adds Qualified Residential Rental Property from 5.13

Section 2 – Underwriting

- 2 Clarifies language.
- 2.1 Adds Underwriting Standards
- 2.2 Adds Operating and Replacement Reserves requirements
- 2.3 Adds Deferred Developer Fees from 2.2
- 2.4 Adds Financing Commitment from 2.3. Clarifies permanent financing commitment letter language.
- 2.5 Adds Developer and Builder Fees from 2.4
- 2.5.1 Adds that for Acq/Rehab or Rehab Projects, the rehab portion of a developer’s fee shall not exceed 15% for the first 36 Units within the Project and not exceed 13% for the remaining Units within a Project with more than 36 Units.
- 2.5.2 Adds that the builder fee is limited to 10% of Hard construction costs if there is an identity of interest between the owner, builder and general contractor.
- 2.6 Adds General Partner Contribution from 2.5
- 2.7 Adds Unit Cost Cap from 2.6. Clarified that the Unit Cost caps do not include the Project’s land cost, Operating Reserve or fees outlined in the fee schedule.
- 2.8 Adds Special Considerations for Projects Located in a Qualified Census Tract from 1.4.10. Clarifies language
- 2.9 Adds the three minimum set-aside elections and requirements for each. Corrected numbering.

Section 3 – Threshold Requirements

- 3 Section number updates.
- 3.2 Adds Qualified Development Team from 3.3.2. Adds that the management company/manager should have at least 3 years of Section 42 management experience and that they are currently managing a Section 42 property.
- 3.2.1 Adds Tax Credit Investor from 1.4.16. Adds that a direct investor shall have an asset management department with at least 3 years’ experience is required.
- 3.2.2 Adds Returning or New Developer in Iowa from 1.4.15

OVERVIEW OF CHANGES FOR THE 4% QUALIFIED ALLOCATION PLAN

- 3.3 Adds Location and Site Requirements from 3.2. Clarifies language.
- 3.4 Adds Scattered Sites from 3.8
- 3.5 Adds Adequate Market from 3.10
- 3.6 Adds Appraisals from 3.3.1. Clarifies language
- 3.7 Adds Land/Acquisition with an Identity of Interest from 3.3.1.1. Clarifies language
- 3.8 Adds Preliminary Costs and Scope of Work for All Projects from 3.3
- 3.9 Adds Displacement of Residential Tenants from 3.4
- 3.10 Adds Confirmation of Eligibility-Rehab or Acq from 3.5
- 3.11 Adds Rehabilitation Standards from 3.6. Raises Rehab expenditures from \$15,000 to \$35,000 of hard construction costs per low income limit.
- 3.12 Adds Building Standards from 3.7
- 3.14 Adds Senior Projects Standards from 3.11
- 3.15 Adds Next Available Unit Rule from 3.12
- 3.16 Adds Acknowledgements from 3.9
- 3.17 Adds Ineligibility from 3.3.5
- 3.17.5.2.4 Adds that Developers, Ownership Entities and the General Partners/managing members thereof, or any other persons determined by IFA to have an Identity of Interest or of personnel with any thereof, for whose Project an incorrectly completed IRS Form 8609 was submitted.

Section 4 - Post Reservation Requirements

- 4 Section number updates
- 4.1 Adds Construction from 4.7.
- 4.1.1-4.1.7 Clarifies language
- 4.2 Adds Changes to Application after Award from 4.1. Clarifies language
- 4.3 Adds Material Changes requirements
- 4.4 Adds Changes to Ownership Entity.
- 4.4.1 Adds Transfers from 4.2
- 4.4.2 Adds Changes to Ownership Entity Structure from 4.5
- 4.5 Adds Post-closing submittal requirements.
- 4.7 Adds Marketable Title requirements
- 4.8 Adds IRS Form 8609 from 4.4. Clarifies language
- 4.8.2
- 4.9 Adds Operating and Replacement Reserves from 4.6.3
- 4.10 Adds Annual Audited Financials from 4.6.4
- 4.11 Adds Compliance from 5.14
- 4.11.1-4.11.9 section number updates.
- 4.11.3 Adds that Income Averaging Projects shall have an annual tenant file review.
- 4.11.9 Updates VAWA language

Section 5 – Terms and Conditions

- 5 Section number updates

OVERVIEW OF CHANGES FOR THE 4% QUALIFIED ALLOCATION PLAN

- 5.5 Adds No Representation or Warranty Regarding the QAP from 5.11
- 5.6 Adds IFA Policy on Civil Rights Compliance from 5.12
- 5.7 Removes Fractional Rounding

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

- Introduction – Clarifies language.
- A-Site Control – Clarifies language
- F-Building Standards – Adds building standards requirements.
- G-Minimum Development Characteristics – Clarifies language.
 - Realigns categories
 - 2-Accessible Units – Clarifies language.
 - 3-Energy Requirements – Clarifies language
 - 4.3-Exterior Entry Doors to Common Areas – Clarifies language.
- H-5 – Submission of Site Characteristics – Adds that sites that are located within a 100-year flood zone are not permitted, however IFA may consider acquisition/rehabilitation Applications for existing LIHTC Properties that have exceeded the 15-year Compliance Period. Adds 2 exceptions for sites in a 100-year flood zone: a) acquisition/rehabilitation Applications for existing LIHTC Properties that have exceeded the 15-year Compliance Period and have submitted a flood mitigation plan to IFA; or b) sites included in flood control projects approved and funded by the Iowa Flood Mitigation Board with additional IFA requirements.
- H-9 – Submission of Site Characteristics – Adds that Sites that are within one quarter mile of an electrical power substation, natural gas or similar substation. Clarifies language to sites within 300 feet of an electrical power substation, natural gas or similar substation shall mitigate the visual effect by erecting a privacy wall/fence and/or building a berm with tree and shrub plantings, subject to IFA's approval.
- I-Rehabilitation Standards – Adds that upgrading electrical circuits to have GFCI outlets at kitchens, baths, laundries and other applicable locations. Adds that upgrade all interior lighting to Compact fluorescent and/or LED.

Appendix 2-Glossary of Terms

Amends and adds glossary terms.