



FINAL LIHTC 2019 QAP Q & A

Updated 1-11-2019

All NEW Questions are in RED

IFA Answers to NEW Questions are in BLUE

2019 9% QAP

Pre-Application

IFA in the Q & A responded that if a new market study is needed it will be ordered by IFA. Should we include the market study fee just in case a new market study is ordered?

No. IFA will bill the Applicant the updated market study fee should an "updated" market study be required.

If the market study shows the ability to have substantially higher rents than what was initially proposed in the application, will IFA underwrite the project using the higher rents indicated by the market study, or will the developer be able to be more conservative in their rent projections and propose lower rent levels than indicated in the market study?

Should you elect to make changes to your project, you must note the changes and submit them in the threshold application no later than January 16, 2019 at 4:30 PM, C.S.T. Non-required changes submitted in the threshold application may necessitate an updated market study and the Project may fail to meet threshold by reason of market feasibility. IFA will commission updates to the market study if necessary.

We have a few follow up questions on the below Q&A:

May an Applicant change and/or decrease unit mix, units, AMI's, etc. after the submittal of the pre-application?

Per QAP Section 3.3.1.3 – "Applicants will be permitted to change income targeting, rents, Unit mix, Project size and add amenities if recommended by the market study provider." Changes that are made that were not recommended by the market study provider will require an updated market study report and fee, and the Project may fail to meet threshold by reason of market feasibility. If we do decide to make changes, what is the process to order a new market study?

Should you elect to make changes to your project, you must note the changes and submit them in the threshold application no later than January 16, 2019 at 4:30 PM, C.S.T. Non-required changes submitted in the threshold application may necessitate an updated market study and the Project may fail to meet threshold by reason of market feasibility. IFA will commission updates to the market study if necessary.

After the Pre-Application are we allowed to change unit/project amenities, i.e. something like an elevator?

Should you elect to make changes to your project, you must note the changes and submit them in the threshold application no later than January 16, 2019 at 4:30 PM, C.S.T. Non-required changes submitted in the threshold application may necessitate an updated market study and the Project may fail to meet threshold by reason of market feasibility. IFA will commission updates to the market study if necessary.

We recently learned that the IFA Q & A indicates that both the Developer and Co-Developer must have been identified at the time of pre-application. Unfortunately, that information wasn't made available on the Q & A until October 31 - one day before the pre-application was due - so we did not see it until after we had submitted our pre-applications. Moreover, it wasn't clear to us from any of the application instructions that we had to make the selection of co-developer at that time of pre-application.

The question in regards to the identification of the developer and co-developer was in the Q & A posted by IFA on 10-5-2018. "The Developer and Co-Developer, if applicable, must be identified at the time of the pre-application submission."

Also, refer to Appendix A – Application Instructions B-5-e and QAP Appendix 2 – Glossary – Developer.

In the pre-application submittal does the scoring tab reflect all scoring elections?

No, the scoring tab will not reflect an accurate score until all required information is submitted in your threshold application due January 16.



As part of the 2019 Pre-Applications, Exhibit 4B is part of the required exhibits. Obviously, we would need to provide the locator city/maps, but do we also need to submit a plat map for the pre-app application?

Yes

Does the managing member of the general partner need to be formed at the time of pre-application submission; in addition to the Owner Entity?

No. The Developer is the only required team member to be entered into the pre-application other than the Owner. Refer to 2019 Appendix A, Section B-5(e).

The pre-application checklist states that Developer or Co-Developer should be input with contact data. Will the Developer be required to identify their co-developer at the time of pre-application or can this be determined prior to Threshold?

The Developer and Co-Developer, if applicable, must be identified at the time of the pre-application submission.

The online preliminary application in the IFA system requires a significant amount of information not included on the Appendix K checklist or in the Online Application guidebook. Can you clarify if the elections, Qualified Development Team Members, buildings, location near services, financing, construction characteristics, etc. is needed for the pre-application. Refer to Appendix A – Application Instructions, section B refers to the information needed for the pre-application. IFA will update Appendix A to clarify.

We want to confirm the level of plans required for the pre-application (exhibit 5B). The 5B checklist references all of the requirements utilized for the full application last year. Can you please clarify what level of plans are required for the 11/1 pre-application deadline?

5B is the same for the pre app and for the final application. We want to see schematic level design for a project that the developer is committed to pursuing. An architect should definitely be on board at this point. The site plan should show the size and approximate location of existing utilities, outline of the building and indications of where landscaping will go. Plans are schematic design level. Label the fully Accessible and Type A units. Indicate the accessible route to the building. Finally we want the number of units of each type, (Accessible, Type A and Type B), square footage of units and of buildings. Refer to QAP Section 5.14 - Building Standards and Exhibit K - Exhibit Checklist.

Will IFA allow IRS Form 8609 applications to be submitted on a quarterly or at least semi-annual basis?

IFA accepts IRS Form 8609 Applications anytime during the year. The October 15 date is the deadline for Projects requesting the current calendar year as the first year of tax credits.

What does the pre-application include?

Refer to 2019 Appendix A - Application Instructions of the Application Package.

The QAP states that a purchase contract needs to be valid for 9 months from the application date. Is this 9 months from the “pre-application” date schedule for November 1st or is this 9 months from the “application date” in January?

The 9 months is from the Application due date of January 16, 2019.

When you reference the Application, are you referencing the Application due January 16, 2019?

Yes.

May an Applicant change and/or decrease unit mix, units, AMI's, etc. after the submittal of the pre-application?

Per QAP Section 3.3.1.3 – “Applicants will be permitted to change income targeting, rents, Unit mix, Project size and add amenities if recommended by the market study provider.” Changes that are made that were not recommended by the market study provider will require an updated market study report and fee, and the Project may fail to meet threshold by reason of market feasibility.

Is there a maximum amount the rents can be adjusted after the market study comes back?

Rent adjustments shall be made to conform to the market study analysis.



2.2 Set-Asides

If the money in a particular set-aside is not all used – even if it is \$100 – will you fund another project and pull the rest of the money from the general pool?

Yes, except for the Supportive Housing for Families set-aside.

Are Projects prioritized within the set-aside?

Yes – by score.

2.2.2 Supportive Housing for Families Set-Aside

Does the credit per Unit by bedroom type apply to Projects competing in the Supportive Housing set-aside?

Please see the 2019 QAP for Section 2.2.2 that has the specific Tax Credits per LIHTC Unit caps by bedroom size.

Are supportive housing Projects eligible to receive another 15%-30% boost for serving lower income AMI's as described under section 4.10.3?

No. The maximum basis boost that a state agency may provide is 30% per code.

2.2.3 Disaster Relief Set-Aside

Are family or senior projects eligible for the disaster set-aside?

A family or senior project is eligible under the disaster set-aside in Marshalltown.

Is there a document or website that identifies which cities qualify for the disaster relief set aside? Does a city specifically need to be identified, or if a county that the city is in received disaster relief would it qualify?

See QAP Section 2.2.3

2.3.1 Maximum Projects Awarded

Can you clarify how the limit of three Projects per developer is counted – is it per Project or per proportional Project (the same as the LIHTC maximum)? For example, if 2 developers, both who are qualified development team members partner together equally on 4 Projects, does this mean that only 3 projects would be considered, or all 4 (if the developer's participation is counted at 50% for each Project)?

Regardless of percentage of ownership in the Project a developer or co-developer cannot be awarded more than 3 projects.

Can you clarify if this limitation is only for 9% LIHTC projects in this round, or would it also include any 4% Projects under consideration?

This limitation is for 9% LIHTC Projects only.

3.3.1 Pre-Application Market Study Analysis

How and where do you pay the market study fee for the pre-application?

At submission of the pre-application, the on-line application will require entry of banking information for the electronic payment of the market study fee. A receipt will appear after submission and may be printed from the Fees Tab.

Is there a way to see if there are more Applications in one market area prior to submitting?

No.

How do the market study analysts get existing Project vacancy rate info?

The market study analysts contact IFA, communities and management companies. If you have information relating to your Projects' market area and/or other market study information, submit this information with Exhibit 12T.

Who pays for the market studies?

The market study fee is passed thru to the developers. The market study fee is due with the submission of the pre-application.



3.8 – Fees

Are there wire instructions for the payment of application and market study fees?

No. The online application requires entry of the routing and bank numbers for payment of the market study fee at pre-application submission and the application fee at application submission.

4 – HOME

Will IFA have a HOME allocation for 2019? Wondering if these can be coupled with LIHTC?

IFA will not have HOME funds available for the 2019 9% LIHTC round.

4.1 Basis Boost

If you qualify for two boost categories, such as a 15% rural/non-MSA boost and 15% for the (30% units serving 40% AMI population), are you able to add them for a 30% boost in basis?

Yes.

4.1.3 DSCR

Section 4.1.3 states that all Projects shall reflect an average Debt Service Coverage Ratio (DSCR) between 1.20 DSCR and 1.40 DSCR and that any one year cannot go below 1.15 DSCR or above 1.60 DSCR for the first 15 years. Existing debt that will be assumed by the Ownership Entity shall be disclosed in the threshold Application. We have a small historic project that doesn't require any debt due to historic tax credit equity, and consequently the project will have no DSCR. This is causing a "red x" on the financial feasibility tab on the online application. Are we required to have debt? If not, how do we correct the red x issue?

A LIHTC project must have debt in order to meet the DSCR requirements of the QAP.

Section 4.1.3.1 states that you can increase the DSCR above 1.40 for a project under 25 units so that you can earn a max of \$500/unit for the first 15 years; it is typical that the early years on a small project have higher cash flow and the challenge of meeting the DSCR starts accelerating in years 10-15. If you increase the DSCR to a point that year 15 is making a maximum of \$500/unit, your cash flow in the early years is going to far exceed the \$500/unit max. Is it correct to assume that if we adjust the DSCR to a number that would allow for the max cash flow of \$500/unit in year 15 we are meeting the underwriting guidelines?

A Project may exceed the 1.6 DSCR in order to achieve a maximum \$500/per unit per year in years 1-15. The Projects cash flow is maximized at \$500 or 1.6 DSCR, whichever is greater.

4.1.5 Amortization

Section 4.1.5 states that IFA will underwrite using a 30-year minimum amortization on the first mortgage debt; since 30 year is a minimum, is it ok for us to use 35 year amortizing debt, and will IFA use 35 years instead of 30?

A 30-year minimum amortization is required, so a 35-year amortization on the first mortgage debt will be permitted and underwritten accordingly.

4.5.2 Other Funding Commitments

We are new to working with TIF as part of a LIHTC application. We understand if it doesn't pertain to the project itself (as not in basis) but rather to off-site improvements for street and sewer then your office doesn't need to review it. As we put this together, the question becomes what does IFA require in terms of verification of the TIF benefit in case it is relied upon to make the project itself work financially?

The TIF resolution adopted by the city council is project specific and subject to the award of LIHTC, so the TIF funds must be included in the calculation of the project's cash flow. TIF funds may not be used for construction of public streets.

Are all Projects required to have a resolution for TIF and/or URTE districts?

If TIF or an URTE is being utilized by your project and the city has not yet created a TIF or URTE district, a city resolution is required to confirm that the district will be established in order for the funds to be available to the project if awarded.



If a tax abatement is available for less than 15 years, may a Project establish a property tax reserve for the remaining years of the 15 year cash flow period?

No, a tax abatement loan should be used to meet the DSCR requirement thru the 15 year period.

Do you need a rate lock for the commitment letter?

No – the commitment letter must have a fixed interest rate, understanding the interest rate could change at closing.

4.5.4 Senior Living Revolving Loan Program

Where can we find Senior Living Revolving Loan Fund information?

See Appendix J of the Application Package.

4.6.2 Builder Fees

What encompasses the Builder and general contractor fees that are limited to 12% or 10% with an Identity of Interest? Does it include Overhead, General Requirements, and Profit, or just Overhead and Profit?

General Requirements, Builder Overhead and Profit

4.7.2 – Construction Contingency Funding

Understanding that contingency is not a construction cost; would it be acceptable to go in at the bare minimum contingency rate of 4%?

The construction contingency is a construction cost and part of eligible basis. The construction contingency must be within the QAP requirements.

4.9 Unit Cost Cap

In a new construction Project that has both commercial space and LIHTC Units; are the costs associated with the commercial component included in the calculation of the Unit Cost Caps, or can the commercial costs be quantified and deducted from the total project costs in order to calculate the Unit Cost Cap?

In a typical master lease arrangement for the commercial space, the structural enclosure of the commercial space is part of the LIHTC Project and is included in the Total Project Cost and subject to the Unit Cost Cap. The HVAC, plumbing, finish work, etc., of the commercial interior space is entirely separate from the LIHTC Project. The master lease income would be part of the LIHTC Project cash flow.

If the commercial build-out (HVAC, plumbing, electrical, etc.) is in the project's costs, do these commercial costs need to be excluded from the Eligible Basis and are these costs subject to the Unit Cost Cap?

Yes, if the commercial build out costs are in the in the Total Project Cost, they would be excluded from Eligible Basis but they are included in the Unit Cost Cap.

In a new construction Project that has both commercial space and LIHTC Units; are the costs associated with the commercial component included in the calculation of the Unit Cost Caps, or can the commercial costs be quantified and deducted from the total project costs in order to calculate the Unit Cost Cap?

In a typical master lease arrangement for the commercial space, the structural enclosure of the commercial space is part of the LIHTC Project and is included in the Total Project Cost and subject to the Unit Cost Cap. The HVAC, plumbing, finish work, etc., of the commercial interior space is entirely separate from the LIHTC Project. The master lease income would be part of the LIHTC Project cash flow.

4.9.1 Tax Credit Cap per LIHTC Unit

Would a Project that is receiving points under Section 6.3.3 – PBRA be eligible for a basis boost under 4.10.3 – Serving Lower AMI's?

No.

4.10 Basis Boost

If a Project is eligible for a 30% basis boost but does not need to use the full boost in the basis calculation, is the credit cap still calculated using the 30% eligible boost or does it match the actual amount of basis boost we are requesting?



The project is eligible for the 30% basis boost; the Project will receive the 30% boost in the LIHTC Cap per Unit, subject to the Project cap.

If a project receives a basis boost, does the tax credit cap get increased by the same amount of the basis boost?
Yes, up to the \$840,000 Tax Credit Cap. For scoring purposes, IFA will use the maximum Tax Credit Cap as \$840,000 if the actual basis boost results in an eligible basis tax credit calculation in excess of \$840,000.

4.10.1.2 Concerted Community Revitalization Plan (CCRP)

Can you clarify IFA's CCRP requirements?

The IRS requires states to make preferences for projects located in a QCT and is contributing to a CCRP. Refer to QAP Section 4.10.1.2.

Does a project located in a QCT and is contributing to a CCRP receive a 30% boost?
Yes – 15% for being located in a QCT and 15% for contributing to a CCRP for a total of 30%.

Section 5 Misc.

We are intending to submit a project that will consist of two condominiums: Condo #1 will be the LIHTC project and it will consist of the 1st floor exterior walls and floors 2 through 4 above; Condo #2 will be the interior space of the 1st floor and it will be owned by Entity 2. Entity 2 will pay for the build-out of Condo #2 separate from the LIHTC project (i.e. the buildout costs will not be part of the LIHTC eligible basis and will not count against the LIHTC cost cap). Entity 2 will pay the LIHTC project \$1,800 per month for the contract sale of the condominium. Please let us know if you see any issues with this structure as it relates to the LIHTC program?

What would be needed for documentation for the threshold application as it relates to the condominium structure of the project?

Provide a draft of the condominium regime when you submit your threshold application due by January 16th at 4:30. IFA will evaluate it at that time and ask any necessary questions thru the deficiency process.

5.2 Legal Ownership Entity

I have a question regarding section 5.2 of the QAP which relates to the site control portion of the application. Is the entity to which the QAP is referencing the general partner?

No. It is the Ownership Entity of the proposed LIHTC Project.

5.3 Qualified Development Team (QDT)

Our entity is not needed as the sole qualifying member of the QDT and we don't want to be evaluated as a QDT member although we do have LIHTC experience. We have been a development consultant and our principals have been involved in LIHTC projects as a general partner. Can we be excluded as a qualifying team member and be listed as a consultant and not as a development consultant?

No. An Applicant is required to identify the Qualified Development Team (QDT), refer to 5.3. Furthermore, an Applicant who fails to disclose all known members of the Project's Qualified Development Team may be deemed ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period to be determined by IFA, refer to 5.20.4 and 5.20.4.3.

I just wanted to confirm for the 5.3 Qualified Development Team section, Pre-Apps only need to include: 1) "address, city, state, zip, phone, email, and contact information" for the QDT? And do applicants only need to include 2) the Developer/Co-Developer information for the 5.3 QDT section? i.e. It is not required for the IFA Pre-App to include anything "Identity of Interest" or below for each QDT Developer?

Refer to Appendix A – Application Instructions



Section 5.3.2 states that “A Developer or a General Partner/managing member that have four or more open 9% LIHTC Projects in Iowa, may only apply for one Application in the 2019 funding round.” What is the cutoff date for the 4 or more LIHTC projects?

The cutoff date for open projects is the date of Application submission, January 14-16, 2019.

When we act as a consultant on a project but are not needed to meet QDT requirements; do we need to be listed in the QDT section?

Yes

5.4 – Location and Site Requirements

We are subdividing an existing parcel that currently has a single family home on it, into 2 separate LIHTC Projects. Would the same building address be appropriate to use for each sites? Should the costs of demolition of the single family home be split between the two partnerships if it is located on both sites?

Each project shall have a separate address or latitude/longitude coordinates. Please consult your tax accountant on demolition costs.

5.4.2 Location Near Services

To clarify, in a Non-MSA project, you only need to have one service from either of the categories, not one from each, correct? Yes.

The address for our project is an undeveloped site and it does not yet appear in Google maps. Google maps reads the address but assumes that it is being entered wrong and switches to a different address. How do we show the primary address of our project on Google maps?

Refer to QAP Section 5.4.2. If the address is not recognized in any mapping service then input latitude and longitude for your site.

Can you clarify if a project located in an MSA must meet two of the services from each table in QAP Section 5.4.2 or just two overall and one in each table or just 1 overall if a project is located in a Non-MSA?

It doesn't matter which table the service(s) come from; however, if using a grocery store, only 1 grocery store may be considered.

What happens if one of the services listed (e.g. grocery store) closes before the Application review?

Per QAP Section 5.4.2 “The service shall be in operation and accessible via existing roads at the time of Application submission.”

5.9 Land/Building Acquisition with an Identity of Interest

When buildings/land are acquired from an entity with an identity of interest but a value is not assigned to the buildings or land, is a 3rd party appraisal required?

For threshold purposes, an appraisal would not be required if there were not any acquisition costs entered into the Cost and Credit Calc Tab in the on-line application.

5.12 Acquisition/Rehabilitation

We are considering a vacated former nursing home for this year’s 9% LIHTC round. Since these were formally dwellings, would this be considered adaptive reuse or acquisition rehab?

Because a nursing home is a health/medical related facility, a conversion to residential housing would be considered an adaptive reuse project.

5.14 Building Standards

Exhibit K does not specify elevations in any exhibit; please advise us what exhibit elevations are to be uploaded under.

Submit the elevations with Exhibit 8B - Plans Specs.



Section 6 Scoring Misc.

In the pre-application submittal does the scoring tab reflect all scoring elections?

No, the scoring tab will not reflect an accurate score until all required information is submitted in your threshold application due January 16.

Are there required exhibits to demonstrate that the Projects have done their “due diligence in regards to state historic preservation”?

No, there are not required exhibits - please refer to QAP Appendix 1 - Threshold Requirements for Building, Construction, Site and Rehabilitation.

Historically, what is the typical number of points in a round?

Refer to the IFA website. Each program year has a scoring sheet that shows the total scores and specific scoring categories chosen.

6.2.3 Opportunity Index

Will there be an update to the opportunity index map which is dated 2010?

No

6.3.1 Market Appeal

Can amenities from prior phases of a project be considered for points for a new/additional phase?

In order to achieve points for project amenities, the amenities must be within the project, so amenities from another phase cannot be used as amenities for scoring for a new/additional phase.

Storage Units

Can you clarify if the storage unit is required to be accessed from inside the dwelling unit or if it can be accessed from the exterior and be an unconditioned space?

Storage units are not limited to the inside of the dwelling unit or limited to conditioned spaces.

Fitness Center

Can you share a fitness room and community center between 2 phases of a project?

In order for the fitness room to be listed as a project amenity or for a community room to be considered for scoring, these items must be located within the project. If these items are in Phase 1 and the developer is applying for Phase 2, then Phase 2 could not list them in the LIHTC application. If these items are to be constructed within Phase 2 and shared with Phase 1, IFA would need more information concerning the sharing arrangement.

6.3.3 Voucher Assistance

In our situation the city is the Public Housing Authority, so if we have non-federal dollars that are used for a project to provide assistance and we have agreements between the City and the project does that meet the criteria for the local project based vouchers in the QAP.

In this situation the assistance has to be Local Project-Based PHA (Public Housing Authority) Voucher Assistance. Any other local PHA financial assistance would not qualify for points under 6.3.3.

Are existing project based PHA voucher properties eligible for the basis boost?

Projects with PBRA are not eligible for points for serving lower AMIs or for the basis boost for serving lower AMIs.

6.3.4 Construction Characteristics

Our building's exterior will consist of prefinished metal panels. These are extremely durable and better than metal panels. The problem is that the application does not include metal panels and the ability to be awarded points in the construction characteristics tab. Any direction is appreciated.

Follow the prescribed requirements in section 6.3.4.



6.3.5 Olmstead Goals

Does “all rooms in a multi-level accessible unit shall be accessible” mean that both bathrooms in an ADA unit must be accessible? Please clarify.

Yes, all rooms and floors in a multi-level accessible unit shall be accessible.

6.3.7 Energy Efficiency

The IFA QAP Section 6.3.7 Energy Efficiency states for new construction, 3 stories or less, that a HERS rating of 62 or less is required for 8 points, the IFA QAP Appendix 1 Section 3.2.1 states that the HERS rating needs to be 70 or less at building completion, 3 stories or less; please confirm which HERS rating is correct to collect the 8 points in the application in QAP Section 6.3.7., and how/if that affects QAP Appendix 1 Section 3.2.1.

Appendix 1-G 3.2.1 – Energy Efficiency (new construction 3 stories or less) requires a HERS rating of 70 or less to meet threshold. QAP Section 6.3.7—Energy Efficiency (new construction 3 stories or less) requires a HERS rating of 62 or less to qualify for points in this section.

6.4.2 Developer General Partner/managing member Experience

If there are two co-developers, and both would be part of the managing member, must each of them have 2 projects with 8609s between July 1 2012 and July 1 2018; or is it sufficient for one of them to demonstrate this experience to receive the 5 pts?

One GP/mm or developer is required to have 2 projects with 8609s between July 1 2012 and July 1 2018 to qualify for points.

Section 6.4.2 states that a Developer, GP/MM or Development Consultant of the Project that has any missed or failed construction inspections for any 2016 and 2017 IFA LIHTC Projects, will receive a negative point; can you clarify what dates IFA will consider for the cut-off?

Notifications of a failed or missed inspection prior to the submission of the Pre-application, 11/1/2018, must be reported.

For qualification, must the experienced entity have both 50% of developer interest and 50% of general partner interest? The added language can be interpreted both ways.

If the qualifying member is the developer, the developer must have 50% of the developer fee. If the qualifying member is the gp/mm, then the gp/mm must have at least 50% ownership of the project.

If the Development Consultant was not a required QDT member of a deal that has one of the three performance reductions, will that Consultant be affected?

Yes

What does “failed construction inspection” mean? Was there an official notification provided to the Sponsor that this occurred?

Please refer to section 3.8 Fees. Yes an official notification will have been provided.

6.4.4 Construction and On-site Work Costs

Correction

Are there clear definitions for construction costs and on site work and does the online application clearly show what percentage it is calculating?

*Constructions costs and on site work are line items on the cost and credit calc tab in the online application. Refer to your tax attorney for specifics. **The percentage can be seen by hovering over “Requested or Not Requested” on the scoring tab in the online application.***

What happens if the percentage of the subtotal construction and onsite work to total development costs (minus land cost) changes after submission of the threshold application?

The percentage must be maintained and/or exceeded through IRS Form 8609 issuance.

Will you know this percentage before the application is submitted?

The project specific percentage will be shown by hovering over the numbers in the online application.



6.4.6 Environmental Site Assessment

We have previously completed a Phase I and II for the site we will be securing but it needs to be updated for the submittal because of the time lag (it has expired). No issues were identified in the previous study. Can we submit a Phase I that includes the entire site, for both buildings A and B; or should we simply to reflect the footprint for Building A.

Obtain a new phase I on the project you are proposing.

Where there is a Phase I that covers a larger parcel (including the subject site), how does IFA want the invoicing to be handled?

Contact the entity preparing the Phase I and have them break down the costs.

6.4.7 Leverage – Tax Credit Cap

For scoring on 6.4.7, is the percentage of leverage below the Tax Credit Cap calculated using the adjusted Tax Credit Cap if boost is used?

Yes, subject to the Project cap.

Appendix 1 – Threshold Construction Requirements

If 15% of our units are at 40% AMI, does the unit size mix need to also reflect that same percentage? Example: Do I need to have 15% of each of the 1, 2 and 3BR units at 40% AMI or can they all be 1 BR units, or one of each unit type?

See QAP Appendix 1 – Introduction

A - Site Control

The QAP states that requirements for site control must include documentation the project meets or exceeds the zoning requirements for parking and the most current real estate tax assessment. The online system asks under the site control tab if "parking requirements for zoning are met and included within the site control documents for the Project".

Does this mean that the Purchase or Option Agreement needs to have language addressing the parking and tax assessments?

The legal description for the entire project must be included in the Purchase Agreement or related Option Agreements. Zoning requirements will be addressed in Exhibit 7B.

We have learned our proposed site may not be able to be rezoned. Is it possible to change the site after a pre-application has been submitted?

No.

Some sites are not zoned at application submission – does parking need zoning or intended use zoning?

Parking needs to meet the intended use zoning requirements.

Is it intended that local parking requirements be met at the time of application submission?

Yes, site control of the intended use required parking.

Site control needs to be valid for nine months after application which would be October 16. Our property is under contract with a closing date of September 1, 2019. We also have the right to purchase a sixty day extension for a fee of \$2,000 moving the closing date to November 1. Would this fulfill the requirement for site control?

What you are suggesting for your proposed 2019 LIHTC project regarding site control may be acceptable; however IFA cannot provide an approval until all of the documents concerning the purchase option and extension are reviewed. Site control is an Application threshold item, so should IFA have questions about the documents you submit with your Application; you would be advised in the deficiency notification sent by IFA.

What are IFAs land lease requirements for a LIHTC project?

Refer to QAP Appendix 1-A(c) and (d) and 2.



C – Zoning

The proposed site is currently zoned appropriately for the use with the exception of the number of proposed parking spaces. The current zoning requires a larger number of parking spaces than the Developer is proposing. The local jurisdiction is aware the Developer will be requesting a waiver to reduce the number of spaces and has addressed it on the 7B form. The Developer is aware that if the waiver is not approved, the site will need to accommodate the required number of spaces prescribed by zoning and does have a site plan that shows them.

Does the site plan to be submitted with the application need to show the number of spaces currently required by zoning or the number of spaces planned for if a waiver is approved?

The site plan and application need to show the number of parking spaces currently required by zoning.

D – Access to Paved Roads

When does the binding commitment for both the construction and financing of the paved road need to be submitted, and in what form, and where?

At threshold application submission, provide a separate construction cost estimate for the road extension as part of the Exhibit 9B – Construction Cost Estimate with a financing commitment letter as an Exhibit 6T – Commitment Letter - Other.

What if a street extension is required for your Project?

Per IFAs QAP, costs of street extensions are not allowed in the Project budget.

Do the street extensions have to be done prior to application submission?

Per QAP Appendix 1-D, the Project must provide a binding commitment for both the construction and financing of the paved street that is not allowable in the Project costs and the construction of the paved road shall be completed prior to the issuance of an IRS Form 8609.

G – Minimum Development Characteristics

G – 1.5 Unit Bathrooms

Can you clarify the conflicting requirements for bathrooms in Projects with 3 bedrooms in QAP Section 6.1.3 and Appendix 1-G 1.5?

Appendix 1-G 1.5 - Unit Bathrooms, requires one full bathroom and one ½ bathroom for Projects with 3 bedrooms to meet threshold. QAP Section 6.1.3 - Serves Tenant Population of Individuals with Children, requires at least one full bathroom and one ¾ bathroom for Projects with 3 bedrooms to qualify for points in this section.

Can roll in showers be on the first floor or second floor?

They can be on either.

G - 1.7 Minimum Unit Net Square Footage

Our project is financed by USDA RD Section 515 Housing. All units and common spaced were originally designed and built at the maximum square forage allowed by that program. Do we need to request a waiver on the minimum square footage for an Acq/Rehab?

Please review Appendix 1.G.1.7 in the 2019 9% QAP. The minimum unit net square footage applies only to new construction or adaptive reuse.

G – 2.1 Accessible Units

Does a 2 story fully accessible unit have to have an elevator or lift?

Yes.

G – 5 High Speed Internet

What if you do not have reliable internet access because it is rural?

An applicant must put in cabling for threshold requirements. Providing free high speed internet access is an optional point item.



G – 6.1 Flooring

Can you use carpet tiles?

Yes, as long as the face weight is the same.

H – Submission of Site Characteristics

H-5 Flood Zones

On the FEMA website, one of the designations is Zone X - Area With Reduced Flood Risk Due to Levee. Zone X usually means outside of the floodplain and therefore not detrimental. Is a Zone X area considered in a 100-year flood zone or detrimental site?

A Zone X area is a detrimental site characteristic which would require further explanation and may require remediation efforts. Refer to QAP Appendix 1 H-5.

Appendix 2 – Glossary

Fractional Rounding

The QAP states that for the purposes of determining the number of Units in an Applicant's election(s), fractional Units will be increased to the next whole Unit. To clarify, if my unit percentage count is 3.10% I need to have 3 of these units, not 4?

No, you will need to have 4 Units.

On-line Application (TAC)

Site Control Tab

Our project will involve 3 parcels of land from 3 sellers. When I go to submit I get a response "Seller has owned the real estate since (date is required). Where am I supposed to enter this information? There is not a specific question that I can see where I should enter this information. Any direction is appreciated.

Enter at least 1 complete date in that field on the Site Control Tab.

In regards to the following question on the site control tab "If no sole fee simple title, does the Ownership Entity have an executed and exclusive option or contract, from a seller authorized to sell, for the Property, on which the Project will be located, that is valid for nine months from the date of the Application due date?"

Our contract has extension periods to close that go beyond the specified date of contract validity 10/16/2019. Does this work for the above, or does the contract have to specifically say that the agreement is valid through 10/17/2019?

Yes, provided that the extensions are at the sole option of the buyer and there are no conditions by the seller.

Construction Characteristics Tab

Regarding the flooring in section 6 of the construction characteristics tab of the application, can a flooring choice be changed or upgraded after the application is submitted?

The developer would need to find a different product that is equal to or better than the product originally listed. The new product will need to be listed in the specifications for the drawing review prior to the start of construction. Any changes of this type need to be reviewed by IFAs construction analyst to determine if a change in application will be needed.

Regarding the siding in section 4 of the construction characteristics tab of the application, when choosing exterior be 50% 4" nominal brick, can the remaining 50% of the exterior be a mix of cement board and metal?

Yes, the remaining exterior can be a combination of fiber cement board siding and pre-finished aluminum metal.

On the Construction Characteristics tab of the application, it asks for model numbers of appliances, heating/cooling equipment, and water heaters. What is the procedure if that model number is no longer available when it is time to be purchased; or if we find a better model at a lower price? Is this just to confirm energy ratings, to ensure a replacement model has the same efficiency as the one originally specified? Please advise.

The developer would need to find a different product that is equal to or better than the product originally listed. The new product will need to be listed in the specifications for the drawing review prior to the start of construction.



Buildings Tab

The on-line application's 30% gross rent limits are different from IFA's published 2018 LIHTC rent limits. Is this an error?

No, the 30% rent limits in the 2019 applications are calculated using the MTSP income limits rather than using the 30% AMI calculation based upon HUD's poverty-rate comparison, as previously used by IFA. Use the rent limits as noted in the 2019 on-line application.

How does the application determine the 15% boost for QCT if I answer no to being located in a QCT with a CCRP?

The application is coded to automatically check census tracts & QCT by the nine digit zip code in the buildings tab.

Exhibits

To change an exhibit that was previously uploaded, should we remove the existing item or leave it and submit the new one as an addendum.

You are not able to remove an existing exhibit, but you can upload another exhibit.

Should we be using IFA's new address for our Exhibits?

We will not be updating IFA's address on the 2019 exhibits and appendices. Use the current forms listed on the website.

What exhibits are required for the pre-application?

Refer to Appendix A – Application Instructions.

4B - Maps

Do you have to have an official city map for 4B or can we use google earth view?

Google Earth is fine as long as the boundaries of the city and the location of the project are clearly shown.

7B – Political Jurisdiction

I noticed that on the 2019 HTC Page (included where I'm looking in case there is another place I should be looking), that it looks like Exhibit 7B is not showing up on that page.

Exhibit 7B is generated from the Exhibits Tab in the on-line application. The on-line application will pre-fill a portion of the top part of the form so that it can be sent to the city for completion, along with the site plan.

Refer to the 2019 Appendix K posted on the 2019 LIHTC web page.

8B – Plans and Specifications

For Exhibit 8B, do we need to show square footage for each room in a living unit?

Yes, show the net square footage from each room in the building including each room in the living units.

Exhibit 2T - Current Real Estate Tax Assessment Documentation

What is required for Exhibit 2T Current Real Estate Tax Assessment Documentation?

A print-out from the county assessor's office is required.

15T – State Agency Performance Information

On Exhibit 15T, do you want us to include projects we have received allocations/reservations that may be either in the due diligence stage OR under construction?

Yes, but note that these projects are under construction or recently received an allocation by the state agency.

In Part 1 - section 1-D - Organization Information (page 1), there is a new contact information line item "Parent/Affiliate Name". When would it be appropriate to insert contact information for both "Individual/Entity Name" and "Parent/Affiliate Name" sections?

As an example, a company may operate under various entity names (ex: subsidiaries), the project specific development entity/individual name would be listed under "Individual/Entity Name" and the parent company would be listed under "Parent/Affiliate Name".



How far back does IFA want 8823s listed on the 15T?

Refer to the instructions listed in the exhibit.

5S – Local Government Contribution

In the past IFA has had a form 5S – Certified Local Government Contribution. Do you still have that anymore or will a copy of the resolution and additional information referred to in the QAP suffice?

Please refer to the QAP and Appendix K. There is not an Exhibit 5S this funding round.