



MEMORANDUM

TO: Website
FROM: Dan Foster
DATE: November 10, 2011
SUBJECT: Draft QAP for Public Comment

Multiple changes are have been included in the for the Draft 2012 Qualified Allocation Plan involving scoring criteria, application submission requirements, and to clarify various aspects of application processing.

Threshold Modifications

Applicant Eligibility and Financial Feasibility added as Threshold criteria.

Scoring Modifications

Other than the proposed changes in Areas of Statistically Demonstrated Need (ASDNs) proposed scoring changes or clarifications, include the following:

Non-Profit – Tiered scoring for this category so only local non-profits with net worth of \$1 million or greater receive 10 points. Non-profits with lower net worth may partner with for-profits to increase the combined net worth of the General Partner to the \$1 million threshold to obtain maximum points. Local non-profits with net worth of greater than \$250,000 or national non-profits with net worth of greater than \$2 million can earn 5 points. The exception for lower net worth for CHDOs will be eliminated.

Green Scoring – Enterprise Green Communities points increased to 20 to be equivalent to LEED Silver. Projects seeking LEED Silver may submit a certification from a LEED AP at application rather than from LEED for Homes provider. MFA Green Criteria updated with minor changes.

Conversion plus Rehabilitation – Point value lowered from 15 to 5.

Project serving Special Needs – Projects scoring 20 points must set aside 20% of units (reduced from 25%) for special needs and must restrict rents for 50% of set aside units at 30% AMI (no restrictions with previously link with set aside).

Efficient Use of Credits – Category eliminated.

Local Contributions – Contributions made by any entity with an ownership interest in the project will not be counted as a local contribution for this criterion.

Concerted Community Revitalization Plans – Concerted Community Revitalization Plan defined as Metropolitan Redevelopment Plan. Exception for projects on Tribal Lands which have enacted plans similar to a Metropolitan Redevelopment Plan. Points reduced from 5 points to 2 points.

Projects with Historic Significance – Building must be listed or eligible to be listed on the historic register, not simply located in historic district. Projects must also submit National Park Service approval of Historic Certification - Part 2 at Carryover.

Anticipated financing commitments – category eliminated.

ASDNs – Rehabilitation projects with new construction units may be scored as new construction for this category if the number of new units equals the greater of at least 15 units of new construction or 20% of the total units. To qualify as rehabilitation for this category, a majority of units must be rehabilitation. Rehabilitation Projects that are not in service and occupied will be treated as new construction/Adaptive Reuse for this criterion.

Failure to meet Development Deadlines – Negative 5 points for Principals that have a prior award that did not meet all development deadlines (starts with 2012 Projects). Applied to all projects submitted by a Principal in a given round may be penalized for the next round in which they apply after the deadline was missed. The penalty will not apply to subsequent rounds.

Other Changes

Fees: Extension fees will be charged on weekly basis. Annual compliance monitoring fee will be increased for \$40 per unit to \$45.

Deadlines: Evidence of construction start will be due on August 31st of the year following the Carryover Allocation along with the 10% Test material. Projects financed with Historic Tax Credits must submit National Park Service approval of Historic Certification - Part 2 at Carryover.

Basis Boost: For project not located in a HUD designated DDA or QCT, the basis boost will be limited to projects which score at least 5 points under Project Selection Criteria #3, Projects That Benefit the Environment; have units set-aside for seniors, households with children, or residents with special needs; and are not Tax Exempt Bond Financed.