Our Mission is to help low and moderate-income Virginians attain quality, affordable housing.
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Today’s PowerPoint presentation will be posted to our website, VHDA.com (after workshops have been completed)
First we’ll discuss...

1. 2013 QAP
2. Available Credits/Pools
3. Rules of Ranking
4. Points (Scoring Items)
5. Parameters
6. 2013 Cost Limits
2013 QAP

• Minimum threshold score is now 450 points for all applications

• Non-compliance language added: penalties will be imposed…

• NCD Pool language added: projects where no more than 25% of the units receive HUD Section 811 rent subsidies
2013 QAP

• **Removed**: 100 points, unit size category

• **Removed**: 5 points, geothermal heat pump category

• **Removed**: 10 points, solar electric system category

• **Removed**: 25 points, using a VHDA Certified Property Management company (now a **minimum requirement** for all LIHTC and VHDA-financed developments)
2013 QAP

• **Removed**: QCT/Revitalization credit adjustment in the credit-per-unit calculation

• **Points Increased**: credit-per-unit increased to 200 points

• **Points Increased**: cost-per-unit calculation increased to 100 points (negative points included in the calculation)
Credit Pools
## 2013 Pool Percentages

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Profit</td>
<td>15.00%</td>
</tr>
<tr>
<td>LHA</td>
<td>15.00%</td>
</tr>
<tr>
<td>New Construction</td>
<td>15.00%</td>
</tr>
<tr>
<td>• 15% of the following year’s credits</td>
<td></td>
</tr>
<tr>
<td>Northern VA/Planning District 8 (Inner Wash.)</td>
<td>18.02%</td>
</tr>
<tr>
<td>Northwest/North Central VA</td>
<td>9.20%</td>
</tr>
<tr>
<td>Richmond</td>
<td>11.63%</td>
</tr>
<tr>
<td>Tidewater</td>
<td>17.00%</td>
</tr>
<tr>
<td>Balance of State</td>
<td>14.15%</td>
</tr>
</tbody>
</table>
Pre-Allocations

Additional At-Large Funded & Non-Competitive Pool

<table>
<thead>
<tr>
<th>LHA</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LHA</td>
<td>645,926</td>
</tr>
<tr>
<td>Northern VA/Planning District 8 (Inner Wash.)</td>
<td>57,532</td>
</tr>
<tr>
<td>Northwest/North Central VA</td>
<td>426,866</td>
</tr>
<tr>
<td>Richmond</td>
<td>543,769</td>
</tr>
<tr>
<td>Tidewater</td>
<td>857,254</td>
</tr>
<tr>
<td>Balance of State</td>
<td>610,991</td>
</tr>
</tbody>
</table>
2013 Available Credits

- Per Capita Credits
  $2.25 per person*

- Previous Allocations:
  - National Pool:
  - 10% of 2014 Credits:
  - Non-competitive pool:
  - Estimated 2013 Credits:

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita Credits</td>
<td>$18,418,200</td>
</tr>
<tr>
<td>National Pool</td>
<td>($7,968,831)</td>
</tr>
<tr>
<td>10% of 2014 Credits</td>
<td>$75,000</td>
</tr>
<tr>
<td>Non-competitive pool</td>
<td>$1,841,820</td>
</tr>
<tr>
<td>Estimated 2013 Credits</td>
<td>($1,213,203)</td>
</tr>
<tr>
<td></td>
<td>+ $11,152,986</td>
</tr>
</tbody>
</table>

*Population Estimate = 8,185,867
(U.S. Census Bureau 7/1/12)
# 2013 Estimated Credits

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Profit</td>
<td>1,672,948</td>
</tr>
<tr>
<td>LHA</td>
<td>1,027,022</td>
</tr>
<tr>
<td>New Construction</td>
<td>2,762,730</td>
</tr>
<tr>
<td>Northern VA/Planning District 8 (Inner Wash.)</td>
<td>2,760,851</td>
</tr>
<tr>
<td>Northwest/North Central VA</td>
<td>1,012,984</td>
</tr>
<tr>
<td>Richmond</td>
<td>1,274,931</td>
</tr>
<tr>
<td>Tidewater</td>
<td>1,802,362</td>
</tr>
<tr>
<td>Balance of State</td>
<td>1,601,888</td>
</tr>
</tbody>
</table>
Non-Profit Credit Pool

- Authorized to do business in Virginia
- Material participation in the project
- Substantially based or active in the community
- 100% share of general partnership or managing member interest if LLC
- Not controlled by for-profit
- Board and staff not involved as for-profits
Non-Profit Credit Pool cont’d

• Not formed for purpose of Non-Profit Pool

• Not a joint venture unless 100% non-profit

• $750,000 limit unless all Non-Profit Pool developments funded

• Non-Profit Questionnaire
  - submit supporting documents ONLY upon request by VHDA
  - LHAs not required to submit NP Questionnaire
  - Note: for VHDA use only during comment period
Non-Profit Credit Pool cont’d

- Each new construction or adaptive re-use development **eligible** for the New Construction Pool (PD8), that is not funded in this NP Credit Pool, will move to the New Construction Pool.

- All other developments not funded in this NP Credit Pool will move to their applicable geographic pool.
Local Housing Authority (LHA) Credit Pool

- 100% Housing Authority ownership within the housing authority jurisdiction or is a HOPE VI development
- Local IDA may compete in pool if no LHA in the jurisdiction
- LHA-sponsored developments may only compete in the LHA pool
Non-Competitive Credit Pool
Persons with Disabilities

6% of Per Capita Total

- Apps accepted no earlier than April 19 and due no later than November 1, 2013 and will NOT be funded based on date and time of application

- Coordination with DHCD for any applications requesting Housing Trust Funds

- New for 2013! Minimum threshold score of non-funded competitive round geographic pool score
Non-Competitive Credit Pool
Persons with Disabilities, cont’d

- New for 2013! No more than 25% of the units use HUD Section 811 funds for rent subsidies or

- At least 50% of the units provide:
  - Fully accessible housing for persons with disabilities
  - With incomes at/below 40% AMI and
  - Providing project-based rent subsidy
Non-Competitive Credit Pool
Persons with Disabilities, cont’d

• Additional application fee required if application is re-submitted (updating development characteristics or correcting data resulting in a change in the credit amount)
New Construction Pool

• Developments are funded with 15.00% of next year’s Annual Credit authority

• New construction or adaptive re-use developments located in Alexandria, Arlington, Fairfax City, Fairfax County, Falls Church, Loudoun County, Manassas, Manassas Park and Prince William County, will compete in the New Construction Pool
Rules of Ranking

- Developments qualifying to compete in the Non-profit pool, compete there first.
- Developments qualifying to compete in the New Construction Pool, compete there next; thereafter the application will compete in the Northern VA geographic pool.
- If not ranked high enough to receive credits in the NP Pool, developments then drop into the appropriate geographic pool.
- Developments will not receive partial credits from any pool; those credits drop into the At-Large pool (except New Construction Pool).
Rules of Ranking cont’d

• No more than 20% of credits in any pool will be allocated to an elderly development or 1 development per pool

Exception: existing subsidized elderly properties

• Once limit is reached, all elderly deals become “ineligible” and drop to bottom of the pool ranking, unless all non-elderly applications have been fully funded
Rules of Ranking cont’d

• At-Large Pool: created for all applications not ranking high enough to be fully funded with credits in geographic pools - 2 tiers

➢ Tier 1 - Highest-ranking “eligible” developments not fully funded from the geographic pools

➢ Tier 2 - All other developments above threshold not funded
Point Categories
Readiness

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan of Development (N/A if receiving Developer Experience Points)</td>
<td>0 or 40</td>
</tr>
<tr>
<td>Proper Zoning Certification</td>
<td>0 or 40</td>
</tr>
</tbody>
</table>
## Housing Needs

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locality Notification Information form</td>
<td>0 or -50</td>
</tr>
<tr>
<td>Locality CEO letter (&quot;No&quot;, &quot;No Comment&quot;, &quot;Yes&quot;)</td>
<td>0, 25 or 50</td>
</tr>
<tr>
<td><strong>Deadline: 4/ 1/ 13</strong></td>
<td></td>
</tr>
<tr>
<td>Located in Revitalization Area</td>
<td>0 or 30</td>
</tr>
<tr>
<td>Located in a QCT and Revitalization Area</td>
<td>0 or 5</td>
</tr>
<tr>
<td>Developments w/out Sec 8, project-based assistance and where leasing preference is given to PHA waiting list</td>
<td>0 or 10</td>
</tr>
<tr>
<td>• Points pro-rated if &lt;100% of the units has project-based assistance</td>
<td></td>
</tr>
</tbody>
</table>
## Housing Needs cont’d

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidized Funding Commitment</td>
<td>Up to 40</td>
</tr>
<tr>
<td><strong>Local subsidized funding will be for development costs only</strong></td>
<td></td>
</tr>
<tr>
<td>Existing Rural Dev., HUD, Sec. 8 or 236</td>
<td>0 or 20</td>
</tr>
<tr>
<td>Tax abatement or new project-based HUD or RD rental subsidy (&gt; of 5 units or 10%)</td>
<td>0 or 10</td>
</tr>
<tr>
<td>Located in Census Tract &lt; 10% poverty rate and no other Tax Credit properties</td>
<td>0 or 25</td>
</tr>
<tr>
<td>Rural Dev. - “High Priority Rehab” list</td>
<td>0 or 15</td>
</tr>
</tbody>
</table>
### Housing Needs cont’d

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Located in an area with an increasing rent-burdened population</td>
<td>Up to 20</td>
</tr>
<tr>
<td>New construction located in an area with little or no increase in rent-burdened population</td>
<td>Up to -20</td>
</tr>
</tbody>
</table>

Above scoring categories to be removed if developments compete in At-Large Pool
## Unit Size, Public Transportation

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Located within ½ mile of an existing commuter rail, light rail or subway station or ¼ mile of an existing public bus stop</td>
<td>0 or 10</td>
</tr>
<tr>
<td>Meets the above qualifications and is competing in the Planning District 8 Pool</td>
<td>0 or 20</td>
</tr>
</tbody>
</table>
# EarthCraft/LEED, Universal Design

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>EarthCraft or LEED Development Certification</td>
<td>0, 15, 30 or 45</td>
</tr>
<tr>
<td>• Architect of Record must have attended EarthCraft Multi-family Professional Training since 1/2008</td>
<td></td>
</tr>
<tr>
<td>• <strong>next training 1/17/13</strong></td>
<td></td>
</tr>
<tr>
<td>Units meet VHDA’s Universal Design Standards</td>
<td>Up to 15</td>
</tr>
<tr>
<td>• Elderly-all units</td>
<td></td>
</tr>
<tr>
<td>• Family % UD of total</td>
<td></td>
</tr>
<tr>
<td>• Architect of Record must have attended VHDA UD Symposium since 1/1/06</td>
<td></td>
</tr>
<tr>
<td>• <strong>next training 1/31/13</strong></td>
<td></td>
</tr>
</tbody>
</table>
## # Units

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;100 Units</td>
<td>Up to 20</td>
</tr>
<tr>
<td>• ≤ 50 units (20 pts)</td>
<td></td>
</tr>
<tr>
<td>• 51-99 units (0.4 pts for each unit above 50)</td>
<td></td>
</tr>
<tr>
<td>• 100 units (0 pts)</td>
<td></td>
</tr>
</tbody>
</table>
## Amenities

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-metered water expense* (total capture – <strong>NOT just hot water</strong>)</td>
<td>0 or 5</td>
</tr>
<tr>
<td>WaterSense faucets &amp; showerheads in baths</td>
<td>0 or 2</td>
</tr>
<tr>
<td>High-Speed Cable, DSL, Wireless Internet</td>
<td>0 or 1</td>
</tr>
<tr>
<td>Water Heater – Energy Star qualified</td>
<td>0 or 5</td>
</tr>
<tr>
<td>-- Includes centralized commercial system <strong>OR</strong> solar system</td>
<td></td>
</tr>
</tbody>
</table>

*N/A if locality prohibits sub-metering
*N/A if owner is paying for water
### Amenities cont’d

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brick walls - brick covering 30% or more of the exterior walls</td>
<td>Up to 20</td>
</tr>
<tr>
<td>WaterSense labeled toilets</td>
<td>0 or 2</td>
</tr>
<tr>
<td>EPA Energy Star bath vents</td>
<td>0 or 2</td>
</tr>
<tr>
<td>New installation of continuous R-3 or greater rated wall sheathing</td>
<td>0 or 5</td>
</tr>
<tr>
<td>Cooking surfaces equipped with fire prevention (4 points) or suppression (2 points) features</td>
<td>0, 2 or 4</td>
</tr>
</tbody>
</table>
## Amenities cont’d

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front-Control Ranges</td>
<td>0 or 1</td>
</tr>
<tr>
<td>Emergency Call System</td>
<td>0 or 3</td>
</tr>
<tr>
<td>Supplemental Heat in Bath</td>
<td>0 or 1</td>
</tr>
<tr>
<td>Two Eye Viewers</td>
<td>0 or 1</td>
</tr>
</tbody>
</table>

*If points received for these 4 amenities, they must be present in 100% of units.*
Accessibility

Submit a project-specific marketing plan!

Plan must state that the development will be listed on [http://virginiahousingsearch.com/](http://virginiahousingsearch.com/)

<table>
<thead>
<tr>
<th>Category</th>
<th>Points*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project subsidies w/ HUD 504 rules &amp; marketing (&gt;5 units or 10% of units)</td>
<td>0 or 50</td>
</tr>
<tr>
<td>or Must include roll-in showers for 50 points</td>
<td></td>
</tr>
<tr>
<td>HCV rent standard w/ HUD 504 rules &amp; marketing (&gt;5 units or 10% of units)</td>
<td>0 or 30</td>
</tr>
<tr>
<td>or HUD 504 rules for 4% of units &amp; marketing</td>
<td>0 or 15</td>
</tr>
</tbody>
</table>

*These points available for elderly rehab*
Accessibility cont’d

- Follow fully/permanently accessible Uniform Federal Accessibility Standards (UFAS) and specifics for point category

- Hold vacant 60 days (retroactive for all deals receiving these points)

- Document marketing efforts to find household with qualified disability; submit that evidence to VHDA Program Compliance Officer

- Then may accept applicant agreeing to a lease provision to move to another vacant unit if/when a qualified household is found (move to be paid for by owner)

- Click here to access UFAS Requirements
## Tenant Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>No more than 20% of units are 1BR or Efficiency units</td>
<td>0 or 15</td>
</tr>
<tr>
<td>0.75 points for each % of low-income units in the development with three or more bedrooms</td>
<td>Up to 15</td>
</tr>
</tbody>
</table>
## Sponsor

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 developments w/ 3x proposed # units or 6 developments</td>
<td>0 or 50</td>
</tr>
<tr>
<td>1 development w/ 1x proposed # units</td>
<td>0 or 10</td>
</tr>
<tr>
<td><strong>NOTE:</strong> as controlling GP/managing member</td>
<td></td>
</tr>
<tr>
<td>Uncorrected major health/safety violation or life threatening hazard</td>
<td>0 or -50</td>
</tr>
<tr>
<td>(ends 3 years after the actual date of <strong>correction</strong>)</td>
<td></td>
</tr>
<tr>
<td>VHDA training or Uncorrected 8823 filed - penalty applies beginning Jan 1 of the year following the year 8823 issued and ends after Dec 31 of the 3rd calendar year</td>
<td>0 or -15</td>
</tr>
</tbody>
</table>
## Sponsor cont’d

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not built as represented (for 3 years after last 8609 issued)</td>
<td>-2x pts per category</td>
</tr>
<tr>
<td>Failure to provide required design item (for 3 years after last 8609 issued)</td>
<td>0 or -20</td>
</tr>
<tr>
<td>Termination of credits by VHDA (for 3 years after return)</td>
<td>0 or -10</td>
</tr>
<tr>
<td>Unsatisfactory Management Company</td>
<td>0 or -25</td>
</tr>
</tbody>
</table>
## Bonus Points

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% of units w/ rents at (\leq 40%) AMI</td>
<td>Up to 10</td>
</tr>
<tr>
<td>Units w/ rents and income (\leq 50%) AMI</td>
<td>Up to 50</td>
</tr>
<tr>
<td><strong>OR</strong></td>
<td></td>
</tr>
<tr>
<td>Units w/ rents at 50% AMI and incomes (\leq 60%) AMI</td>
<td>Up to 25</td>
</tr>
<tr>
<td><strong>OR</strong></td>
<td></td>
</tr>
<tr>
<td>Units w/ rents (\leq 50%) AMI and incomes (\leq 60%) AMI</td>
<td>Up to 50</td>
</tr>
</tbody>
</table>
### Bonus Points cont’d

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extended compliance (25 or 35 extra years)</td>
<td>40 or 50</td>
</tr>
<tr>
<td>or</td>
<td></td>
</tr>
<tr>
<td>Sale to Non-profit or LHA</td>
<td>0 or 60</td>
</tr>
<tr>
<td>Non-profit or LHA homeownership option</td>
<td>0 or 5</td>
</tr>
</tbody>
</table>

**NOTE:** N/A if receiving extended compliance points
Efficient Use of Resources

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit per unit - Refer to Sample Calculations &amp; Efficient Use of Resources Parameters</td>
<td>Up to 200*</td>
</tr>
<tr>
<td>Cost per unit - Refer to Sample Calculations &amp; Efficient Use of Resources Parameters</td>
<td>Up to 100*</td>
</tr>
</tbody>
</table>

**NOTE:** possible to score negative points

*New in 2013!
2013 Cost Limits

Two geographic areas:

1. Inner Northern Virginia – Arlington County, Fairfax County, Alexandria City, Fairfax City & Falls Church City
   - New Construction/Adaptive Reuse - $315,000 + (up to) $35,000 for underground or structured parking*
   - Acquisition/Rehabilitation - $275,000*
   
   *Total development costs will be used in these calculations

2. Remainder of the State
   - Adjusted HUD 221(d)(3) loan limits, with a 15% increase allowance
Minimum Threshold Score

New in 2013!

450 = all applications
Application Parameters
Developer Fee

Lesser of...

**Acquisition:**
< 10% of building’s eligible basis or 8% if RD; **plus**

**Rehabilitation:**
< 25% of rehab’s eligible basis; **or**

**New Construction:**
< 20% of building’s eligible basis
Developer Fee cont’d

- ≤15% of Total Development Costs
- Related Contractor - Total Development Costs times 18%, less Contractor overhead & profit
- Related Architect - Total Development Costs times 16.5%, less all Architectural & Engineering fees
- Related Contractor & Architect - Total Development Costs times 19.5%, less Contractor overhead & profit and all Architectural & Engineering fees
Application Parameters

Additional Developer Fee (cumulative declining scale)...

• 15% if <$1 million in total development costs; plus

• 12% if $1 – $10 million = 12%; plus

• 8% if >$10 million = 8%

Contractor’s General Requirements, Overhead and Profit: <14%
Application Parameters

Operating Pro Forma

- Pro forma Rent Increases: \( \leq 2\% \) per year.
- Pro forma Operating Expenses Increase: \( \geq 3\% \)
- Vacancy: \( \geq 7\% \) of Gross Potential Income or market
- Replacement Reserves: \( \geq $250 \) per unit for New Construction Elderly; \( \geq $300 \) for all others
- Operating Expenses: \( \geq $3,800 \) per unit (excluding Replacement Reserve)
Application Parameters
Equity, Applicable Percentage

- Tax Credit Equity Factor:
  use reasonable estimate for the proposed development

- Applicable Tax Credit Percentages:
  9% = 9% (allocation prior to 1/1/14)
  4% - use March 2013 percentage
10-minute Break
Next we’ll discuss...

1. Registering to be a VHDA Business Partner
2. Locality Notification Information
3. Market Studies
4. Appraisals
5. Experienced LIHTC Developer list
6. Often Misunderstood: Previous Participation Certification
7. Often Misunderstood: Tab T vs. Tab Q
Becoming a VHDA Business Partner

- Allows access to LIHTC applications
- Allows access to LNI information form
Access registration page via VHDA.com
Registration to View Tax Credit Apps. or Access LNI Form

If you have previously registered, then go directly to www.vhda.org and sign in with your username and password.

* All fields are required

- First Name: 
- Last Name: 
- Phone Number: 
- Email: 
- Company Name: 
- Address: 
- Zip Code: 
- Reason for Requesting Access: 

Send to VHDA for Processing

VHDA > Business Partners > Multifamily Developers > Low Income Housing Tax Credit Program

Navigate
- LIHTC Program Updates and Announcements
- Multifamily Financing
- Low Income Housing Tax Credit Program
- Multifamily Loan Application and Guides
- Participating Mortgage Bankers
- Multifamily Loan Servicing
- Multifamily For Sale Rental Properties
- Multifamily Developer FAQ

Contact Us
- Multifamily Development Division
- Multifamily Development Staff
Business Partner Access

1. After selecting “Send to VHDA for Processing”, you will receive a confirmation e-mail with your login credentials

2. Go to https://www.vhda.org/logon.asp

3. Login using e-mail address and password credentials
Forget your password?

Step 1 of 2
Forget your password?
Step 2 of 2

Virginia Housing Development Authority

Forgot Your Password?
To receive your password by email, enter your account's e-mail address and click the Get Password button.
To display your password on your screen via a secure link, include your challenge phrase.

Enter your Email Address

Challenge phrase: [Optional]

Get Password

Invalid User Name or Password?
Please contact your VHDA administrator.

Internet Explorer Version 6.0 or Above?
Ensure your Browser’s Privacy Preferences are set to Medium. Click Tools on your menu bar, choose Internet Options, choose Privacy, move slider to medium.

Return to VHDA’s Business Partner Services Logon Page
Locality Notification Information

- Required by IRS
- Web-based
- Collect info about the locality CEO and development from owner/developer
- Used (1) to prepare the Locality CEO Notice Letter, which (2) informs localities about and (3) allows localities to comment on prospective LIHTC developments
- Due January 28, 2013 at 2 p.m. (except NCD and TEB apps)
- 50-point penalty if received after deadline
- Not compatible with Mozilla/Firefox or Google Chrome
Market Studies

- VHDA has an Approved Analysts list
- Ordering process:
  1. The developer/owner notifies VHDA of its selection for an analyst
  2. The developer/owner confirms with the analyst that it can secure a contract with the analyst
  3. The analyst confirms with VHDA (within 5 days) that it will accept the developer/owners request for assignment
Market Studies cont’d

• Must meet VHDA Market Study Guidelines
• Must be submitted in electronic format
• Must come directly from the applicant
• Effective Date of report = date of site inspection
  - 6-12 months old will require an update letter from analyst;
  - >12 months old, NOT accepted under any circumstances
• Used in conjunction with VHDA property data
Appraisals

Required with all acquisition/rehab, rehab (only) and adaptive reuse applications

- Must meet **VHDA Appraisal Guidelines**
- MAI required
- Obtained independently by the applicant
- Submitted with the application
- VHDA at its discretion, may require an additional appraisal - VHDA will select appraiser (at owner’s cost)
- VHDA will accept RD appraisals
Values requested:

- Land
- “As-Is” Market value
- “As-Is” Restricted value
- “Prospective” – post construction & upon achieving stabilized occupancy

Land/building split ratio
Experienced LIHTC Developer List

- List updated on a monthly basis
- If listed, no need to submit copies of 8609s with app (NOTE: this is separate from PPC)
- If qualified, but not listed, submit no more than six 8609s and documentation supporting that the person seeking to be listed is CGP or Managing Member in the development
- If not listed by 3/1/13, prepare to submit above with the application or may lose points (i.e. can’t correct w/10-point penalty)
Often Misunderstood:

Previous Participation Certification

- Inclusion on the Experienced LIHTC Developer list does not exclude you from completing PPC
- Only one PPC per applicant; BUT multiple Schedule A’s
- Schedule A’s for INDIVIDUALS, unless non-profit, (widely-held) corporation or LHA
- Supporting documentation for uncorrected 8823s ONLY
- No more than six (6) 8609s required; also, copies of 8609s not required if on Experienced LIHTC Dev list
- Keep your color brochures
Often Misunderstood: Tab Q

Tab Q (per App Checklist): Documentation of Rental Assistance

What should be included:
• Ex. RD/HUD HAP Contract

What shouldn’t be included:
• Subsidized funding info (i.e. subsidized funding is $ used to reduce dev costs)
**Often Misunderstood:**

**Tab T**

**Tab T** (per App Checklist): Documentation of Financing Sources

What should be included:

- Hope VI funds documentation
- Bank loan commitment
- Locality resolution

- Rental assistance is not subsidized funding
- Subsidized Funding = $ used to reduce development costs
Next we’ll discuss...

1. EarthCraft Development Certification
2. Energy Star
3. HVAC
4. Minimum Design & Construction Requirements
5. Construction Completion Notice
EarthCraft or LEED Development Certification

- Architect of Record must have attended EarthCraft Professional Training to receive EC or LEED points

- Owner must provide a signed acknowledgement that EarthCraft representative has met and discussed with the developer the certification & plans pertaining to the specific development
EarthCraft or LEED Development Certification cont’d

- Submit Acknowledgement with the architect’s certification as part of the Reservation Application.

- If you check the box for EarthCraft in the application but do not provide the Acknowledgement, points will not be awarded.

- Must obtain certification at end of construction/rehab before Forms 8609 can be issued.

Next Training: 1/17/13 at VHC
Energy Star Appliances

• Kitchen appliances, except range hoods
• Ensure availability of Energy Star qualified appliance before submitting application!
• Ensure listing on website at the time of order, Energy Star Appliances (must document)

⚠️ guidelines change
⚠️ advertising may be wrong
Energy Star Water Heaters

Click here for list of qualified water heaters
1. HVAC - combination rating must equal or exceed 15 SEER and

2. HSPF 8.5 minimum

*Through any combination of equipment*
Minimum Design & Construction Requirements

• 2013 Minimum Design & Construction Requirements and Cabinet Specifications

• New Construction and adaptive reuse developments = 1.5BA for 2BRs and 2BA for 3BRs

• Pre-construction meeting

• Review amenity point items and Design & Construction Requirements

• Notify TC Allocation Department when construction begins

• On-site, ongoing inspections
Construction Completion Notice

- Due to TC Allocation Dept within 30 days of last residential building PIS
  - NC - copy of Certificate of Occupancy for each building
  - Rehab - Certificate of Substantial Completion from the architect

- Penalty: $100 per day for each calendar day after the deadline (maximum of $7,500 + interest monthly thereafter)
Next we’ll discuss...

1. Application for Reservation
   - deadline
   - process
   - mandatory documents

2. Application for Allocation
Reservation Application
Deadline & Fees

◆ Application is due in VHDA’s office on or before March 15, 2013 by 2:00pm
  ➢ Strict deadline! No exceptions!

◆ Reservation Fee = 7% of total annual credit amount

◆ Fee is due w/Reservation Agreement, EXCEPT LHA or Non-Profit Pool recipients

◆ Fee from LHA and Non-Profit Pool recipients is due by November 1, 2013
Application Process

• Applicants must submit application and all supporting documentation in electronic format only on CD(s)

• Do not submit flash drives

• Do not submit any application materials to personal email addresses

• Use VHDA-provided tab divider pages
Mandatory Documents

The following 6 files should be on one or more CDs and include the following:

1. Application for Reservation - active Microsoft Excel workbook

2. Application for Reservation, PDF of signed copy of the application, includes self-score sheet
   • Include all application attachments/tab documents
   • **DO NOT** include as part of scanned application, the market study or plans & specs (provide separately - see below)
Mandatory Documents cont’d

3. Market Study – PDF format

4. Appraisal – PDF format

5. Plans & Specs - PDF or other readable electronic format (may be combined into one file or separate files)*

6. Unit-By-Unit work write up (rehab only) - PDF or other readable electronic format*

*Be sure all minimum design & construction requirements are met!
Mandatory Documents cont’d

7. Application Fee: $750.00

8. Executed partnership/operating agreement and an ownership structure chart showing individual principals

9. Certification from Virginia SCC

10. Resumé(s), Schedule A(s), copies of 8609s (if not listed) and signed PPC

11. Evidence of Site Control
   - Extends at least 4 months past app deadline
   - In the name of Owner applying for credits
   - Most recent RE tax assessment documentation
Mandatory Documents cont’d

12. Relocation Assistance Guidelines
   - Required for rehabs!
   - Include at Tab G
   - Can be found at VHDA.com

13. Attorney’s Opinion
   - Changes ONLY if absolutely necessary
   - Submit blackline for approval before application is due; otherwise, 10-point penalty

14. Properly executed Architect's Certification
   All developments must have an architect
Late Mandatory Documents

• The market study **may not be late**; the application will be disqualified.

• Other than the Market Study, VHDA’s Executive Director may permit an applicant to submit one or more of the mandatory items after the application deadline, however, a **10-point penalty per item** will be assessed.
Applications Posted at VHDA.org

• Will be posted by 3/29/13

• Can view and print any application and attachments

• Plans, specs & market studies are not posted

• Must be registered as a VHDA Business Partner for access (refer to previous instructions)
Reservation Documents Mailed

Mailed by VHDA in July, including:

- Reservation Letter
- Reservation Agreement
- Extended Use Agreement
- Contract to Enforce Representations
- Election to Fix Applicable Percent
- Notice of Appraisal Fee (if applicable)

Return docs by stated deadline
Application for Allocation
Deadline and Fees

◆ Allocation Application is due in VHDA’s office on or before November 1, 2013 by 2:00pm

◆ VHDA sends customized application

◆ $500.00 penalty per calendar day for late submission

◆ $50.00 fee to replace original docs (i.e., EUA)
Docs to return with the Allocation Application

- Site control documentation
- Extended Use Agreement
- Purchase Option/Right of First Refusal (Non-profit or LHA)
- Owner’s Cost Certification
- Attorney’s Opinion
- IRS EIN# assignment letter
- LOI from syndicator stating equity price
Allocation Documents

Regular Allocation

- Owner will receive Forms 8609 – if buildings placed in service same year as allocation

CARRYOVER ALLOCATION

- Owner will receive Carryover Allocation if buildings not placed in service (ready for occupancy) by the year of allocation
- VHDA will mail mid-December
- Carryover Agreements due January 2014 (to VHDA)
- Meet 10% test no later than 12 months from Allocation Date, including submitting documentation!
10-minute Break
Next we’ll discuss...

1. Application for 8609
2. Tax-Exempt Bond Application
3. Reservation Application - demo
8609 Application Process

- 8609 Application is due within 6 months of the last building’s placed-in-service date (or April 30 deadline)

- Penalty for missing deadline

- ≤ 2011 allocations may download 8609 app from VHDA’s website

- 2012+ allocation will receive a customized 8609 app

- New in 2013! Certification of Sources & Uses
Mandatory
(Before VHDA Can Issue 8609s)

If applicable …

• EarthCraft or LEED Certification
• Universal Design Certification
• Certified Property Management Company
Tax-Exempt Bond (TEB) Application, 4%
Where does the $ come from?

- Private Activity Bond Cap
- $95 \times 8,185,867 \text{ (VA 2013 pop. est.)} = \sim$777,657,365
- VHDA receives 43% (\sim$334,392,667)
Tax-Exempt Bond (TEB) Application Process

- Download application and forms

- Submit Locality Notification Information (LNI) using VHDA’s on-line system

- VHDA mails locality notification letter to the locality

  *Locality CEO has 45 days to respond, so you are encouraged to submit LNI 30 days prior to submitting the App

- Submit app to VHDA no less than one month before VHDA bond pricing or 75 days before non-VHDA bond issuance
TEB Application Process cont’d

• $750 application fee

• Application must meet or exceed threshold score, 450 points (was 475)

• Market studies are required (same as 9% deals)

• Appraisals are required for acquisition/rehab, rehab and adaptive reuse developments (same as 9% deals)
TEB Application Process cont’d

• VHDA sends Reservation Fee letter (fee is 7% of the annual credit amount)

• After fee received, VHDA sends Section 42(m) letter, Extended Use Agreement and Election to Fix

• May lock in applicable percentage no later than 5 calendar days after the month the bonds were issued or at the placed in service date
Reservation Application

DEMO
## 2013 Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/28/13</td>
<td>Locality Notification Information due - enter online</td>
</tr>
<tr>
<td>3/15/13</td>
<td>App for Reservation &amp; Market Study due (w/~$750 fee) by 3/29/13</td>
</tr>
<tr>
<td></td>
<td>Apps posted to web; view with Business Partner password</td>
</tr>
<tr>
<td>4/1/13</td>
<td>CEO Letter &amp; Revitalization Certification due</td>
</tr>
<tr>
<td>5/14/13</td>
<td>Announce prelim. rankings; begin comment period</td>
</tr>
<tr>
<td>5/21/13</td>
<td>Close general comment period; begin rebuttal period</td>
</tr>
<tr>
<td>5/28/13</td>
<td>Close rebuttal comment period</td>
</tr>
<tr>
<td>6/5/13</td>
<td>Announce final rankings</td>
</tr>
<tr>
<td>Early to mid-July</td>
<td>VHDA sends Reservation documents to developers</td>
</tr>
</tbody>
</table>
### 2013 SCHEDULE cont’d

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid to Late July</td>
<td>Signed Reservation docs, Reservation Fee</td>
</tr>
<tr>
<td>September</td>
<td>VHDA sends Allocation Apps to developers</td>
</tr>
<tr>
<td>11/1/13</td>
<td>App for Allocation due to VHDA</td>
</tr>
<tr>
<td>12/13/13</td>
<td>Finalize allocations - mail Carryover Allocation documents or issue Form(s) 8609 for regular allocation</td>
</tr>
<tr>
<td>1/2014</td>
<td>Carryover Agreements due to VHDA</td>
</tr>
</tbody>
</table>

10% Test - 12 Months from Allocation Date
Cost Limits
2014
• Alena Henderson 804-343-5908
• Cara Wallo 804-343-5714
• Dale Wittie 804-343-5876
• Jaynell Pittman-Shaw 804-343-5733
• Jim Chandler 804-343-5786
• Rebecca Rowe 804-343-5518