

OVERVIEW OF CHANGES TO THE 2011 QUALIFIED ALLOCATION PLAN

Introduction

- Adds mandatory developer training
- Adds non-profit status submission date
- Revises application due date to a single date – March 8, 2011

Part A: Requirements for 9% Tax Credits

- Section 2.2 – four set-asides noted and eliminates the HOME set-aside
- Section 2.3 – sets a cap of \$1,500,000 in credits for a single developer and a project cap of \$1,000,000. Also clarifies how Identity of Interest relates to the developer cap
- Section 3 – the application will be online and fees must be paid electronically
- Section 3.3 – expands language concerning contact with IFA after the application is received
- Section 3.4.3 – includes a special demonstration application process with the City of Des Moines
- Section 3.4.7 – fees must be paid electronically, application and compliance monitoring fees increase slightly, and adds a fee at the time of the 8609 application
- Section 3.4.8 – removes the HOME set-aside and the special disaster counties general pool
- Section 4.1.3 – establishes a DSCR exception for projects targeting low income tenants meeting the Federal definition of Homeless; small projects, and special needs projects
- Section 4.5.1 – financing letters must extend at least 6 months beyond application date
- Section 4.5.2 – adds City of Des Moines HOME funds and IDED CDBG funds
- Section 4.7.2 – decreases the new construction contingency from no more than 10% to 7% and decreases the rehabilitation, preservation, adaptive reuse and historic projects from 15% to a range between 13% and 15%
- Section 4.9 – establishes unit costs caps that are closely tied to the 221(d)3 limits for elevator construction, with adjustments for off-site land improvements, energy saving HVAC systems, ROSE projects, and EZ sales tax and utility company rebates
- Section 5.4.6.1.3 – revises the ineligible applicant/significant parties concerning program compliance and receipt of a form 8823.
- Section 5.4.6.1.12 – adds ineligible significant parties who have a past bankruptcy, and adverse fair housing or civil rights settlement
- Section 5.4.6.1.13 – adds ineligible significant parties who have returned tax credits in 2010 because the equity investment did not close
- Section 5.9 – changes the scattered site from a 15 mile radius to 20 and allows an exception for projects qualifying in the rural development preservation demonstration set-aside
- Section 6 – establishes a minimum score of 200 to meet threshold, and adds a category for developer team experience/efficiency
- Section 7.3 – adds ROSE projects and USDA projects eligible for a 30% basis boost
- Section 8.3.4 – defines a project change in the minimum set-aside requirements from 20-50 to 40-60 as a material change to the project

Part B: Requirements for 4% Credits

- Makes similar revisions as in the 9% credits section

Part C: Terms and Conditions

- Section 13.14.3.1 is being deleted

Appendix 1

- Updates building standards
- Item 23 – clarifies the energy audit required for existing structures

Appendix 2

- Amends glossary terms