

**2022 Housing Tax Credit Program**  
**QAP Modification #2**  
**Updated: August 27, 2021**

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**1. Max credit amount per Development:**

The maximum 9% or State Credit that will be awarded to a single project will be limited to \$1,200,000.

**2. Max credit amount per Developer:**

No more than three total awards shall be allocated to a single developer with no more than two awards of either credit type. For example, Developers could receive two 9% awards and one 4% Federal and State award or two 4% Federal and State awards and one 9% award. If more than 3 projects qualify, WHEDA would have the discretion to select the projects that receive the awards. Developers can continue to submit as many applications as they wish for each round.

For 9% Credits:

*No member of the development team – applicant and/or co-applicant – may receive more than two awards of 9% HTC's in any year. Projects that include a co-developer will be required to submit a development agreement or Memorandum of Understanding which describes the payment of developer fees and development duties to be performed by each party. Developers, co-developers, and consultants having an Identity of Interest or otherwise may be treated as a single developer if WHEDA concludes at its discretion that the structure is intended to circumvent the annual \$2,400,000 limit on HTC's to a developer.*

For 4% Federal and State Credits:

*No member of the development team – applicant and/or co-applicant – may receive more than two awards of state HTC's in any year.*

There is no limit on the amount of noncompetitive federal 4% tax credits that may be requested. WHEDA intends to award state HTC's that are less than or equal to the federal HTC amount for each application.

**3. Developer fees:**

Developer fees for any projects using the 4% credit (either paired with State Credits or without) will be limited to a maximum of \$40,000 per unit. All other existing parameters for the fee calculation will remain the same.

**4. Applicants seeing minority developer or minority co-developer points:**

For all projects receiving points for Minority Developers in Scoring Category 12: Development Team, developer fee received must be allocated in proportionate to at least half of the percentage of ownership. For example, if the minority developer interest is at 24%, the fee received portion of the developer fee (does not include deferred fee), should be a minimum of 12%. The submitted Developer Agreement/MOU must address developer duties to be performed by each party for each stage of development including pre-application, site acquisition, closing, construction and operations after stabilization and describe the developer fee structure.

**5. 4% Federal and State Credit program credit percentage:**

Applications in the 4% Federal and State Credit program in the general set-aside projects shall use a 3% credit rate on the state credit request, whereas the federal credit request is fixed at 4%. Applications in the Rural and Small Urban set-asides can use a 4% credit rate for both state and federal credit requests.

**6. 4% Federal and State Credit Rural and Small Urban set-aside Credit Multipliers:**

For projects that are eligible for this State of Wisconsin 4% Rural Set-Aside, the floating Federal 4% Credit Percentage Rate can have a 2.00 multiplier applied for the purposes of sizing the State Portion of the Annual Credit Amount.

For projects that are eligible for this State of Wisconsin 4% Small Urban Set-Aside, multiplier can no longer be applied for the purposes of sizing the State Portion of the Annual Credit Amount

**7. 4% Federal and State Credit program sub-debt financing:**

The sub-debt to permanent first mortgage financing target ratio will be at 1:10 all 4% projects except for projects in rural locations, for which a ratio of 1:8 would apply.

**8. Housing Trust Fund**

Certain set-asides may request up to \$500,000 in Housing Trust Funds concurrently with the request for HTCs. Eligible set-asides will include Rural, Supportive, and Innovative Housing under the 9% program. For the 4% Federal and State program, only the Rural and Small Urban set-asides may request the Housing Trust Funds for up to \$500,000. All Housing Trust Funds must be paired with WHEDA financing products.

**9. Areas without Recent Housing Tax Credit Awards**

In addition to qualified Rural Counties, Projects sponsored by federally recognized Tribal Nations will also be eligible to receive the equivalent score of eight points if they have not received an award in the previous three years.

## **10. Maximum Cost per unit**

Appendix F - Maximum Cost Model has been revised reflecting a new per-unit cost for all developments.