# 2017
# ONLINE APPLICATION TRAINING GUIDE


# September 20, 2016
**Updated 7-25-17**

Table of Contents

# Updates

<u>July 25, 2017</u>

1. <u>Section K – CARRYOVER ALLOCATION AGREEMENT & CARRYOVER -10% APPLICATION</u>
   Revised procedure for submitting an extension request for the Ten Percent (10%) – Carryover Allocation Application.
   - Submit request through the Application – Request Extension Tab
   - Late submission fee is due at submission of extension request

2. <u>Section M - IRS FORM 8609 APPLICATION</u>
   Revised procedure for submitting an extension request for theIRS Form 8609 Application.
   - Submit request through the Application – Request Extension Tab
   - Late submission fee is due at submission of extension request

## A. USER INFORMATION

1. Requesting an Online Application User Name
   - Go to:
     http://www.iowafinanceauthority.gov/Home/DocumentSubCategory/206
     and select the Application heading.
   - An approval email shall be sent to the e-mail address provided within 24-48 hours of the new user name request submission.
   - Each user name shall have an individual role assigned.
   - A user name with 18 continuous months of inactivity shall have access removed.
   - For problems or questions, contact Stacy.Cunningham@Iowa.gov.

2. Accessing the Online Application
   - The Online Application is located on the IFA website at the link provided in A.1 above.
   - Log in to either create a new application or view existing applications.
     - ✓ Select "Create a New 9% Application"
     - ✓ Select "Create a New Homeless Set-Aside Application"
   - Prior year awarded LIHTC Projects can be viewed by clicking the arrow left of View under Search Results. A "snapshot" of all application versions/status/allocation year will appear.

3. Granting Application Access to Additional Users

   The user name that created an Application may grant access to any additional authorized user. If that authorized user has been granted edit rights, that user may also authorized other users access to the Application.
   - Log in, go under View, select "MYIFA Account" and select "Add New Authorized User" under the Authorized Users heading.
   - Read the instructions at the top of the page. Before granting access to a user name, select the radio buttons next to each authorization level. A description of each is provided to assist.
   - Select the radio button next to the appropriate authorization level for the level of access needing to be granted to the user name. Select "Continue".
   - Select the Application(s) from the list and select "Add Authorized User".
     - ✓ Must have the user name to grant access.
     - ✓ If an authorization level is selected that doesn't correspond to the "role" assigned to the user name, an error will be generated with guidance on how to correct.
     - ✓ Each user who creates an Application is responsible for all users for whom they have granted Application access.
     - ✓ IFA recommends that a regular review of users granted access to each Application is performed.
   - Each person accessing the Online Application shall have his/her own user name and password. Do not share user names and passwords.
   - More than one user can access the Application at the same time as long as the same fields aren't being updated simultaneously.

4. Resources Available

a) Help Tab
   - Located at the top of the Application screen.

b) Error Identification
   - Red x's are listed next to each tab until all information has been entered and saved.
   - If a red x remains after entering all Application information, select "Submit" to generate an error listing. If no errors are listed, but a red x remains on a tab, go back to that tab and select "Save".
   - If a Project is awarded, the Carryover InWork application will list red x's. These are due to the 10%-Carryover Application requirements.
     - ✓ Update Project Timeline
     - ✓ Lead Service Provider (N/A for Homeless-Set-Aside Projects)
     - ✓ Site Control

c) IFA LIHTC Website Postings
   (http://www.iowafinanceauthority.gov/Home/DocumentSubCategory/206)

   - ✓ The Qualified Allocation Plan ("QAP") and Overview of Changes
   - ✓ Questions & Answers
   - ✓ Online Application (TAC)
   - ✓ Online Application Guide
   - ✓ Mandatory Developer Training & Online Application Training materials
   - ✓ LIHTC Exhibits and Appendices
   - ✓ Notices
   - ✓ Applicants
   - ✓ Awards

| 2017 LIHTC Appendix Listing | |
|---|---|
| **Appendix** | **Title** |
| A | Application Instructions (Updated) |
| B | Qualified Census Tracts ("QCTs")/Difficult Development Areas ("DDAs") & Metropolitan Statistical Areas ("MSAs")(Updated) |
| C | Useful Links  (Updated) |
| D | Iowa Opportunity Index Census Tracts |
| E | IFA Construction Sign |
| F | Targeting Plan Template and Requirements (Updated) |
| G | Requirements of Iowa Rose Program (Updated) |
| H | Energy Efficiency  (Updated) |
| I | Authorized Signors |
| J | Senior Living Revolving Loan Program Information (Updated) |
| K | Exhibits & Scoring Checklist (Updated) |
| L | Density (New) |
| M | Housing for the Homeless-Set-Aside Requirements (New) |

d) IFA Staff & Email

| | |
|---|---|
| Chief Programs Officer: | Carolann.Jensen@Iowa.gov |
| LIHTC Manager: | Dave.Vaske@Iowa.gov |
| HousingIowa Development Specialist: | Terri.Rosonke@iowa.gov |
| Construction Analyst: | John.Kerss@Iowa.gov |
| Underwriting Analyst: | Karen.Kulisky@Iowa.gov |
| LIHTC Analysts: | Stacy.Cunningham@Iowa.gov |
| | Nancy.Peterson@Iowa.gov |
| LIHTC Administrative Assistant: | Katie.Kulisky@Iowa.gov |
| Underwriters: | Tim.Morlan@iowa.gov |
| | Derek.Folden@iowa.gov |

Prior to the submittal of the Application, direct questions pertaining to interpretation or clarification of the QAP, IFA policies/procedures or rules relating to the LIHTC Program to the IFA 2017 Q & A email address listed on the IFA website.

After submittal, an Applicant shall not contact any IFA staff or Board members, nor shall anyone contact staff or Board members on the Applicant's behalf, in order to unduly influence IFA's determination related to the award of Tax Credits. Refer to QAP Sections 3.2.2 & 5.1.

After Awards, direct questions to the following IFA staff:

| | |
|---|---|
| LIHTC questions, Change in Application Requests, Extension Requests for Carryover-Ten Percent (10%) Test and 8609 Application Package Submissions | Dave Vaske |
| Affirmative Fair Housing Marketing Plans or Market Studies | Nancy Peterson |
| Targeting Plan, Lead Service Provider | Terri Rosonke |
| LIHTC Online Application | Stacy Cunningham |
| Construction | John Kerss |
| Qualified Service Provider for Homeless Set-Aside | Terri Rosonke Amber Lewis |
| Carryover-Ten Percent (10%) Test Application & 8609 Application Package, Underwriting | Karen Kulisky |
| Underwriting, Construction Loans, Multifamily Loans and Senior Living Revolving Loan | Tim Morlan and Derek Folden |

## B. ONLINE APPLICATION DESIGN

The Online Application has incorporated the QAP, IRS and Treasury regulations. Should IFA discover errors that affect the operation of the Online Application, IFA shall resolve the errors on a case-by-case basis.

1. Tabs

   a) Application Tabs
      - Overview
      - Project Name and Location
      - Project Description
      - Project Timeline
      - Targeting Plan (N/A for Homeless-Set-Aside Applicants)
      - Site Description
      - Site Control
      - Zoning
      - Ownership Entity
      - Nonprofit Set-Aside
      - Qualified Development Team
      - Project Amenities
      - Construction Characteristics
      - Buildings
      - Funding Sources
      - Costs and Credit Calc.
      - Projected Operating Costs
      - Projected Cash Flow
      - Financial Feasibility
      - Appendix 2HSA – Supplemental Scoring to Housing for the Homeless Set-Aside
      - Scoring
      - Exhibits – Contains the Exhibit Checklist that lists the required exhibits based on information entered in the Application.
        - ✓ Review the exhibit checklist carefully. If an exhibit isn't listed that should be, especially a scoring exhibit, select "Submit" to see if an error is shown. If no error, review the QAP Appendix K, and/or this training guide. If an exhibit is listed that does not make sense based upon the proposed Project, it is likely incorrect information has been entered.
        - ✓ Ensure the correct exhibit name is selected for each exhibit upload.
        - ✓ IFA's 2017 exhibit forms ("IFA Required Forms") are to be used. Do not use and submit a prior year's exhibit.
        - ✓ 2017 exhibits and templates are posted on the IFA website and a link is provided to an IFA Required Form in the Exhibit Checklist. Appendix

K also lists exhibits by type: Threshold, Building, Scoring, and Set-Aside.

➢ A link to Appendix K can be found in the Help Tab.
➢ Exhibit 7B is only available in the Exhibit Checklist.

- Fees
  ✓ Only electronic check (ACH) payments will be acceptable payment of fees in the Online Application. Credit card payments will no longer be accepted.

b) Grey Tool Bar Tabs

- Print
  ✓ Select to print the entire application.
  ✓ To print just one Tab – right click on the Tab, Select all, File and Print.
- Save
- Save & Exit
- Cancel
- Submit
- Apply for Additional Credit – Refer to Section O.
- Request a Change and/or Pre-closing Review – Refer to Section N.
- Construction (Post Award) - Contains the upload feature for all required construction documents.
  ✓ Each Applicant can upload, but if someone other than the Applicant will be uploading documents, the user must have own user name and a special role assigned by IFA.
  ✓ Contact Stacy.Cunningham@iowa.gov for the special role.
- Prior to Placed-in-Service Docs (Post Award) – Contains the upload feature for all required Prior to Placed-in-Service documents
  ✓ All required documents shall receive IFA approval before the IRS Form 8609 Application may be submitted.
  ✓ Each Applicant can upload, but if someone other than the Applicant will be uploading documents, the Applicant shall notify IFA to ensure that person has a user name and the appropriate role assigned by IFA. Applicant is responsible for granting the Application access once the role has been assigned.

2. Tab Symbols

- Application tabs have a red x initially. Unless information entered is related to information in another tab, once entered and error free and saved, a green check mark will appear. The red x won't clear until each tab with related information has been entered correctly and saved.
- If a red x remains on a tab after all Application information has been saved and no errors are listed, go back to that tab with the red x and select "Save" to clear the red x.
- A red asterisk (*) indicates a required field.
- Grey fields and boxes are mandatory QAP requirements and not editable.

3. <u>Scoring</u>
   - Scoring determinations made in prior years are not binding on IFA for the 2017 round.  Refer to QAP Section 6.
   - Each Applicant is responsible for reviewing the preliminary score in the Scoring Tab before Threshold Application submission and certifying the requested preliminary points are accurate.
     - ✓ No preliminary scoring points will be shown in the Scoring Tab if just the scoring exhibit is uploaded to the Application.  The applicable box must also be checked in the Application.
     - ✓ <u>The preliminary scoring points requested at Threshold Application submission shall not be a guarantee of the final score</u>.
   - IFA awards final scoring points in accordance with QAP Section 6 – Scoring Criteria - to projects that pass threshold.
   - The market study report(s) shall be used solely for determining market feasibility.  Refer to QAP Sections 3.3 through 3.3.1.4.
   - Scoring Exhibits are due at Application submission.  Scoring elections and Application information entered relative to scoring is evaluated as of Threshold Application submission.
   - For scoring criteria in QAP Section 6, preliminary scoring points are initially requested in the Application based on the Applicant: (i) answering applicable scoring questions correctly and/or check boxes marked appropriately; and (ii) uploading applicable scoring exhibits to the Exhibits Tab.  The table below lists the QAP scoring criteria, QAP Reference, Application reference(s) and guidance on requesting preliminary scoring points in the Application.  Preliminary scoring points shall be shown in the Scoring Tab after checking applicable boxes, uploading the required *scoring exhibit*, and entering applicable scoring information into the Application correctly.

| QAP Section 6.1 Resident Profile | | | |
|---|---|---|---|
| **QAP** | **Title** | **Application** | **Requesting Preliminary Scoring Points** |
| 6.1.1 | Serves Lowest Income Residents | Project Description & Buildings | Check the box(es) and enter the number of LIHTC Units with the applicable AMI% in the Buildings Tab for which points are sought. |
| 6.1.2 | Market Rate Incentive | Project Description & Buildings | Check the box and enter the number of market rate Units in the Buildings Tab for which points are sought. |
| 6.1.3 | Serves Tenant Population of Individuals with Children | Project Description & Buildings | Enter at least 20% of the Units in the Buildings Tab as 3 or more bedroom LIHTC Units with at least 2 full bathrooms and check the box on the Project Description Tab under Other Elections. |
| 6.1.4 | Provides an Opportunity for Homeownership | Project Description & Exhibits Tab - Exhibit 2S | Check the box and provide the Exhibit 2S, including the Project's Plan.  Refer to Appendix G. |

| QAP Section 6.2 Location | | | |
|---|---|---|---|
| **QAP** | **Title** | **Application** | **Requesting Preliminary Scoring Points** |
| 6.2.1 | Great Places | Project Description & Buildings | Check the box on the Project Description Tab to request points. |
| 6.2.2 | Density | Project Description & Buildings | Check the box on the Project Description Tab if the Project is located in a census tract as listed in Appendix L. |
| 6.2.3 | Iowa Opportunity Index Census Tract | Project Description | Check the applicable box if the Project is located in a very high or high opportunity area. |
| 6.2.3 | Local Contribution | Funding Sources & Exhibits – Exhibit(s) 5S and/or 5S(b) | Enter the Local Government Contribution(s) amounts in the Local Contribution section on the Funding Sources Tab and provide an Exhibit 5S with additional supporting documentation (if applicable) completed and signed by each entity providing a Local Government Contribution.<br><br>Enter the Local Community Contribution(s) amounts in the Community Contribution section on the Funding Sources Tab and upload an Exhibit 5S(b) completed and signed by each local entity, along with commitment letters and/or an MAI certified appraisal for land. |
| **QAP Section 6.3 Building Characteristics** | | | |
| **QAP** | **Scoring Criteria** | **Application** | **Requesting Preliminary Points** |
| 6.3.1 | Market Appeal | Project Amenities | For each amenity provided at no cost to tenants that enhances market appeal, check the applicable box(es) and enter specifications (if applicable). |
| 6.3.2 | Projects with Historical Significance | Project Description, Buildings, Funding Sources & Exhibits – Exhibit 6S | Check the box on the Project Description Tab, upload Exhibit 6S, enter each building as historic on the Buildings Tab, and enter state and federal historic tax credits as funding sources in the Funding Source Tab. If no commitment for State Historic Tax Credits, enter a General Partner Loan anticipating State Historic Tax Credits. |
| 6.3.3 | Projects that have Federal Project-Based Rental Assistance HUD-VASH Voucher Assistance, or Local Project-Based PHA Voucher Assistance | Project Description, Buildings, & Exhibits – Exhibit 7S | Check the box under Other Elections on the Project Description Tab, select yes from the drop down field, enter the number of assisted Units and other related information in the Project Description Tab, and upload Exhibit 7S. |

| QAP | Scoring Criteria | Application | Requesting Preliminary Points |
|---|---|---|---|
| 6.3.4 | Construction/Unit Characteristics | Project Amenities & Construction Characteristics | For each construction/unit characteristic to be provided for which points are sought, check each box and/or select the radio button. |
| 6.3.5 | Olmstead Goals | Buildings & Exhibits - Exhibit 5B | Enter the number of Fully Accessible, Additional Accessible Type A, and Visitable Units (Type C) for each building in the Buildings Tab; select the applicable Accessibility type for each Unit.<br><br>If at least 50% of the Fully Accessible and Additional Accessible Type A LIHTC Units entered are 2, 3, or 4 bedroom Units and a minimum of 15% of the Total Project Units are Fully Accessible or Additional Accessible Type A Units, the Application shall automatically calculate preliminary scoring points. |
| 6.3.6 | Impact on the Environment | Project Description | Check the applicable boxes for the categories for which points are sought. The QAP requirement will populate in the Description field for each selected item. |
| 6.3.7 | Energy Efficiency | Project Description & Construction Characteristics | Check the applicable box for the level of energy efficiency for which points are sought.<br>✓ If NC and Acq/Rehab project and points are sought for this category, both boxes shall be checked; however, no additional points shall be provided by selecting both boxes. |
| **QAP Section 6.4 Other** | | | |
| **QAP** | **Scoring Criteria** | **Application** | **Requesting Preliminary Points** |
| 6.4.1 | Iowa Title Guaranty | Ownership Entity | Check the box certifying that the Ownership Entity shall obtain a Final Title Guaranty Owner Certificate on the real estate of the Project from the Iowa Finance Authority's Iowa Title Guaranty Division prior to submittal of the IRS Form 8609 package. |
| 6.4.2 | Developer or General Partner/Managing Member (GP/mm) Experience | Qualified Development Team – Developer and GP/mm | Answer the questions on the Developer, General Partner/Managing Member (GP/mm) tabs under the Qualified Development Team Tab to request points for this scoring category.<br>✓ Only one member can meet the requirement. More than one team member may meet the requirement, but no additional scoring points shall be |

| | | | received. Points shall not be obtained by a combination of Developer and GP/mm qualifications. |
|---|---|---|---|
| 6.4.3 | Waives Right to Qualified Contract | Project Description | Check the box on the Project Description Tab to request points. |
| 6.4.4 | Construction Costs | Project Description & Costs and Credit Calc | Check the applicable box on the Project Description Tab to request points. |
| 6.4.5 | Capital Needs Assessment | Project Description Tab & Exhibits | Check the box under Other Elections on the Project Description Tab and upload Exhibit 1S – Capital Needs Assessment.<br>✓ Applicable to Acq/Rehab and Preservation Projects Only. |

## C. APPLICATION SUBMISSION PROCESS

1. Threshold Application Submission Due Date

   A LIHTC Application may be submitted between November 15, 2016 and 4:30 p.m. C.S.T. on November 17, 2016.

2. Threshold Application Submission and Review

   - The Application is coded for QAP threshold requirements that may prevent an Applicant from submitting, depending on a specific answer(s).
   - Should IFA update the Application, any Application saved in the system, at the time of the update, shall automatically update as of the next business day.
     - ✓ Check IFA's website periodically for any amendments or modifications to the Application Package.
   - During the Application review process, IFA will resolve any errors that affect the operation of the Online Application on a case-by-case basis. Refer to QAP Section 3.
   - The Application is unavailable to an Applicant after Threshold Application submission until the deficiency period and then until after the March 2017 Board meeting.
   - An Applicant shall not contact any IFA Staff or Board Member, nor shall anyone contact staff or Board on the Applicant's behalf, in order to unduly influence IFA's determination related to the award of Tax Credits. Refer to QAP Section 3.2.2.
   - IFA will provide written notification to Applicants of threshold deficiency items in accordance with QAP Section 5.1.
   - During the deficiency period, an Applicant may contact the IFA LIHTC Manager or other Tax Credit staff to request clarification on any deficiency item noted in the deficiency report.
   - Each Applicant shall have 14 calendar days (deficiency period) to respond to all items in the initial written deficiency notification and make the requested Application changes.

- During the deficiency period, Application changes are permitted to income targeting, decreased rents and the addition of amenities only if recommended by the IFA commissioned market study analyst. Changes made by the Applicant that weren't recommended or listed in the deficiency report shall not be allowed. Refer to QAP Sections 3.3.1.3 and 5.1
  - ✓ A change in funding sources, including equity pricing, will not be allowed during the deficiency period unless specifically requested by IFA. Refer to QAP Section 5.1.

3. General Comments
   - Select "Save" after entering information in a Tab.
   - Provide exhibits in a PDF format unless the QAP or Appendix K specifies otherwise.
   - Label all photos and combine into one (1) pdf before uploading.
   - Exhibit 8B uploads shall be limited to four (4).
   - Unless requested by IFA, Applicants shall not mail IFA any document with an original signature(s).
   - Prior to submitting Online Application questions, enter all information into the Application Tab and review the Online Application Training Guide for assistance. Many times, working through each Application Tab clears the <span style="color:red">red X's</span>.
   - Prior to submitting questions to the Q & A, please search the QAP for the topic of your question to see if the answer is provided within it.
   - If planning on requesting the Nonprofit or the Housing for the Homeless Set-Asides, submit the required information through the Online Application no later than October 21, 2016. This is the only time IFA will review the Nonprofit entity information or the Qualified Service Provider exhibits for those who will be applying for either set-aside.
   - Applications entered, but not submitted, during the allocation round shall be deleted following the award of Tax Credits at the March 2017 IFA Board meeting.
   - Project Applications that did not receive an award of tax credits will be deleted from the Online Application after three (3) years.

**D. 2017 OVERVIEW OF ONLINE APPLICATION CHANGES**

The Online Application has been updated in accordance with the QAP. The information within this section of the training guide is a general overview of the Online Application changes.

1. <u>Project Name and Location</u>
   - Census Tract will be listed for Project's Primary Address.

2. <u>Project Description Tab</u>
   a) Credit Request – Set-Aside(s)
      - Removed Senior Set-Aside

b) Other Elections
- Updated historic places language
- Updated language for Serves the Lowest Income Residents
- Updated language for Great Places
- Updated language for Serves Tenant Population of Individuals with Children
- Updated language in Iowa Opportunity Index Census Tracts
- Added Density
- Added Construction Costs
- Added Capital Needs Assessment (Acq/Rehab or Rehab only)

c) Location Near Services – Deleted

d) Impact on the Environment
- Deleted all interior paints and primers and all adhesives….
- Updated Passive Radon
- Added high efficiency central boilers with a minimum 90 AFUE
- Added central water heaters with an 85% thermal efficiency rating

3. Targeting Plan Tab
- Updated the QAP year and references

4. Site Description Tab
- Updated language.
- Updated Readiness to Proceed
- Added Demolition heading
- Added Relocation heading
- Added Site Characteristics heading
- Updated Site Characteristic questions

5. Site Control Tab
- Updated the questions on cash and reserves received or transferred with the acquisition transaction
- Fee simple changed to sole fee simple
- Added checkbox:  Applicant understands that IFA reserves the right to require an appraisal if reasonable cause exists to question the fair market value of the land and/or buildings acquired
- Option end dates must now be at least 9 months following the Application submission due date
- Easements heading added
- Added a field for years if Applicant will have leasehold interest
- Added ability to notify IFA of more than one Option to Purchase or Option to Lease.

6. Ownership Entity Tab
- Added acknowledgements

- Removed Mandatory Developer Application Training (only on Developer Tab now)
- Updated language in Ineligibility/Significant Parties questions

7. Qualified Development Team Tab
    - <span style="color:red">Qualified Service Provider – Added link to submit the request to review the Qualified Service Provider. (Updated 9-26-16).</span>
    - Architect – Added Project Architect section and changed language that the Project architect shall be duly licensed to do business in Iowa
    - Changed the heading Qualified Development Team to Developer or General Partner/Managing Member Experience
        - ✓ Removed QAP Section 6.4.2 questions from all tabs except Developer, General Partner/managing member Added question for Developer, GP/mm of the Project meeting 10%-Test and IRS Form 8609 submission due dates without extensions between dates of November 1, 2015 and November 1, 2016
    - Removed QAP Section 5.4.2 Qualified Development Team questions from all tabs except, Developer, General Partner/managing member and Development Consultant tabs and updated language on the Developer, General Partner/managing member and Development Consultants tabs
    - Deleted heading Returning or New Developer in Iowa
    - Updated Mandatory Developer Training to apply to Developers who haven't submitted an Application to IFA in the 3 previous 9% LIHTC rounds
    - Added a field for percent (%) of the Developer Fee the Developer shall receive.
    - On General Partner/managing member tab, updated language for materially participating qualified Nonprofit.

8. Project Amenities Tab
    a) Market Appeal Characteristics:
        - Deleted Free On-site Parking.
        - Added Ceiling fan/light combination language.
        - Added Kitchen exhaust fan language.

    b) Construction/Unit Characteristics:
        - Added 3 Universal Design Features.
        - Updated definition of Steel Frame Door.

9. Construction Characteristics Tab
    - Added fields for model numbers for appliances.
    - Updated language to QAP Appendix 1-G.
    - Removed field for number of Adaptive Units.

10. Buildings Tab
    - Added Community Service Facility under Buildings heading.
    - Added Difficult Development Area ("DDA") field to enter the ZCTA for the Metropolitan DDA, if applicable.
        - ✓ Exhibit 16T is required for Projects located in a QCT or DDA.

11. Funding Sources Tab
   a) <u>Local Government Contribution</u>
      - Changed the rate from 7% to 6% for Below Market Interest Rate Loan (Interest Savings), updated language, and automated the calculation of the Below Market Interest Rate Savings.
      - Added code to restrict the points for the value of the interest savings on a Below Market Interest Rate Loan Local Government Contribution to the lesser of principal amount of the loan or the value of the interest savings.
      - Revised required documentation language for Tax Abatement.
   b) <u>Local Community Contribution</u>
      - Added the new fields.
      - Added Exhibit 5S(b).
   c) Funding Sources
      - Moved the minimum $100 General Partner/managing member contribution to a required entry by Applicant.
      - Changed method for entering Below Market Interest Rate Loan.
      - Tax Abatement Loan added as a type.
      - Added 5 bullets below the Funding Sources heading
         ✓ Info on Senior Living Revolving Loan
         ✓ Info on National Housing Trust Fund
         ✓ Info on State Historic Tax Credits
         ✓ Info on federal and state historic tax credits
         ✓ Info on Tax Abatement
      - Added Pre-closing Review heading and mandatory checkbox and statement (QAP Section 7.5.1)
   d) Misc.
      - Added mandatory check boxes at the top of the page.
         ✓ IFA shall not consider multiple funding scenarios for a Project except for exceptions listed in QAP Section 4.5.4.
         ✓ Applicant understands that if awarded, at the second and third application and credit allocation, a Project may be ineligible for allocation if any of the listed funding sources will not be available in the stated amount and under the terms described in the approved Threshold Application

12. Costs and Credit Calc. Tab
   - Removed Less Builder's Eligible Basis Reduction under III. Construction.
   - Added Workforce Housing to line item for EZ Sales Tax Rebate.
   - Added coding for Community Service Facility (must be in QCT).

13. Projected Operating Costs Tab
   - Removed Iowa ROSE Program Savings as an Operating Costs.
   - An "Other" line item added that will not escalate

14. Projected Cash Flow Tab
   - Added line item to remove the Iowa ROSE Program Savings from Gross Income.

- Updated Average DSCR requirement to 1.20 and 1.40 with any one year not going below 1.15 DSCR or above 1.60 DSCR for the first 15 years.
- Negative cash flow is not permitted.
- Added Net Cash flow/Unit for each year in the 15-Year Cash Flow Summary Table.
- Added coding to permit a project with 25 Units or less to exceed the DSCR in order to achieve up to $250 per unit per year of net cash flow for the first fifteen years. N/A if it meets the DSCR.

15. Financial Feasibility Tab
   a) Updated Homeless Set-Aside Tax Credit Cap.
   b) Updated Operating Expenses to $3,400 per Unit per year not including taxes and reserves for Older Person Projects and $3,600 per Unit per year not including taxes and reserves for Family Projects.
   c) Updated language under Debt Coverage Ratio.
   d) Tax Credit Cap (Unit Cost Cap)
      - Added statement that Unit cost caps are maximum amounts.
      - Added a field that shows Total Development Costs (from the Costs and Credit Calc Tab) and then a line item for Adjusted Development Costs (TDC-land-operating reserves-federal historic tax credits (residential portion), if applicable.
      - Added workforce housing sales tax rebates to be included in the calculation of Total Project Costs.
      - Added Operating Reserves as not being included in the Unit cost caps.
      - Updated the amounts per bedroom size in accordance with the QAP.
   e) Tax Credit Cap per LIHTC Unit
      - Updated the amounts per bedroom size and by category in accordance with the QAP.
      - Updated the maximum tax credit award amount per QAP Section 2.3.2 to $820,000.
   f) Developer Fes
      - Added statement – Developer fees (including Developer overhead and profit and Consultant fees) shall not be increased after the submission of the Threshold Application.
      - Changed percentages for Rehabilitation portion to 15% and to 5% for the Acquisition portion (Applicable to Acq/Rehab, Adaptive Reuse, Historic, and Preservation Projects).
   g) Construction Contingency
      - Updated language to state the percentage for New Construction to between 4% and 6% of total Hard Construction Costs, less Construction Contingency.
   h) Misc.
      - Deleted statement In the event the Developer fee, Consultant Fee, or builder fee limits are in excess of limits imposed, IFA will make the appropriate adjustments during the underwriting phase of the evaluation of the Application
      - Added a statement that a Project may be ineligible for allocation if any of the listed funding sources will not be available in the stated amount and

under the terms described in the approved Threshold Application.  IFA may waive this limitation if the proposed changes are deemed to be in the best interest of IFA and affordable housing.

16. Scoring Tab

Updated language, categories, and points per QAP Section 6

- Updated requirement for Serves Tenant Population of Individuals with Children and increased points to 5 (QAP Section 6.1.3).
- Reduced points for Provides an Opportunity for Homeownership to 15 (QAP Section 6.1.4).
- Deleted Location Near Services.
- Updated Great Places language and reduced points to 2 (QAP Section 6.2.1.)
- Added Density (0 to 5 points) (QAP Section 6.2.2).
- Updated Iowa Opportunity Index Census Tracts points 0 to 5 points.  3 points High Opportunity Area and 5 points Very High Opportunity Area (QAP Section 6.2.3).
- Changed Local Contribution points to 0 to 12.
  - ✓ Local Government Contribution  calculation is 2 points for each full 1% of the Total Project Costs – 8 points maximum (QAP Section 6.2.4.1).
    - ▪ Subordinate loan (GP/mm loan) is a required funding source for Tax Abatement.
    - ▪ The market rate for a Local Government Contribution Below Market Interest Rate loan was reduced to 6%.
  - ✓ Local Community Contribution – 1 point for each full one half percent (0.5%) of the Total Project Costs – 4 points maximum (QAP Section 6.2.4.2).
    - ▪ Land and/or cash only.
    - ▪ Local entity may not have an Identity of Interest with the Project
    - ▪ Signed commitment letter is required to receive points.
- Updated Market Appeal language and reduced points to 0 to 32 (QAP Section 6.3.1).
  - ✓ Deleted On-site Parking.
  - ✓ Added Ceiling fan/light combination units with a remote control or wall switch. Minimum two (2) per one (1) or more bedroom Units and one per studio Unit.  2 points
  - ✓ Added Kitchen exhaust fans that exhaust to the exterior. 2 points.
  - ✓ Bike racks is now 1 point.
- Reduced points for Projects with Historical Significance to 7 (QAP Section 6.3.2).
- Increased points for Construction/Unit Characteristics (QAP Section 6.3.4) to 0 to 18 and added Universal Design Feature category that includes:
  - ✓ Closet rods and shelves in each bedroom closet in each Unit. Once installed, the closet shelves and hanger bar shall be easy to adjust to different heights with no tools required. They shall have adjustable standards and brackets.  Hanger rods shall attach to the

shelving and provide continuous slide for hangers between supports. Shelves shall be 12" deep minimum and material vinyl coated steel or similar. – 1 point;

   ✓ Maximum ¾" threshold at secondary patio doors – 1 point; and
   ✓ One roll-in ADA compliant shower per each 20 Units dispersed throughout the property and in different bedroom sizes – 1 point

- Reduced Olmstead Goals' points to 0 to 13 (QAP Section 6.3.5).
   ✓ Min. 10% and 2% threshold requirement and all remaining units as Visitable (Type C) Units – 2 points
   ✓ Min. 10% and 2% threshold requirement and 5% Additional Accessible Type A Units – 4 points
   ✓ Min. 10% and 2% threshold requirement and 5% Additional Accessible Type A Units with all remaining units as Visitable (Type C) Units – 7 points
   ✓ Min. 10% and 2% threshold requirement and 15% Additional Accessible Type A Units – 6 points
   ✓ Min. 10% and 2% threshold requirement and 15% Additional Accessible Type A Units with all remaining units as Visitable (Type C) Units – 9 points
   ✓ Min. 10% and 2% threshold requirement and 30% Additional Accessible Type A Units – 8 points
   ✓ Min. 10% and 2% threshold requirement and 30% Additional Accessible Type A Units with all remaining units as Visitable (Type C) Units – 11 points
   ✓ Reduced points for having at least 50% of the Fully Accessible and Additional Accessible Type A LIHTC Units as 2, 3, or 4 bedroom Units for Projects committing to develop a minimum of 15% of the Total Project Units as Fully Accessible or Accessible Type A – 2 points from 5

- Reduced points for Impact on the Environment to 0 to 10 (QAP Section 6.3.6).
   ✓ Deleted all interior paints and primers language.
   ✓ Deleted all adhesives comply with Rule 1168 language.
   ✓ Updated language or Passive Radon System.
   ✓ Added High efficiency central boilers with a minimum 90 AFUE for 1 point.
   ✓ Added Central water heaters with a 90% thermal efficiency rating for 1 point.

- Updated Energy Efficiency (QAP Section 6.3.7) Existing Structures year reference to 2015 for the International Energy Conservation Code (IECC) required to be exceeded by 8% or more.
   ✓ Add requirement for a New Construction Project that elects a lower Home Energy Rating System (HERS) to submit an Energy Star Certification and a final energy report prior to the issuance of an IRS Form 8609.

- Reduced points for Iowa Title Guaranty (QAP Section 6.4.1) to 7.
- Deleted Developer or Owner Contribution.

- Modified title of Qualified Development Team Experience to Developer or General Partner/Managing member Experience (QAP Section 6.4.2) and changed points to 11.
  - ✓ To receive points, the Developer or General Partner/managing member of this Project shall have completed 2 LIHTC Projects in Iowa which have received an IRS Form 8609 between July 1, 2010 and July 1, 2016 and the Developer or General Partner/managing member hasn't been deemed ineligible in Iowa or any other state to participate in the LIHTC Program between the dates of July 1, 2015 and July 1, 2016.  5 points
  - ✓ To receive points, the Developer or General Partner/managing member of this Project shall have completed 2 LIHTC Projects which have received an IRS Form 8609 between July 1, 2010 and July 1, 2016 and the Developer or General Partner/managing member hasn't been deemed ineligible in Iowa or any other state to participate in the LIHTC Program between the dates of July 1, 2015 and July 1, 2016.  5 points
  - ✓ The Developer or General Partner/managing member of this Project shall have met IFA's Carryover-Ten Percent (10%) Test and/or IRS Form 8609 Application due dates without an extension between the dates of November 1, 2015 and November 1, 2016.  1 point
    - ▪ Note:  The Developer shall receive no less than 50% of the combined total of the Developer and Consultant Fee for the Project in order to obtain points under this category
- Waives Right to Qualified Contract is now QAP Section 6.4.3.
- Added Construction Costs with points 0 to 4 points (QAP Section 6.4.4).
  - ✓ New Construction/Adaptive Reuse Projects with Construction Costs 70% or more of Total Development Costs and the percent of construction costs to total development costs shall be maintained throughout the issuance of the IRS Form 8609.  4 points
  - ✓ Existing Structures (Acq/Rehab) with Construction Costs of 55% of Total Development Costs and the percent of construction costs to total development costs shall be maintained throughout the issuance of the IRS Form 8609.  4 points
- Added Capital Needs Assessment (for Acq/Rehab or Rehab Projects only) for 8 points (QAP Section 6.4.5).
  - ✓ Acq/Rehab or Rehab Projects shall submit a complete Capital Needs Assessment with the Threshold Application as Exhibit 1S.

17. Fees Tab
   - Updated market study fee to $2,700 for each subsequent location.
   - Updated application fee for all Projects to $2,500.
   - Updated construction monitoring fee to $2,500.
   - Credit card payments no longer acceptable payment.  All payments shall be e-check (ACH).

18. Prior to Placed-in-Service Docs Tab
    - Added completed Energy Star checklist and energy certificates approved by the EPA.

19. Housing for the Homeless Set-Aside Application
    - Will be on the same submission schedule as the 9% Applications.
    - Applicant applying for the Homeless Set-Aside can't apply in the 9% round with the same Project.
    - Qualified Service Provider exhibits shall be submitted through the Housing for the Homeless Set-Aside Application in the On-line Application no later than October 21, 2016.
    - Updated the Tax Credit per LIHTC Unit, Operating Expenses, Operating Reserves and Replacement Reserves.
    - Can't submit with negative cash flow in any year.
    - Added checkbox on the Project Description Tab
      - ✓ Applicant agrees the Units reserved for persons experiencing homelessness shall remain reserved for this purpose through the entirety of the LURA.
    - Updated scoring and Appendix M.

## E. CREATING A 9% THRESHOLD APPLICATION

Before creating and entering an Application, review QAP Part B - Terms and Conditions. Section 9.2 states, "The representations made in the Application shall bind the Applicant and become a contractual obligation of the Developer and the Ownership Entity and any Entity the Developer or Ownership Entity is representing in the presentation of the Application or a successor in interest in the event Tax Credits are awarded to a proposed Project."

1. Creating an Application
   - Select create a New 9% Application or select create a New Housing for the Homeless Set-Aside Application (if applying for that Set-Aside).

2. Project Name and Location Tab

   a) Project Name
      - Enter Project Name
        - ✓ If requesting IFA's review of a Nonprofit entity for the Nonprofit Set-Aside, enter the Project Name prior to submitting the request through the Nonprofit Set-Aside Tab.

   b) Jurisdiction
      - Enter the name, address, city, zip code, and phone number of the political jurisdiction(s) where the Project shall be located.
        - ✓ More than one jurisdiction can be entered for a Scattered Site Project part of more than one political jurisdiction.
      - Enter the email address of the CEO of the political jurisdiction.

- ✓ The blue (REFERENCE) is a link to a website containing city information to look up names and/or contact information.
- Enter the CEO First Name, Last Name, and Title (typically Mayor).
  - ✓ Ensure the email entered is correct. This information is required in order for IFA to provide notification to the Chief Executive Officer of the local jurisdiction as required by the IRC.
- Review information for typographical or data entry errors and select "Save".

3. Project Description Tab

a) Project Type

- Select New Construction, Rehab, Acquisition/Rehab, or Adaptive Reuse or a combination thereof.
  - ✓ Applicants applying for the Housing for the Homeless Set-Aside may only be New Construction or Adaptive Reuse.

b) Credit Request

- Check the box if requesting funds from the IFA administered Senior Living Revolving Loan Program (QAP Section 4.5.4)

c) Set-Asides

- Check the boxes for each Set-Aside requested
  - ✓ Four Set-Asides established in QAP Section 2.2
  - ✓ QAP Section 2.5 lists the priority list for review and award of Tax Credits in order of prioritization:
    - Housing for the Homeless ($820,000/1 Project)
    - Nonprofit (10% of all available credits)
    - Preservation (10% of all available credits)
    - Rural (10% of all available credits)

d) Credit Percentage

- The Application shall auto-fill the credit percentage applied for based upon the Project type entered.
- If Acquisition/Rehabilitation or Adaptive Reuse is selected, the Application auto-fills both 4% and 9%; otherwise 9% for New Construction and Rehabilitation Projects.

e) Federal Financing

- Select yes or no as to whether the Project has federal financing.
- If yes, select the type of federal financing.
- If other is selected, enter an explanation.

f) Minimum Set-Aside Requirements

- Select either 20/50 or 40/60 for the IRS required Minimum Set-Aside election.
- If Deep-Rent Skewing box is sought, check the box.
  - ✓ If selected, 15% of the Units shall be entered at 40% or less of AMI.

✓ This election is not a requirement to receive scoring points under QAP Section 6.1.1.

g) Other Elections
- *Waives Right to Qualified Contract (QAP Section 6.43)* – Check the box to request preliminary scoring points.
  - ✓ If the box is checked, the Ownership Entity is waiving its right to request a Qualified Contract in year 14 of the Compliance Period. A 30-year commitment is being made with this election.
  - ✓ An Applicant electing points under Section 6.1.4 - Provides an Opportunity for Homeownership is not eligible for this scoring category.
  - ✓ The Scoring Tab shall list the preliminary scoring points if the box is checked and the Project is eligible for the points in this category.

- *Great Places (QAP Section 6.2.1)* – Check the box if the entire Project is within a project identified in an Iowa Great Places agreement that has been designated by the Iowa Great Places Board for participation in the program within the last three years, pursuant to Section 303.3C, subsection 4 of the Iowa Code.
  - ✓ IFA shall verify information with the Department of Cultural Affairs.
  - ✓ If a Scattered Site Project, all building addresses shall meet the Great Places requirements.
  - ✓ Preliminary scoring points shall be listed in the Scoring Tab if the box is checked.

- *Serves Lowest Income Residents (QAP Section 6.1.1)* – Check the applicable boxes and enter the number of Low-Income Units at each applicable AMI level to request preliminary scoring points. In the Buildings Tab, enter 40% AMI for each applicable Low-Income Unit and enter 30% AMI for each applicable Low-Income Unit for which points are sought.
  - ✓ If the special consideration for Projects serving lower AMI's (15% increase in Eligible Basis) shall be needed per QAP Section 7.2.3 & 7.2.3.1, request the increase by entering an additional 15% of 40% or less AMI Units for a total of 30% of Units at 40% AMI or less.
  - ✓ If the special consideration for Projects serving lower AMI's (15% increase in Eligible Basis) shall be needed per QAP Section 7.2.3 & 7.2.3.2, request the increase by entering an additional 5% of 30% or less AMI Units (these Units shall be in addition to any Units selected for the 40% AMI or less) for a total of 10% of the Units at 30% AMI or less.
  - ✓ Projects requesting the Housing for the Homeless Set-Aside shall be eligible to receive a 30% increase in Eligible Basis.
    - ➢ No Project shall receive more than a 30% increase in Eligible Basis.
    - ➢ No Project shall receive more than an $820,000 Tax Credit award and no single Developer developing Projects shall receive an award of Tax Credits more than $1,230,000 per QAP Section 2.3.1.
    - ➢ This category is not available to an Applicant that requests points under Section 6.1.4 – Provides an Opportunity for Homeownership or Section 6.3.3 – Projects that have Federal Project-Based Rental

Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA Voucher Assistance.
  ➢ The adjustment in Eligible Basis shall be shown on the Costs and Credit Calc Tab, if eligible and correct information has been entered into the Application.

- *Market Rate Incentive (QAP Section 6.1.2)* – Request points by checking the box and entering the number of Market Rate Units in the Buildings Tab.
  ✓ When entering buildings with residential rental units, all residential buildings must have least 1 Low-Income Unit.
  ✓ The LIHTC Available Unit Rule (AUR) or sometimes referred to as the Next Available Unit Rule (NAUR) shall apply to all buildings in the Project.
  ✓ Market rate single family homes will not be allowed.
  ✓ This category is not available to an Applicant electing points under QAP Section 6.1.4 - Provides an Opportunity for Homeownership or QAP Section 6.3.3 – Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA Voucher Assistance.
  ✓ The Scoring Tab shall list the preliminary scoring points once all required information has been entered and the Project is eligible for the scoring category.

- *Iowa Opportunity Index Census Tracts* (*QAP Section 6.2.3*) – Check the applicable box if the entire Project is located in a census tract that is identified as a very high or high opportunity area as shown in Appendix D in the Application Package.
  ✓ If one of the boxes is checked, but the address(es) entered in the Buildings Tab doesn't support the election or if the Project qualifies for the points, but the box isn't checked, an error will be generated and preliminary scoring points will not be shown unless the scoring requirements are met.
  ✓ If a Scattered Site Project, all building addresses shall be listed in a qualifying census opportunity area to be eligible for points. If buildings are in different categories of qualifying opportunity areas, the lesser points shall be awarded.
  ✓ Preliminary scoring points shall be listed on the Scoring Tab if the Project meets the categorical requirements and the box is checked.

- *Density (QAP Section 6.2.2)* – Check the box if the entire Project is located in one of the applicable census tracts as identified in Appendix L.
  ✓ If one of the boxes is checked, but the address(es) entered in the Buildings Tab don't support the election or if the Project qualifies for the points, but the box isn't checked, an error will be generated and preliminary scoring points will not be shown unless the scoring requirements are met.

- ✓ The preliminary scoring points for this category shall be listed in the Scoring Tab if the box is checked and the entire Project's buildings' information has been entered and supports the election.
- ✓ If a Scattered Site Project, all building addresses shall be listed in a qualifying census tract to be eligible for points. If buildings are in different categories of qualifying census tracts, the lesser points shall be awarded.

- *Serves Tenant Population of Individuals with Children (QAP Section 6.1.3) – Check the box if 20% of the Units will be 3 or more bedroom LIHTC Units and have at least two full bathrooms.*
  - ✓ *If the box is checked, but 20% of the Units entered aren't 3 or more bedroom LIHTC Units and have at least two full bathrooms, an error will be generated and preliminary scoring points will not be shown until the scoring requirements are met.*
  - ✓ *If the box is checked and the correct percentage of Units (LIHTC Units) has been entered that meets the criteria, the Scoring Tab shall list the preliminary scoring points for this category.*

- *Construction Costs (QAP Section 4.4) –* Check the applicable box if committing to maintaining construction costs to 70% or more of Total Development Costs (New Construction/Adaptive Reuse) or 55% of Total Development Costs (Acq/Rehab) from Threshold Application submission throughout the issuance of the IRS Form 8609.
  - ✓ If the box is checked and the scoring criterion has been met, the Scoring Tab will list the preliminary points for this category.

- *Historic Project (QAP Section 6.3.2) -* Check the box if all buildings in the Project are on the National Register of Historic Places or determined eligible for the National Register by the State Historic Preservation Officer, answer the related question for each building in the Buildings Tab, provide Exhibit 6S, and enter state and federal historic tax credits as funding sources in the Funding Sources Tab.
  - ✓ If a commitment for State Historic Tax Credits hasn't been received, provide a General Partner/managing member loan commitment (Exhibit 6T).
  - ✓ Enter the residential portion of the Federal Historic Tax Credit in the Costs and Credit Calc. Tab.
  - ✓ If a Project is historic and contains market rate Units, the LIHTC Units shall be disbursed throughout all of the buildings.
  - ✓ A sub recipient of the federal historic tax credits cannot be created in order to become eligible for more LIHTC.
  - ✓ An Applicant requesting points in this category shall use the full amount of state and federal historic tax credits in which the applicable funding sources deemed the Project eligible to receive.
  - ✓ If the box is checked, all information is entered correctly, and the Exhibit 6S uploaded, the Scoring Tab shall list the preliminary scoring points for this category.

- *Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based (PHA) Voucher Assistance (QAP Section 6.3.3)* - If requesting points for this scoring category, select the box and enter the Project-Based Rental Assistance information under Rental Assistance on the Project Description Tab.
  - ✓ If the box is checked and information has been entered correctly, the preliminary scoring points for this category shall be listed in the Scoring Tab.

- *Capital Needs Assessment (CNA)  (QAP Section 6.4.5)* – For Acq/Rehab or Rehab Projects, if requesting points for this scoring category, select the box and upload Exhibit 1S.
  - ✓ If Project is Acq/Rehab or Rehab and Applicant checks the box and uploads the CNA, the Scoring Tab shall list the preliminary scoring points for this category.

h) Occupancy Type
- Select the occupancy type (Older Persons 55, Older Persons 62, or Family) from the drop down.
  - ✓ Once the occupancy type has been established and submitted to IFA, it shall not be changed.
  - ✓ Projects requesting the Housing for the Homeless Set-Aside shall be Family without age restrictions.

i) Building Type
- Select the appropriate building type(s). A Project may consist of more than one building type.
  - ✓ Exhibit 11T shall list the correct building type as selected in the Application.
  - ✓ The type selected shall match the type entered on the Buildings Tab.

j) Ownership Type
- Rental – Check the rental box if the Project is a rental Project
- Iowa ROSE Program (QAP Section 6.1.4) – Check the box and provide Exhibit 2S, including the written Plan, if the Project will provide an opportunity for homeownership and points are sought for this category.
  - ✓ Enter the building type as single family detached.
  - ✓ Enter 100% of the Project Units as LIHTC Units.
  - ✓ Enter 100% of the Project Units as 60% AMI LIHTC Units.
  - ✓ Elect the 40/60 Minimum Set-Aside.
  - ✓ Refer to Appendix G for specific Iowa Rose Program information.
  - ✓ If Homeownership is checked and all information entered and uploaded, the Scoring Tab shall show the preliminary points for this category.

k) Rental Assistance
- Federal Assistance - Select yes if the Project will receive federal assistance.

- If the Project will be a HUD-VASH Voucher Project (QAP Section 6.3.3), select yes and provide Exhibit 7T. Exhibit 7S is required if an Applicant is requesting scoring points for this category.
  - ✓ Enter source providing the HUD-VASH Vouchers.
  - ✓ Enter the number of Units covered by a written commitment for HUD-VASH Voucher Assistance.
- If the Project will have Federal Project-Based Rental Assistance (QAP Section 6.3.3), select yes and provide Exhibit 7T. Exhibit 7S is required if an Applicant is requesting scoring points for this category.
  - ✓ Enter the subsidy source and the number of Units.
  - ✓ Enter the contract number(s) for the federal project-based rental assistance.
    - ▪ Note: if the federal project-based rent exceeds the LIHTC Rent limit, check the box on the Buildings Tab to exceed the rent limit.
  - ✓ Enter loan number if Project has a Rural Development Section 515 mortgage.
- If the Project will have Local Project-Based PHA Voucher Assistance (QAP Section 6.3.3), select yes from the drop down and provide Exhibit 7T. Exhibit 7S is required if an Applicant is requesting scoring points for this category.
  - ✓ Enter name of the local PHA and the number of Project-based vouchers committed by the PHA as well as contact information for the PHA.
    - ▪ NOTES:
      - ➢ The increase in basis boost for Serving Lower AMI's in QAP Sections 7.2.3.1 and 7.2.3.2 is available to an Applicant that elect points under QAP Section 6.1.1; however, an Applicant that elects points under QAP Section 6.3.3 is not eligible to elect points under QAP Section 6.1.1.
      - ➢ Preliminary scoring points shall be listed in the Scoring Tab for this category if all information has been entered correctly and the Project is eligible.
      - ➢ An Applicant may choose not to request points under QAP Section 6.3.3 and still have Project Based Rental Assistance; however, no preliminary scoring points will be shown on the Scoring Tab for this category.
      - ➢ An Applicant with a Project that has Project-Based Rental Assistance that chooses not to elect scoring points under QAP Section 6.3.3, may elect points under QAP Sections 6.1.1 and/or 6.1.2 and may then qualify for an increase in Eligible Basis for Serving Lower AMI's if all other requirements for the increase in basis have been met.

I) Transfer of Physical Asset
  - If HUD approval for the transfer of physical asset is required, select yes.
  - If RD approval for the transfer of the physical asset is required, select yes.
  - If IFA approval for the transfer of the physical asset is required, select yes.

m) Impact on the Environment
- Check the boxes for each category to request preliminary scoring points. Once a box is checked, the Description box will populate with the QAP requirement.
  - ✓ For each box checked, up to the maximum points, the preliminary scoring points shall be listed on the Scoring Tab..

n) Energy Efficiency
- Check the applicable boxes to request points for HERS and/or IECC per QAP Section 6.3.7. By checking the box(es), the Applicant is committing to a more restrictive energy efficiency requirement than the minimum QAP Threshold requirements and shall be held to this election.
- If a New Construction and Acq/Rehab Project and points are sought for this category, check both boxes; however, only maximum category points shall be awarded.
  - ✓ If the Project is eligible for this scoring category and has checked the box (es) correctly, the preliminary scoring points for this category shall be listed on the Scoring Tab.
  - ✓ Refer to QAP, Appendix 1- G.25 for information on the minimum energy efficiency requirements.

4. Targeting Plan Tab

a) Summary
- Check the box for the Applicant/Owner certification to comply with the Targeting Plan requirements stated in QAP Section 5.14.
- Check the box if the Project shall be an Affordable Assisted Living Program/Facility.
  - ✓ N/A for Projects applying for the Housing for the Homeless Set-Aside.

b) Held for Occupancy Policy
- Check the box to confirm understanding of the policy.
  - ✓ The policy is listed in the Description Box..
- Check the box agreeing to adhere to IFA's Target Population and Held for Occupancy Policy.
  - ✓ Failure to mark either box shall generate an error.
  - ✓ N/A for Projects applying for the Housing for the Homeless Set-Aside.

c) Fair Housing
- Check the box acknowledging the responsibility to ensure all Fair Housing requirements are met.

d) Boarding Home Registration
- Check the box to indicate understanding of the Iowa Boarding Home Registration and then mark the applicable box to indicate whether it will apply or not apply to the Project.

e) Targeting Plan Contact Information
- Enter the contact name and information for the person responsible for preparing the Targeting Plan.
  - ✓ N/A for Projects applying for the Housing for the Homeless Set-Aside.

f) Affirmative Fair Housing Marketing Plan Contact Information
- Enter the contact name and information for the person responsible for preparing the Affirmative Fair Housing Marketing Plan (AFHMP).

5. Nonprofit Set-Aside Tab
- Enter the Nonprofit entity name, tax id number, address, and select yes or no from the drop down field for Nonprofit exemption.
- Enter explanation for the type of tax exemption the Nonprofit is organized and operated exclusively for.
- Select either 501(c)(3) or 501(c)(4).
- Answer remaining questions in Section A and provide requested explanations.
- In Sections B-C, answer all of the questions and provide explanations.
- In Section D, enter the person's name and contact information and answer the remaining questions.
- Upload Exhibits 1SA-5SA in the Exhibits Tab.
- Submit the request to IFA for review no later than October 21, 2016.
  - ✓ Ensure the Nonprofit entity name is also listed in the Qualified Development Team Tab as a General Partner/managing member and Management Company, if applicable.
  - ✓ Ensure the Project Name and Location Tab is completed prior to submitting the request.
  - ✓ At Threshold Application submission, if the Nonprofit Entity was approved, Nonprofit Set-Aside may be checked; otherwise, an error will be generated.

6. Site Description Tab
a) Current Property Use Description (QAP Appendix 1-H)
- Enter detailed description of the current use of the property, all adjacent property land uses, and surrounding neighborhoods in the description box provided at the top of the page.

b) Site Acreage
- Enter total site acreage
  - ✓ Site acreage shall match purchase agreement/option to purchase (Exhibit 1B).
  - ✓ Do not include excess land or acreage not required for the proposed Project.

c) Scattered Site Project (QAP Section 5.9) - Check the box and upload Exhibit 19T.
- Enter all Units as LIHTC Units.
.

d) Additional Primary Market Areas (QAP Section 3.3.7) - Enter the number of additional primary market areas, if applicable.
  - A higher market study fee shall be charged for additional primary market areas.

e) Readiness to Proceed – (QAP Section 5.4, Appendix 1) – Check the applicable certification box regarding the availability and capacity of utilities.
  - Check the boxes identifying the utilities and infrastructure.

f) Demolition - Answer the question, "Is the demolition of any buildings required or planned?"
  - If yes, enter an explanation in the description box.

g) Relocation/Existing Buildings on the Site(s) Occupied (QAP Section 5.5) - Answer the question, "Are existing buildings on the site currently occupied?"
  - If yes, enter relocation information and save.
    - ✓ Make sure the relocation budget amount entered matches the amount entered in the Costs and Credit Calc Tab.

h) Site Characteristics (QAP Appendix 1-H)
    Answer all the questions and enter an explanation for any question answered "yes".
    - ✓ Exhibits 6Ba – 6Bc shall be required when any question is answered yes.

i) Legal Description - Enter the complete legal description.
    - ✓ The legal description shall match the legal description in all exhibits.

7. Site Control Tab
  - Check the box agreeing to comply with the QAP site control requirements.
  - Check the acknowledgement box regarding IFA's right to require an appraisal if reasonable cause exists to question the fair market value of the land and/or buildings acquired.
  - Enter the entity name that has site control for the Project.
    - ✓ The Ownership Entity of the proposed Project shall have site control.
    - ✓ Refer to QAP Appendix 1-A.

a) Identity of Interest – Answer the questions as to whether there is an Identity of Interest between the Owner/Principal and Ownership Entity with the option/contract for purchase or lease of the property and the Seller/Lessor of the property.
  - If yes, enter a relationship explanation.
    - ✓ If yes, provide an appraisal by an MAI certified appraiser who is not a related party and is currently in good standing (Exhibit 2B).
    - ✓ The appraisal shall not be more than 180 days old from the Application due date.
    - ✓ Appraisal shall be evaluated to determine whether the purchase/option price can be substantiated. Refer to QAP Section 5.4.1.1.

✓ Appraisal shall provide separate values for land and building(s).
- Answer the question pertaining to the percent of Ownership.
- Enter the date to show how long the seller has owned the real estate.

b) Ownership Interest - Answer the questions regarding the type of ownership interest in the Project and enter the purchase price and purchase date (if sole fee simple); otherwise enter the current expiration date of the option.
- Enter the ownership type for each building in the Buildings Tab.
- Enter the purchase price in the Costs and Credit Calc. Tab. If land and existing building costs, enter amounts separately.
  ✓ The current expiration date of the exclusive executed option/contract shall be valid for nine (9) months following the date of the Application due date.
- For a leasehold interest, enter the number of years of the lease.

c) Easements – Answer the questions. For each "yes" answer, enter an explanation.
  ✓ Ensure addressed in Exhibit 1B and shown in the site plans.

d) Cash and Reserves – Answer the questions whether cash and/or reserves will be received or transferred from the selling entity.
- If yes, enter amount.
- Check the certification box and ensure amounts aren't included in Eligible Basis.

e) Acquisition or Rehabilitation Projects Only – Enter the Rehabilitation Expenditure(s) amount allocable to the low-income Units, the adjusted basis amount and the number of buildings acquired for the development.
- Answer the question as to whether all of the buildings are currently under site control for the development. If no, an error will be generated.

f) Ten-Year Rule (Applicable to Acquisition/Rehabilitation and Adaptive Reuse requesting Acquisition Credits)
- Enter all information.
- Upload Exhibit 8T – Tax Attorney Opinion As to Project Acquisition Tax Credit Qualification.

8. Zoning Tab
- Zoning classification (QAP Appendix 1-C) - Enter the present zoning classification of the site(s) and answer the question as to whether the site(s) is appropriately zoned for the proposed development.
- Check the two boxes regarding the zoning requirements.
- Answer the question as to whether any variances, special or conditional use permits or any other item requires a public hearing to develop the proposal.
- If yes, select yes or no from the drop down for the question pertaining to whether the hearings have been completed and permits obtained.
- If yes, specify permit or variance required and date obtained.

- If no, enter a description of the permits/variances required and a schedule for obtaining them.
  - ✓ Information entered shall match zoning information in Exhibit 7B and any other exhibit provided.

9. Ownership Entity Tab
   a) Enter the Ownership Entity information and contact information.
      - ✓ The Ownership Entity name listed on Site Control Tab and in exhibits shall match the name entered in the Ownership Entity Tab.
      - ✓ Ensure the entity type and status selected are correct as this determines the required 3T Exhibits in the Exhibit Checklist on the Exhibits Tab.
      - ✓ Ensure the tax identification number entered is for the Ownership Entity and matches Exhibit 3Ta and Ownership Entity Components.
      - ✓ If the Ownership Entity status is not "already formed" by the date of application due date, threshold has not been met. Refer to QAP Section 5.2.

   b) Iowa Title Guaranty (QAP Section 6.4.1) - Check the box to request preliminary scoring points.
      - ✓ If the box is checked, preliminary scoring points for this category shall be listed in the Scoring Tab.

   c) Acknowledgements
      - Check all applicable boxes.
        - ✓ The greyed out boxes are mandatory QAP requirements.

   d) If the Ownership Entity is a single-asset entity, check the box.
      - ✓ If the Ownership Entity is not a single-asset entity, threshold requirement is not met. Refer to QAP, Appendix 2 – Glossary of Terms – Owner/Ownership Entity.

   e) Identity of Interest (QAP Section 4.6.2) - Answer the question regarding whether there is an Identity of Interest between the Ownership Entity and the general contractor and builder.
      - ✓ If yes, the Builder and General Contractor Fees shall be limited to 10% of Hard Construction Costs on the Financial Feasibility Tab.

   f) Ownership Entity Components - Select, "Add Ownership Entity Component" and enter information on the General Partner/managing member, Limited Partner, and any other member of the Ownership Entity.
      - ✓ Ensure the entity names and the ownership percentages match the Ownership Entity exhibits (3T's) and the General Partner(s)/managing member exhibits (4T's).
      - ✓ Ensure the Tax Identification Number (TIN) for the General Partner(s)/managing member(s) matches the TIN entered on the General Partner/managing member tab.
      - ✓ If awarded Tax Credits, update to match the final LP or Operating Agreement.

g) Ineligibility/Significant Parties (QAP Sections 5.4.6.1 – 5.4.6.3.6) – Answer all questions.
   - ✓ If yes is answered to any question, threshold will not be met.

h) Ineligibility/Significant Parties (QAP Sections 5.4.6.4.1 – 5.4.6.4.5) - Answer all questions.
   - • If yes is answered to any question, enter explanation.
     - ✓ IFA staff shall review for ineligibility determination.

i) Authorized Signor(s) - Answer the question about the number of authorized signor(s) and enter information.
   - ✓ Authorized Signor documentation isn't required until a Project has been awarded Tax Credits; however, ensure organizational documents support information entered in the Application.

10. <u>Qualified Development Team ("QDT") Tab</u>
   - • Enter all team members by selecting, "Add New Team Member" and enter information into each team member tab.
     - ✓ All team members shall be disclosed and listed in the Application, along with any Identity of Interest and fees.
     - ✓ If one of the team member "titles" doesn't match the type of team member, list the entity as "other" and explain in the narrative box.
     - ✓ For each GP/mm, enter the entity name in the field titled <u>GP/mm of</u>. Information should be consistent with Exhibit 3F.
     - ✓ If applying for the Housing for the Homeless Set-Aside, complete the Qualified Service Provider information in the QDT Tab, upload the exhibit, and select Submit Qualified Service Provider Request.  (Updated 9-26-16)

   *Experience Narrative (QAP Section 5.4.2)* - Enter detailed explanation in the narrative box regarding the experience of each team member.

   *Identity of Interest*
   - • If yes, select "Add New Identity of Interest" and enter Identity of Interest information, along with fee information.
     - ✓ Review the Identity of Interest Summary on the Qualified Development Team ("QDT") Tab after all QDT members have been entered to ensure all Identity of Interest information has been disclosed and entered accurately.

   *Organizational Structure*
   - • Select "Add".
     - ✓ Start at the entity level and the system will prompt entry of the officers/members/managers on the next screen.
       Example:
           Managing Member Tab – Enter MM Entity Name, type, percent of interest, address, phone and email.
           Below this is a heading called Organization Structure – select "Add" and enter the officers/directors/stockholders or Partners

**If more than one entity has ownership of the Managing Member, repeat entry.

*LIHTC Application and Award and Project Information*
- Answer all questions.
  - ✓ If no is answered that the team member hasn't submitted an Application to IFA in the previous three (3) 9% LIHTC rounds, the Developer shall have attend the mandatory training session. Enter the date and names of the individuals who attended.
  - ✓ If yes is answered for having received an award of LIHTC from IFA or any other state, but "no" is answered to the following question that the team member has completed at least 1 LIHTC Project in which all LIHTC Units have been leased at least once and has received an IRS Form 8609 for the Project in any state, the member doesn't meet threshold. Refer to QAP Section 5.4.2.1.
  - ✓ Received means the awarding state agency has issued the IRS Form 8609 and the Ownership Entity has received it.
  - ✓ If at least 1 LIHTC Project in which all LIHTC units have been leased at least once in Iowa or any other state and has received an IRS Form 8609 for that Project, enter the Project name and address.
  - ✓ Make sure all states in which each member has prior LIHTC experience is entered, along with the allocating agency name, contact name, and email address. An Exhibit 15T shall be provided for each state and for each applicable entity/individual.

- On the General Partner/managing member Tab, answer the questions as to whether the GP/mm is a materially participating qualified Nonprofit or a solely owned entity of a qualified Nonprofit.
  - ✓ Applicable only if requesting the Nonprofit Set-Aside.
  - ✓ Select the approved qualified Nonprofit from the IFA-approved list in the drop-down.

*Developer Tab – Mandatory Developer Training*
- If the Developer hasn't submitted an Application to IFA in the 3 previous 9% LIHTC rounds, enter the name(s) of the person(s) that attended the mandatory developer training, relationship of attendee to Developer, and the date training was attended.
- If the Developer isn't the member meeting the Qualified Development Team requirements of QAP Section 5.4.2, enter the team member name that does meet the QDT requirements. That individual shall have attended the Mandatory Developer Training.

*Qualified Development Team*
- Answer the questions and enter explanations, as applicable.
- If the Developer, managing member, General Partner or development consultant has participated as a Developer, managing member, General Partner, or development consultant in the development of a LIHTC Project that has received an IRS Form 8609 from any state within the past 7

years, answer the participation in the Project through 2 years after the issuance of the IRS Form 8609 question and enter an explanation.
- If yes, select "Add Project" and enter the Project Name, Address, City, Ownership Entity Name, Developer Name, GP/mm name, Development Consultant Name (if applicable), Role, and the date of the IRS Form 8609 Issuance and enter explanation.

*Developer or General Partner/managing Member Experience*
- Answer the questions for the Developer, General Partner/managing member of this Project.
- If yes is answered for meeting the criteria for 2 LIHTC projects in Iowa, then yes should also be answered for the 2nd category to receive the full preliminary 10 points (5 points each).
  - ✓ The Developer and GP/mm may meet the requirement; however, to receive scoring points, a combination of their experience shall not be permitted.
- Enter the LIHTC project information into the chart.
  - ✓ If the 8609 Issuance Date isn't within the permitted timeframe, an error will be generated.
- Answer the question on whether the Developer or General Partner/managing member of this Project shall have met IFA's Carryover-Ten Percent (10%) Test and/or IRS Form 8609 Application due dates between the dates of November 1, 2015 and November 1, 2016 without an extension.
- Enter the percentage of the Developer Fee and Consultant Fee the Developer shall receive.
  - ✓ If all information has been entered accurately, preliminary scoring points shall be listed for this category on the Scoring Tab.

*Ineligibility/Significant Parties (QAP Sections 5.4.6.1 – 5.4.6.3.6)*
- Answer all questions.
  - ✓ If yes is answered to any question, threshold will not be met. Applicant shall be unable to submit.

*Ineligibility/Significant Parties (QAP Sections 5.4.6.4.1 – 5.4.6.4.5)*
- Answer all questions.
- If yes is answered to any question, enter explanation.
  - ✓ IFA shall review for ineligibility determination.

*Authorized Signors*
- Enter the number of persons the organizational documents require to execute legal documents.
- Select, "Add New Authorized Signor" to enter names, title, and entity name.
  - ✓ Ensure title(s) match the title specific to the entity/organization name.

11. Project Amenities Tab
   a) Market Appeal Characteristics (QAP Section 6.3.1)

- Check applicable boxes to request preliminary scoring points.
  *Note: If a Project is a historic Project, points can be requested for In-Unit Laundry space with washer and dryer; however, the Description Box will contain the following additional statement, "Applicant has performed due diligence regarding the historic/SHPO requirements." Before electing points in the Application, be sure to have completed your due diligence with SHPO.*
- Enter expense for Free Internet Connectivity and Video Security System in the Projected Operating Costs Tab as applicable.
- If a specific item has a specification box, enter the requested specification (Storage Units).
  - ✓ Once a box is checked, a description populates with the QAP requirement and the preliminary scoring points elected for this category shall be listed on the Scoring Tab for each checked box.
  - ✓ All selected items shall be provided at no cost to tenants and maintained by the Project throughout the Compliance Period and Extended Use Period.

b) Construction/Unit Characteristics (QAP Section 6.3.4)
- Check applicable boxes or radio buttons to request preliminary scoring points.
  - ✓ Once a box is checked, a description populates with the QAP requirement and the preliminary scoring points for this category shall be listed on the Scoring Tab for each election.
  - ✓ All selected items shall be provided at no cost to tenants and maintained by the Project throughout the Compliance Period and the Extended Use Period.
  - ✓ If a Project is a historic Project and requests points for Steel Frame Door, the Description Box will contain an additional statement, " Applicant has performed due diligence regarding the historic/SHPO requirements." Make sure before electing points in the Application, the due diligence with SHPO has been completed.

c) Other Site Amenities (check all that apply)
- Community Building – Ensure square footage matches site/building plans. (This is different than community room)
- Community Room – Enter the square footage, if applicable.
- Garages - Answer whether rent shall be charged, amount charged, and the number of garages.
  - ✓ Income shall be reflected in the Cash Flow Tab.
  - ✓ If no charge, costs may be included in Eligible Basis.
- Surface Parking - Answer whether rent shall be charged, amount charged, and the number of parking spaces provided.
  - ✓ Income should be reflected in the Projected Cash Flow Tab.
  - ✓ If no charge, costs may be included in Eligible Basis.
- Underground Parking - Answer whether rent shall be charged, amount charged, and the number of parking spaces provided.
  - ✓ Income should be reflected in the Projected Cash Flow Tab.

       ✓ If no charge, costs may be included in Eligible Basis.
- Mandatory amenities have already been checked and are greyed out to prevent editing.  Answer the question specific to On-Site Resident Manager's Unit and then select amenities:
  - ✓ Beauty Salon/Barber
  - ✓ Craft/Game Room
  - ✓ Laundry Room
  - ✓ Library
  - ✓ Media Center Room
  - ✓ On-site leasing office
  - ✓ Fitness Center
  - ✓ Playground Area with Commercial Equipment
  - ✓ Picnic Area/Tables
  - ✓ Security Locked Building
  - ✓ Site Lighting **(\***mandatory**)**
  - ✓ Swimming Pool
  - ✓ Dining Room
  - ✓ 24-Hour On-Site Resident Manager
  - ✓ Computer Learning Center
  - ✓ Medical Alert System
  - ✓ Gazebo
  - ✓ High Speed Internet Access per Unit **(\***mandatory**)**
  - ✓ Other - Enter an amenity being provided not listed as an option.
  - ✓ Description – Enter a description of the difference(s) between Low-Income & Market-rate Unit Amenities.
    - ➢ If no market rate Units, no description is necessary.

d) Other Interior Apartment Amenities (check all that apply)
- Check the box indicating all the amenities selected shall be provided to all Units.
- Check all boxes for amenities provided by the Owner. Mandatory amenities are already checked and greyed out so these may not be changed:
  - ✓ Ceiling fans
  - ✓ Garbage Disposal
  - ✓ Kitchen Exhaust Fan
  - ✓ Range (\*mandatory)
  - ✓ Refrigerator (\*mandatory)
  - ✓ Microwave (\*mandatory)
  - ✓ Washer and Dryer hook-ups (only)
  - ✓ Flooring
  - ✓ Other (list in box provided)
  - ✓ Heating Type (\*mandatory) (Populates to the Construction Characteristics Tab)
  - ✓ Cooling Type (\*mandatory) (Populates to the Construction Characteristics Tab)
  - ✓ Water Heating Type: (\*mandatory)(Populates to the Construction Characteristics Tab)

✓ Window Covering Type (*mandatory)(Populates to the Construction Characteristics Tab)

12. Construction Characteristics Tab
- Enter the information for each category to demonstrate how IFA's minimum construction characteristics listed in QAP Appendix 1-G.
- Enter the number of washers and dryers to be provided and the number of front-loading washers and dryers to be provided.
- Enter the model numbers for appliances.
  ✓ Review the plans and specifications to make sure information entered in the Application are consistent.

13. Buildings Tab
a) General Building Information – Select "Add New Building" and continue to add buildings until all buildings in the Project are entered.
   ✓ If a Project is located in a Qualified Census Tract ("QCT") and will include a community service facility, as defined by the IRC, select, "community service facility."

b) Address Information - Enter all address information, including the correct 9-digit zip code.
   - Check Primary Address box for the building that is the "Primary Address" (PA) for the Project.
     ✓ The "blue" zip code reference is a link to the United States Postal Service that will provide the complete 9 digit zip code.
     ✓ Census Tract information is generated by the Online Application based upon the address entered for each building. However, Exhibit 16T is required if a Project is located in a QCT or DDA.
     ✓ The effective date for the 2016 list of QCTs and DDAs was July 1, 2016.
     ✓ 2017 Projects located in an area listed as a 2016 QCT or DDA, but not on a subsequent QCT and DDA listing may still use the 2016 QCT listing to show eligibility for up to the 30% increase in basis boost for the 2016 QCT as long as the complete application is submitted to IFA before the effective date of subsequent lists and the allocation of credit (Carryover Allocation Agreement) is made no later than the end of the 730-day period after the complete Application submission.
   - Each Owner must maintain documentation of the eligible Project's QCT or DDA status in its records and provide a copy with each submitted application. Print the documentation from the following websites:
     https://www.huduser.gov/qct/qctmap.html

     https://www.huduser.gov/sadda/sadda.html

c) Prior LIHTC Project
- If the Project is Acq/Rehab or Rehab, with buildings that have been part of a LIHTC Project in a prior year, select "yes" and enter the Building Identification Number (BIN) previously assigned to each building.
- Check the box acknowledging the understanding of existing LIHTC BIN(s) and Land Use Restrictive Agreements (LURA).
- Answer the question as to whether the building is part of a prior LIHTC project that requested a Qualified Contract through IFA and has had a partial LURA released.
- Answer the question as to whether the Project is subject to an existing LURA
- If yes, enter the Minimum Set-Aside election for the existing LURA.
  - ✓ If a prior LIHTC Project with existing LURA is awarded, the maximum restriction between the existing LURA and the new LURA shall be enforced.
  - ✓ If an existing LIHTC Project is in the initial 15-year Compliance Period, the Project is ineligible. A Project must've completed the 15th year of the Compliance Period. Refer to QAP Section 2.4.
  - ✓ If combining prior LIHTC Projects into one Project, contact IFA for assistance on how to proceed based on the LURA restrictions for each LIHTC Project.

d) Other Information
- Select new or acquired for the building.
- Enter the number of stories.
- Enter the building type.
  - ✓ If a building type is entered that wasn't selected on the Project Description Tab, an error will result.
- Enter the acquisition date, acquisition cost and rehabilitation cost, as applicable.
- Enter the date constructed (if applicable) and date placed in service by previous owner (if applicable).
- Enter the estimated Placed-in-Service (PIS) Date.
  - ✓ This date shall be listed in a Carryover Allocation Agreement for an awarded Project.
  - ✓ PIS date is required to be updated in the IRS Form 8609 Application.
- Enter the Number of Fully Accessible Units in the building.
  - ✓ 10% of all Project Units are required to be Fully Accessible.
  - ✓ Refer to QAP Appendix 1-G.21 for minimum threshold requirements for Accessible Units.
- If electing points under the Olmstead Goals scoring category, enter the number of Visitable (Type C) Units (if applicable), and Additional Accessible Type A Units (if applicable).
- At unit level, enter the Accessibility type for each Unit.
  - ✓ The number of Units with Accessibility features must match the number of each Accessibility type entered at the Building level.
- Enter the number of Units with Accessible Communication Features.

- ✓ A minimum of 2% of all Units is required and shall be in addition to the 10% Fully Accessible Units.
- ✓ Refer to QAP, Appendix 1-G.21 for minimum threshold requirements for Accessible Units.
- ✓ Accessibility shall be met regardless of the building type including single family or duplex designs. Refer to QAP Appendix 1.

e) Type of Control
- Answer the questions regarding the type of control and provide the applicable dates.
  - ✓ Should match Site Control Tab.

f) Historic
- Answer question as to whether the building has been determined or is eligible for the National Register of Historic Places.
  - ✓ If no, but historic is selected on the Project Description Tab, preliminary scoring points will not be generated on the Scoring Tab.
  - ✓ If any building is selected as historic, but federal/state historic tax credits/loan for anticipated state historic tax credits are not entered as a funding source, an error will be generated.

g) Unit occupied by Owner - Answer question, "If any building in the Project consists of 4 or fewer units, will any unit in such building be occupied by the owner of such building or any person who is related to such owner?"

h) Common Space Building - If building is common space only, check the box.

i) If Project has a Project-based rental assistance contract and the rents exceed the LIHTC rent, check the extend rent limit box and enter the contract number.
- ✓ If the box isn't selected and the gross rents exceed the LIHTC maximum rents, an error message shall be generated.

j) Qualified Basis
- Enter acquisition costs and new/rehab costs, as applicable.

k) Utilities Included in Rents
- Check all boxes for the utilities paid by the Owner.
  - ✓ If all utilities are paid by the Owner, then a $0 utility allowance shall auto-fill into the Units; otherwise, the total of the amounts entered here shall carry over into Units.

l) Tenant Paid Utilities
- Enter the amounts for each utility type and bedroom size paid by the tenant to be included in the utility allowance calculation.
  - ✓ Ensure the amounts for each utility type match Exhibit 11T.
- If the Project will be an Iowa Rose Program Project, enter all utilities as paid by the tenant.
  - ✓ Utility allowances populates per building type per Unit.

- ✓ Rural Development Projects can refer to RD form 3560-7, Multiple Family Housing Project Budget/Utility Allowance, Part IV (C), for the breakdown of the utility allowance that shall be entered.
- ✓ HUD Project-based Section 8 Projects may refer to the Owner for utility documentation (breakdown of the utilities) submitted to HUD or IFA Section 8 Contract Administration for the most recent approved utility allowance.
- ✓ If geo-thermal is the heating source, use electric heat on the PHA utility allowance chart when geo-thermal is not shown and the tenant is paying for heating.

m) Mandatory Charges – Answer question as to whether there are other mandatory charges required for tenancy and the amount.
  - If yes, enter amount.
    - ✓ Mandatory charges shall be reflected in the gross rents.

n) Building Includes – Check the boxes to indicate whether the building includes elevators (and enter the number of elevators), is an accessory building is or includes a commercial facility, community service facility, or other facilities.

o) Square Footage Information
  - Enter Common Area and/or Commercial Square Footage, if applicable.
  - Enter any concerns or provide additional information concerning the building.
    - ✓ The residential square footage and the gross floor square footage will populate.
    - ✓ A Manager's Unit is common space and not a residential Unit.

p) Units – Select "Add New Unit" and continue to add until all Units in the building have been entered.
  - To add multiple Units with the exact same characteristics (sf, bedrooms size, baths, net square footage., AMI%, monthly rent, accessibility features, enter the number in the Number of Units to Add box prior to selecting save changes to the building.
  - Select "Save Changes" and "Add New Unit" until all Units have been entered or if finished, select "Save Changes and return to Building."
  - Select type of Unit.
  - Select the number of bedrooms and bathrooms.
    - ✓ The minimum number of bathrooms per QAP Appendix 1 - G.28 shall be met.
  - Enter the unit net square footage.
    - ✓ Do not include garage space in the square footage of the Unit.
    - ✓ Net square footage is the usable unit space from the inside face of the walls and not the structure.
  - Unit number isn't required at the time of Threshold Application submission.
  - Select the AMI % of the Unit.
    - ✓ If the Project is an Iowa Rose Program Project, the AMI% shall be 60% for all Units.

- ✓ The percent of Units shall be calculated for QAP Section 6.1.1 - Serves Lowest Income Residents and Section 6.1.2 - Market Rate Incentive based upon the type and AMI level entered for all Units in the Project.
- Enter the Monthly Rent.
  - ✓ The Total Housing Expense populates and cannot exceed the Rent Limit unless the Project has a Project-based rental assistance contract and the exceed rent limit box was checked and the contract number entered.
  - ✓ IFA shall not permit rent increases of more than four percent (4%) between the Threshold and the IRS Form 8609 Application. Refer to QAP Section 4.1.7.
- If applying for the Housing for the Homeless Set-Aside, select "Yes" for each unit designated and set-aside for the Homeless Set-Aside.
- Select "yes" or "no" regarding Fully Accessible, Accessible Type A, Visitable, and Accessible Communication Features.
  - ✓ The Accessibility type will populate to the Unit Summary on the Buildings Tab.
  - ✓ If the building type is such that it is a multi-level Unit (such as duplex, townhome, single family detached home), each floor shall be Accessible if it is marked as a Fully Accessible Unit. Refer to QAP Appendix 1.
- If the Project is both New Construction or Adaptive Reuse and Acq/Rehab enter the number of LIHTC Rehab Units and the number of LIHTC New Construction Units.

14. Funding Sources Tab

- Enter the estimated equity pricing on the sale of the tax credits (equity price).
  - ✓ Pricing entered shall match Exhibit 10T.
  - ✓ The equity price can't be changed during the deficiency period unless requested by IFA. Refer to QAP Section 5.1.
  - ✓ Do not change equity pricing for any reason in the Threshold Application.
  - ✓ Do not change equity pricing for any reason in the IRS Form 8609 Application (for example: adjusters or percent of ownership).

- Answer question regarding current State HOME debt and if yes, enter the amount.

  *Existing Debt to be assumed by the Ownership Entity (QAP Section 4)*
- Enter all debt to be assumed by the Ownership Entity into the chart.
  - ✓ Commitment letter shall be provided for existing debt to be assumed.
- Enter existing debt to be assumed also as a Funding Source in the amount of $1.00; however, enter the payment amounts to ensure debt is included in the DSCR.
- Enter any comments.
- Check all acknowledgement boxes on this Tab.

*Local Contribution (QAP Section 6.2.4)*

- Select "Add New Government Contribution" and enter information from each Exhibit 5S. Save and repeat until all forms of Local Government Contribution are entered.
- Enter the type, amount, and select "Save Changes" or "Save Changes and Close."
  - ✓ Ensure the type and amount entered in the Application matches Exhibit 5S and any additional supporting documentation is provided with the Exhibit 5S. **Prior to submitting, review each Exhibit 5S for accuracy and compliance with the QAP requirements.
  - ✓ For Below Market Interest Rate Savings, enter the Below Market Interest Rate Loan in the Funding Sources first and then add it to the Local Government Contribution section. The On-line Application will calculate the interest savings and preliminary scoring points.
  - ✓ A description field is provided showing required submissions for each contribution type.
  - ✓ If the form of contribution entered is a Grant or Cash, list also under Funding Sources.

- Select "Add New Community Contribution" and enter information.
  - ✓ May only be land and/or cash.
  - ✓ Each local entity making the contribution shall not have an Identity of Interest with the Project. Local entity may include:
    - ➢ Local economic development board
    - ➢ Community foundation
    - ➢ Civic organizations
    - ➢ Businesses with a physical location within the city limits in which the Project is located
    - ➢ Private individuals who are residents of the city in which the Project is located.
  - ✓ Provide an Exhibit 5S(b) completed and signed by each contributing local entity, along with commitments and/or land appraisal for each Local Community Contribution.

*Funding Sources*

- Select "Add New Funding Source" and enter the information for each funding source:
  - ✓ Type
  - ✓ Source
  - ✓ Amount
  - ✓ Amortizing/Non-Amortizing
  - ✓ Rate
  - ✓ Term
  - ✓ Amortization Period
  - ✓ Debt Service Amounts Years 1-15 or 1-20 (as applicable)
- Enter any Below Market Interest Rate loan.. The maximum loan term is 20 years and the maximum amortization period is 30 years.

- ✓ A developer loan shall be entered for anticipated State Historic Credits if a commitment hasn't been received, but the Project is eligible to receive.
- ✓ A developer loan may be used to meet the DSCR requirements, but the debt shall be foreclosable (legal note with valid, recorded mortgage). Flexibility is allowed concerning the amortization.
- ✓ Polk County Housing Trust Fund money, if structured as a loan, shall not reduce Eligible Basis.
- Enter the minimum General Partner/managing member contribution of $100.
- If National Housing Trust Fund is listed, an alternative source is required to be entered.

15. Costs and Credit Calc Tab

- Enter estimated total cost in the first column. Enter Eligible Basis amounts in the applicable columns - 30% PV (4%) and 70% PV (9%).
  - ✓ If a there is an existing field, don't enter the cost under "Other".
  - ✓ For any amount listed under "Other" enter a cost break-down and explanation.
  - ✓ Projects shall be underwritten using a 9% rate and a 4% rate of 3.20%.
  - ✓ Amounts entered in the eligible basis columns can't exceed the total cost entered for any line item.
  - ✓ IFA reserves the right to limit professional and other fees related to services rendered to the Project. Refer to QAP Section 4.6.5.
  - ✓ Fees paid to parties who have an Identity of Interest will be included in the allowable Developer Fee at IFA's discretion. Refer to QAP Sections 4.6.1 and 4.6.5.

a) Purchase Land and Buildings
- Enter the cost in the applicable Eligible Basis columns.
  - ✓ Existing structures eligible basis amounts shall be entered in the 30% PV column.
  - ✓ Land and Broker's Fees are not included in Eligible Basis.
  - ✓ If an amount is listed in "Other", enter a detailed explanation and breakout of costs as applicable.

b) Site Work
- Enter the estimated total cost for each line item in the first column and any portion of that total into the applicable Eligible Basis columns.
  - ✓ The cost of construction of a paved road shall not be included in the Project Costs. Refer to QAP Appendix 1-D.
  - ✓ Extension of utility services that are not normal extensions may not be included in Eligible Basis, but can be listed as a Project Cost. Refer to QAP Appendix 1-E.
- If a large amount will be spent on site work, provide a cost breakdown of in the comment box at the bottom of the page.
- If fees will be charged for garages or parking, the cost shall be entered separately and not included in the construction or rehabilitation line item.

List in II. Site Work – Garages (not included in rent) and/or Parking (not included in rent).
- ✓ Failure to do so will generate an error message when selecting "Submit".

c) Construction
- Enter the estimated total cost for each line item in the first column and any portion of that total into the applicable Eligible Basis columns.
  - ✓ Costs shall be based on the gross square feet which includes the walls.
- If Accessory Building was selected on the Buildings Tab, enter an amount.
- If the entire Project is located in a Qualified Census Tract and has selected Community Service Facility, enter amount for such facility. Refer to QAP Section 7.2.1.1.
- If Garages, Surface Parking, or Underground Parking was marked in the Project Amenities Tab and will be part of the LIHTC rent, enter the applicable cost on the applicable line. Do not include with construction or rehabilitation costs or an error message will be generated when selecting "Submit".
  - ✓ Any amount of Workforce Housing sales tax rebates, Enterprise Zone sales tax rebates and Utility company rebates shall be included in the calculation of Total Project Costs.
  - ✓ Refer to QAP Section 4.6.2 regarding Builder and General Contractor fees.
  - ✓ Refer to QAP Section 4.7.2 for Construction Contingency.
  - ✓ Refer to QAP Section 6.4.4 for Construction Costs scoring.

d) Professional Fees
- Enter the estimated total cost for each line item in the first column and any portion of that total into the applicable Eligible Basis columns.
  - ✓ If an amount is entered in "Other", provide a cost breakdown with an explanation.

e) Interim Fees
- Enter the estimated total cost for each line item in the first column and any portion of that total into the applicable Eligible Basis columns.
  - ✓ If an amount is entered in "Other", provide a cost breakdown with an explanation.

f) Financing Fees and Expenses
- Enter the estimated total cost for each line item in the first column and any portion of that total into the applicable Eligible Basis columns.
  - ✓ If an amount is entered in "Other", provide a cost breakdown with an explanation.

g) Soft Costs
- Enter the estimated total cost for each line item in the first column and any portion of that total into the applicable Eligible Basis columns.

✓ Temporary Relocation Expenses can't be included eligible basis.

✓ If an amount is entered in "Other", provide a cost breakdown with an explanation.

h) Syndication Costs
- Enter the estimated total cost for each line item in the first column.
  - ✓ These costs are not Eligible Basis items.
  - ✓ If an amount is entered in "Other", provide a cost breakdown and explanation.

i) Developer's Fees
- Enter the estimated total cost for each line item in the first column and any portion of that total into the applicable Eligible Basis columns.
  - ✓ If the Project is awarded under the Nonprofit Set-Aside, the Nonprofit shall receive no less than 50% of the combined total of the Developer and the Consultant Fee. Refer to QAP Section 4.6.4.
  - ✓ If points are requested for QAP Section 6.4.2 – Developer of General Partner/Managing Member Experience, the Developer shall receive no less than 50% of the combined total of the Developer and Consultant Fee for the Project.
  - ✓ Refer to QAP Sections 4.6.1.

j) Project Reserve
- Enter the estimated total cost for Rent-Up Reserve, Operating Reserve, and Escrows (if applicable) in the first column.
  - ✓ These costs are not Eligible Basis items.
  - ✓ If an amount is entered in "Other", provide a cost breakdown with an explanation.
  - ✓ Refer to QAP Sections 4.3 to 4.3.1.3 for Operating Reserve requirements and 4.3.2 to 4.3.2.2 for Replacement Reserve requirements.

k) Less Residential Portion of Federal Historic Tax Credits and  Less Other
- Enter the amounts, if applicable, and provide an explanation if an amount is entered under "Less Other".
  - ✓ Projects receiving Federal Historic Rehabilitation Tax Credits are allowed to deduct the residential portion of the Federal Historic Tax Credit from the Project costs to allow for stricter rehabilitation standards.

l) Total Eligible Basis
  - ✓ The sum of the 30% and 70% columns = Total Eligible Basis.

m) Basis Boost
- If a Project is eligible, the increase in Eligible Basis will calculate automatically based on information entered in the application.
  - ✓ Refer to QAP Sections 7.2.1 – Special Considerations for Projects Located in a Qualified Census Tracts ("QCTs") and Difficult Development Areas ("DDAs").

✓ Refer to QAP Section 7.2.2 – Special Considerations for Projects Located in a Non-MSA City or County.

✓ Refer to QAP Sections 7.2.3 – 7.2.3.2 – Special Considerations for Projects Serving Lower AMIs.

n) Applicable Fraction
- This is the Project's Applicable Fraction based on information entered in the application.
  ✓ Lesser of the Unit fraction or the floor space fraction as defined in IRC Section 42(c)(1).
  ✓ At submission of the IRS Form 8609 application, each building's applicable fraction shall be determined.

o) Total Qualified Basis
  ✓ This is the Total Eligible Basis multiplied by the Applicable Fraction.

p) Total Federal Tax Credits per Eligible Basis
  ✓ This is the amount of tax credits based solely on Eligible Basis and is the sum of the 30% and 70% columns of Federal Tax Credits per Eligible Basis.

q) Credit Calculation Using Equity Gap
  ✓ Total Project Costs minus Total Sources of Funds = Equity Gap.
- Equity Gap is adjusted for the Applicable Fraction.

r) Tax Credit Allowed by Equity Gap Calculation
- Calculated by taking the Equity Gap Adjusted for Applicable Fraction divided by Minimum Credit Value divided by 10 (years).
  ✓ This is the annual tax credit amount based on Equity Gap.

s) Credits Calculated by
  ✓ Tax credits are awarded based on the lower of the Eligible Basis and the Equity Gap calculations.
  ✓ Total Project Costs and all funding sources plus expected syndication equity be within $3.
  ✓ Equity Gap Calculation can't exceed the Eligible Basis Calculation or there is a funding gap.
- The maximum Tax Credit amount that shall be awarded to any one Project is $820,000. Refer to QAP Section 2.3.2.
- IFA shall not allocate more than $1,230,000 in Tax Credits to Projects being developed by a single Developer.  Refer to QAP Section 2.3.1.

t) Other Reasonably Expected Basis (for underwriting use only)

u) Actual Credits Awarded to Date
  ✓ This is $0 until tax credits have been awarded.

v) Reasonably Expected Basis & 10% of Reasonably Expected Basis

- Review the calculation of the Reasonably Expected Basis by hovering over the number.
  - ✓ TDC-Perm Loan-Perm Loan Enhancement-Rent-up Marketing-Tax Credit Application Fees-Tax Credit Compliance Fees-Tax Credit Reservation Fees-Tax Credit Construction Monitoring Fee-8609 Fee-Syndication Costs-Project Reserve.
  - ✓ 10% of the Reasonably Expected Basis is self-explanatory.

w) Remarks concerning Project Costs and Credit Calculation
  - Enter remarks as applicable.

16. Projected Operating Costs Tab
- Enter Project operations amounts in Section I – IV.
  - ✓ Enter property taxes with some escalation separately for years 2-15.
  - ✓ If a Project receives tax abatement or TIF funds, enter the net real estate tax amount. The DSCR requirement shall still be met.
  - ✓ If providing Video Security System or Free Internet Connectivity, enter expenses.
  - ✓ Refer to QAP Sections 4.2.1- 4.2.2 for Operating Costs requirements.
  - ✓ For existing housing Projects, IFA reserves the right to request the last three years of financial statements which shall include a balance sheet and income statement. Refer to QAP Section 4.2.3.
- Enter any remarks.

17. Projected Cash Flow Tab
a) Income & Expense Escalators
  - Enter the income and expense inflation rates. Refer to QAP Section 4.1.1.
    - ✓ Income minimum of 2% and operating expenses minimum of 3% with a minimum spread of 1%.
    - ✓ Management fees shall escalate at the same rate as income.

b) Vacancy Rate
  - If the Project requested the Preservation Set-Aside (qualified under QAP Section 2.2.3) and meets the two requirements, check the boxes at the top. Both requirements must be met.
  - Enter the applicable rate. Refer to QAP Section 4.1.2.
    - ✓ 7% for Projects with more than 25 Units.
    - ✓ 10% for Projects with 25 Units or less.
    - ✓ 5% permitted for Projects qualified Preservation Projects (QAP Section 2.2.3) and the Project has maintained a 95% or higher annual occupancy rate for the previous three (3) years and is currently occupied at a minimum of 95%.

c) Operating Income
  - Enter any Parking, Stores/Commercial, Laundry/Vending and Other Income.
    - ✓ Total Gross Income Potential at 100% Occupancy, Vacancy Allowance, Net Rental/Other Income populates automatically.

- ✓ Income from a Manager's Unit is included in Total Gross Income, but is excluded from the Vacancy Allowance Calculation.
- ✓ Total Operating Expenses, Net Operating Income, Net Cash Flow, Debt Coverage Ratio and the 15-Year Average Debt Coverage Ratio populates automatically.
- If the Project has project-based rental assistance limited to less than 15 years and will not escalate or a similar funding situation, enter in the "Other" under Net Rental/Other Income and provide explanation below.
  - ✓ Homeless Set-Aside Applicants' line item is called PBRA.
  - ✓ This shall be included in the Cash Flow, without escalation, based on information entered.

d) 15 or 20-Year Cash Flow
- ✓ Populates based on information from entries on the Funding Sources, Projected Operating Expenses, and Projected Cash Flow Tabs.
- ✓ All Projects shall have an average Debt Service Coverage Ratio (DSCR) between 1.20 and 1.40 DSCR and any one year can't go below 1.15 DSCR or above 1.60 DSCR for the first fifteen (15) years. Refer to QAP Section 4.1.3.
- ✓ Projects with 25 Units or less may exceed the DSCR in order to achieve a maximum of $250 per unit per year of net cash flow for the first 15 years.
- ✓ Net Cash Flow/Unit/Year is listed in the table.

18. Financial Feasibility Tab
   a) Operating Expenses
   - ✓ States the QAP minimum threshold operating expenses requirement for Older Person Projects (QAP Section 4.2.1) of $3,400 per Unit per year not including taxes and reserves and Family Projects (4.2.2) of $3,600 per Unit per year not including taxes and reserves.
   - ✓ Lists the Project's actual Operating Expenses (not including taxes and reserves) and Operating Expenses per unit per year.

   b) Debt Coverage Ratio
   - ✓ States QAP Sections 4.1.3 and 4.1.3.1Debt Service Coverage Ratio (DSCR) requirement of 1.20 and 1.40 DSCR with any one year not below 1.15 DSCR or above 1.60 DSCR for the first 15 years. A Project with 25 Units or less may exceed the DSCR in order to achieve up to $250 per unit per year of net cash flow for the first 15 years.
   - ✓ Lists the Project's 15-Year Average Debt Service Coverage Ratio and the DSCR by year.

   c) Operating Reserve
   - ✓ States the QAP threshold operating reserve requirement from QAP Section 4.3.1 of greater of (1) $1,500 per Unit; or (2) six months of debt service, operating expenses and real estate taxes and can't exceed 8-months of debt service, operating expenses, and real estate taxes at the time of the issuance of the IRS Form 8609, shall be in place for the first 15 years and be used solely to cover operating deficits.

- ✓ Shall be fully funded within 6 months from the date IFA sends the IRS Form 8609 to the Owner.
- ✓ Lists the amounts for each based on information entered in the application.
- ✓ Lists the Project's Operating Reserve from the Costs and Credit Calc Tab.
- • Enter explanation on how the operating reserve will be established.

d) Annual Per-Unit Replacement Reserves
- ✓ States the QAP threshold replacement reserve requirement from QAP Section 4.3.2 for Family Projects - $400 per Unit per year escalating at the same rate as operating expenses and Older Person Projects - $300 per Unit per year escalating at the same rate as operating expenses.
- • Enter explanation stating how the replacement reserves will be escrowed and used only for the replacement of capital components of the Project.

e) Unit Cost Cap
- ✓ States QAP Section 4.9 Unit Cost Cap requirements and will list the Unit Cost Cap calculated amount, along with the Project's Total Development Costs from the Costs and Credit Calc Tab and the Adjusted Total Development Costs (TDC-Land-Operating Reserve-Federal Historic Tax Credits residential portion)
- ✓ A Project shall not exceed Unit Cost Cap.
- ✓ The Unit Cost Cap requirement applies to each Application submission.

f) Tax Credit Cap per LIHTC Unit
- ✓ States QAP Section 4.9.1 maximum tax credit cap per LIHTC Unit requirement and lists the calculated amount.
- ✓ Projects eligible for a basis boost are allowed to exceed the Tax Credit Cap per LIHTC Unit e as defined in QAP Section 7.2.  This increase shall be included in the amount listed on line: LIHTC Credit Cap per LIHTC Unit shall be less than or equal to $.
- ✓ No Project shall be awarded tax credits greater than $820,000 in applying an applicable increase.  Refer to QAP Section 2.3.2.

g) Developer Fee
- ✓ States QAP Section 4.6.1 Developer fee requirements.
- ✓ Developer Fee is calculated based on a percentage of Total Project Costs minus land, Developer's fee, Developer's overhead and profit, Consultant Fees and Project reserves.
- ✓ Lists the maximum calculated Developer Fee amount.
- ✓ Lists the Developer Fee total from the Costs and Credit Calc Tab.

h) Builder and General Contractor Fees
- ✓ States QAP Section 4.6.2 requirements for builder and general contractor fees. These fees are limited to a total of 12% of the Hard Construction Costs or 10% of Hard Construction Costs when an Identity of Interest exists between the Owner, the builder, and general contractor.

✓ Lists the calculated amount of hard construction costs and 12% of hard construction costs and 10% of hard construction costs.
✓ Lists the Builder and General Contractor Fees total from the Costs and Credit Calc Tab.

i) Construction Contingency
✓ States QAP Section 4.7.2 construction contingency requirements for New Construction Projects – 4% to 6% of total Hard Construction Costs minus Construction Contingency, Acq/Rehab or preservation Projects – no less than 7% and no more than 12% of total Hard Construction Costs minus Construction Contingency, and Adaptive Reuse Projects – no less than 11% and no more than 14% of total Hard Construction Costs minus Construction Contingency.
✓ Lists the threshold calculated amount based upon information entered on the Costs and Credit Calc Tab.
✓ Projects that have acq/rehab plus new construction - The Application shall attribute all hard construction costs to the rehab portion except the amount in the new construction to figure the construction contingency minimum and maximum then allow up to amount for the new construction portion to be added to the construction contingency.
✓ Lists the actual Construction Contingency amount from the Costs and Credit Calc Tab.

19. Scoring Tab

Preliminary scoring points are shown on the Scoring Tab and are based upon Applicant entries in the Application.
- Review the preliminary scoring points prior to submission.
- Check the box to accept the Application scores listed.
  ✓ Review all preliminary scoring points prior to checking the box.  Make sure score is correct prior to checking the box. Contact IFA prior to submission with any questions on any preliminary score in your application.
- Check the acknowledgement box.
  ✓ In the event a Project from the prior year' allocation round was placed on the waiting list due to a successful appeal, the Project will be awarded 5 points if the Project is the exact same Project that was the subject of the successful appeal.  This will not be shown in the preliminary score.  Refer to QAP Section 7.10.3.

20. Exhibits Tab

IFA Exhibits are considered part of the Application.  There are Threshold Exhibits (T), Building Exhibits (B), Set-Aside Exhibits (SA), and Scoring Exhibits (S).
- The Exhibit Checklist lists required exhibits based upon information entered in the Application.
- Each exhibit that is an IFA Required Form shall have a link to the 2017 website.  Exhibit 7B must be generated from the Exhibit Checklist.
- Do not use a prior year exhibit.

- All IFA required forms and templates for the current allocation round are available on the LIHTC website with a link to the website on the Exhibits Tab – Exhibit Checklist.
- Appendix K provides all exhibit information and is available on the IFA website and also under the Help Tab in the On-line Application.

21. Overview Tab

Information about the Project is listed in the Overview Tab to obtain basic Project information without scrolling through all the Tabs.
  ✓ Provides a link to the market study report which will be available after the March 2017 Board meeting.

22. Project Timeline Tab

- Enter dates for each item that represents the proposed Project Development Timeline. IFA has pre-filled its required submission dates. Update any pre-filled information that is incorrect.
  ✓ Required to be updated in the Carryover-Ten Percent (10%) Test Application and IRS Form 8609 Application.


## F. QUESTIONS & ANSWERS

Questions shall be submitted to the LIHTC Manager on IFA's 2017 LIHTC webpage.at: http://www.iowafinanceauthority.gov/Home/DocumentSubCategory/206. Questions and Answers (Q & A) shall be posted on the IFA website weekly until a week prior to Threshold Application submission due date.


## G. IOWA TITLE GUARANTY

If the Ownership Entity received 7 points for committing to obtain a Final Title Guaranty Certificate on the Project real estate prior to issuance of IRS form 8609, then the Ownership Entity shall obtain, at a minimum, a Final Title Guaranty Certificate with an amount of coverage that isn't less than the value of the land and pre-existing improvements, if any, combined with the total Hard Construction Costs of the Project.


## H. AWARD OF CREDITS

The Iowa Finance Authority Board of Directors shall make awards for the 2017 Tax Credit round at the March 2017 Board meeting. A rankmaster and scoring breakdown report shall be available at that time.
- The rankmaster is a ranking of all Applicants based upon the final score determined by IFA and the order of prioritization of review and award of credits listed in QAP Section 2.5.

## I. NOTIFICATION OF AWARD OR NON-AWARD

A written notification of a Tax Credit award or non-award shall be emailed to each Applicant after the March 2017 IFA Board Meeting.

1. Award Letter
   - Indicates whether the Project received an eligible basis boost.
   - Lists the reservation fee amount and the payment due date.
     - ✓ Reservation fee shall be paid by the due date to maintain the reservation of credits.
   - Lists the submission due date for the Ownership Entity and the General Partner/managing member(s)' authorized signor(s) documentation.
     - ✓ Ownership Entity and General Partner/managing member authorized signor documentation shall be submitted to IFA by the due date in order for IFA to prepare the Carryover Allocation Agreement.
   - Provides the approximate Carryover Agreement issuance date and the Carryover-10% Application submission due date.
   - Provides the date by which the developer meeting shall be completed.
   - Provides miscellaneous items and due dates to be complied with.

2. Non-Awarded – Met Threshold No Offer Letter
   - Provides the reason(s) for the non-award – no offer.
   - Provides appeal rights language.

3. Non-Awarded – Didn't Meet Threshold Letter
   - Provides the reason(s) for the non-award – didn't meet threshold.
   - Provides appeal rights language.

## J. PUBLIC INFORMATION REQUEST AFTER AWARDS OR FOR PRIOR YEAR REQUESTS

Email Katie Kulisky at Katie.Kulisky@iowa.gov or by calling 515-725-4895.
- All Applications are available for review in the Online Application after the award of Tax Credits.  Refer to QAP Section 3.

## K. CARRYOVER ALLOCATION AGREEMENT & CARRYOVER-10% APPLICATION

1. Carryover Allocation Agreement
   - The Carryover Allocation Agreement for awarded Projects shall be issued in accordance with the timeline established in the QAP.

2. Carryover-Ten Percent (10%) Test Application
   - Awarded Applicants shall submit the Carryover-Ten Percent (10%) Application, including all required exhibits, through the Online Application by the due date listed in the QAP – 10 months following the date of the Carryover Agreement.

- Request an extension request through the Online Application Request Extension Tab. The late submission fee invoice is created and payable in the Fees Tab at the submission of the extension request.  Refer to QAP Section 3.4.7.
  - ✓ Select the Request Extension Tab and enter required information
  - ✓ Select Submit Request
- An email notification of approval or denial of the extension request will be sent.
- IFA shall send a deficiency report through the Online Application requiring correction(s) or clarifications/responses.
- Applicant shall make requested changes and submit the deficiency response through the Online Application.
- Once final underwriting is complete, a written notice to the Ownership Entity is provided stating whether the 10% test was met or not met.
  - ✓ If the 10% Test wasn't met, the IRS treats the allocation as if it was never made.
  - ✓ The $2,500 Construction Monitoring Fee payment is due at submission. Refer to QAP Section 3.3.7.
  - ✓ Application Package shall be posted on the IFA website.
  - ✓ Links to each Exhibit/sample forms are provided in the Application's Exhibits Tab.

## L.  LAND USE RESTRICTIVE COVENANTS ACKNOWLEDGEMENT (LURA)

If an Applicant met the 10% Test, IFA will issue the Land Use Restrictive Covenants Acknowledgement (LURA) 60-90 days after the 10% Test letter has been sent to the Ownership Entity.  Upon receipt of the signed LURA from the Ownership Entity, IFA will execute and send the LURA for recording at the county recorder's office and bill the Applicant for reimbursement of the LURA recording fee charged by the county recorder's office. Electronic payment shall be made through the Fees Tab.
- ✓ If a Project has an existing LURA, the existing LURA shall remain in effect and IFA shall record the new LURA.  Owner shall comply with the most restrictive requirements.
- ✓ The LURA shall be recorded no later than December 31st of the calendar year in which credits shall be taken.

## M. IRS FORM 8609 APPLICATION

- Awarded Applicants shall submit the IRS Form 8609 Application Package through the Online Application no later than October 15th of the calendar year in which first year credits shall be requested.
  - ✓ 8609 Application Package and checklist shall be posted on IFA's website.
  - ✓ An earlier submission is acceptable and encouraged if an Applicant has a complete IRS Form 8609 Application Package.
- Request an extension request through the Online Application Request Extension Tab. The late submission fee invoice is created and payable in the Fees Tab at the submission of the extension request. Refer to QAP Section 3.3.7.

- An email notification of approval or denial of the extension request will be sent.
- IFA shall send a deficiency notification through the Online Application requiring correction(s) or clarifications/responses.
  - ✓ Applicant shall make requested changes and submit the deficiency response through the Online Application.
- IFA will send a written notification showing the final credit determination based upon the final 8609 underwritten Application.
  - ✓ The Ownership Entity shall sign and return the notice of the final underwritten credit amount.
- IFA will generate an invoice for the IRS Form 8609 Application Fee based on IFA's final underwritten credit amount. Invoice shall be payable in the Fees Tab.
- IFA will issue the IRS Form 8609 to the Ownership Entity.
  - ✓ Electronic payment of any fees referenced in QAP Section 3.3.7 is due before IFA shall issue an IRS Form 8609.

## N. REQUESTING A CHANGE IN APPLICATION OR PRE-CLOSING REVIEW

After a Tax Credit Award, Application change requests and/or pre-closing review requests shall be submitted to IFA through the Online Application.

1. Select "Request a Change".
2. Enter all requested and payment information.
   - Change in Application Fee is $1,000 per submission.
   - No charge for a pre-closing review request.
   - Pre-closing review instructions are posted on the IFA website and requirement is listed in QAP Section 7.5.1.
3. Select "Begin Change Request Process" at the bottom of the page, enter application changes, and select "Submit". This will be a pre-submission.
   - The most recent IFA approved Application will be the application that will be available for the change.
   - For permitted changes, refer to the QAP Sections 8.2, 8.3 and 8.8.
4. Upon receipt of the pre-submission, IFA will review the changes, enter the required exhibits to be submitted, and send an email notification to the owner of the required exhibits to upload.
5. Upload the exhibits and select, "Submit".
6. Upon receipt of the complete submission, IFA will review and use the same deficiency process as used in the threshold application processing.
7. IFA shall provide an email with an approval or denial letter to the Owner.

## O. APPLYING FOR ADDITIONAL CREDITS

If the QAP in which a Project was awarded under allowed additional requests for Tax Credits, an Applicant shall use the Online Application to apply for the additional Tax Credits.

1. Select "Apply for Additional Credits".
2. Enter all information regarding payment and select "Complete Application Submission for Additional Credits".

3. Enter updates to the Application and select "Submit".

## P. QUICK REFERENCE GUIDE

1. Set-Asides
   - QAP Sections 2.2 to 2.2.4
   - Project Description Tab
   - Nonprofit Set-Aside Tab
   - Exhibits Tab
   - Appendix K  and Appendix M

2. Tax Credit Cap for Single Developer/Project
   - QAP Sections 2.3 to 2.3.2
   - Qualified Development Team Tab
   - Costs and Credit Calc Tab

3. Prohibition of Applying within the Initial 15-Year Compliance Period
   - QAP Section 2.4
   - Buildings Tab

4. New Developer in Iowa
   - QAP Section 5.4.2.1
   - Qualified Development Team Tab
   - Appendix K

5. Mandatory Developer Training
   - QAP Section 3.2.1.1
   - Qualified Development Team Tab

6. Market Study and Analysis
   - QAP Sections 3.3 – 3.3.1.4
   - Exhibits Tab
   - Appendix K

7. Fees
   - QAP Section 3.3.7
   - Fees Tab
   - Cost & Credit Calc. Tab

8. Qualified Service Provider Participation
   - QAP Section 2.2.2
   - Exhibits Tab
   - Appendix M

9. Nonprofit Participation
   - QAP Section 3.3.4

- Nonprofit Set-Aside Tab
- Project Name and Location Tab
- Buildings Tab
- Qualified Development Team Tab
- Exhibits Tab

10. Prioritization of Review and Award of Credits
   - QAP Section 2.5

11. Underwriting Standards

   a) Income and Expense Escalator
      - QAP Section 4.1.1
      - Projected Cash Flow Tab

   b) Vacancy Rates
      - QAP Section 4.1.2
      - Projected Cash Flow Tab
      - Buildings Tab (# of units)

   c) DSCR
      - QAP Sections 4.1.3 and 4.1.3.1
      - Projected Cash Flow Tab
      - Financial Feasibility Tab
      - Buildings Tab (# of units)

   d) First Mortgage Amortization
      - QAP Section 4.1.5
      - Funding Sources Tab

   e) Rent Increase Limitation
      - QAP Section 4.1.7
      - Buildings Tab

   f) Existing Debt to be assumed
      - QAP Section 4.1.3
      - Funding Sources Tab
      - Exhibits Tab
      - Appendix K

   g) Operating Expenses – Older Person Projects
      - QAP Sections 4.2.1 and 4.2.3
      - Projected Operating Costs Tab
      - Financial Feasibility Tab

   h) Operating Expenses – Family Projects
      - QAP Sections 4.2.2 and 4.2.3

- Projected Operating Costs Tab
- Financial Feasibility Tab

i) Operating Reserve
  - QAP Sections 4.3.1 to 4.3.1.3 & 8.11
  - Cost and Credit Calc. Tab
  - Financial Feasibility Tab

j) Replacement Reserve
- QAP Sections 4.3.2 to 4.3.2.2 & 8.11
- Projected Operating Costs Tab
- Financial Feasibility Tab

k) Deferred Developer Fee
  - QAP Sections 4.4
  - Funding Sources Tab
  - Projected Cash Flow Tab
  - Exhibit Tab
  - Appendix K

l) Financing Commitments
  - QAP Sections 4.5.1 - 4.5.4
  - Funding Sources Tab
  - Exhibits Tab
  - Appendix K

m) Developer and Builder Fees
  - QAP Sections 4.6.1 – 4.6.2
  - Ownership Entity Tab
  - Cost & Credit Calc. Tab
  - Financial Feasibility Tab

n) Professional and Other Fees
- Cost & Credit Calc. Tab
- Qualified Development Team Tab

o) General Partner/managing member Contribution
- QAP Section 4.7.1
- Funding Sources Tab
- Exhibits Tab
- Appendix K

p) Construction Contingency Funding
- QAP Section 4.7.2
- Costs and Credit Calc Tab
- Financial Feasibility Tab

q) Unit Cost Cap & Tax Credit Cap per LIHTC Unit

- QAP Sections 4.9. – 4.9.1
- Buildings Tab
- Cost & Credit Calc. Tab
- Financial Feasibility Tab

r) Section 811 Project Rental Assistance Program (Section 811 PRA)

- QAP Section 4.10
- Ownership Entity Tab

s) National Housing Trust Fund

- QAP Section 4.11
- Funding Sources
- Exhibits
- Appendix K

12. Appraisals

- QAP Sections 5.4.1.1 – 5.4.1.2
- Site Control Tab
- Funding Sources Tab
- Costs and Credit Calc Tab
- Exhibits Tab
- Appendix K

13. Qualified Development Team

- QAP Section 5.4.2
- Qualified Development Team Tab
- Exhibits
- Appendix K

14. Preliminary Costs and Scope of Work

- QAP Section 5.4.3
- Exhibits Tab
- Appendix K

15. Ineligibility

- QAP Sections 5.4.6 – 5.4.6.5
- Qualified Development Team Tab
- Ownership Entity Tab
- Exhibits Tab
- Appendix K

16. Displacement of Tenants

- QAP Section 5.5 & 8.1.8
- Site Description Tab
- Costs and Credit Calc Tab

- Exhibits Tab
- Appendix K

17. 10-Year Rule
- QAP Section 5.6
- Project Description Tab
- Site Control Tab
- Buildings Tab
- Costs and Credit Calc Tab
- Exhibits Tab
- Appendix K

18. Rehabilitation Standards
- QAP Sections 5.7 and Appendix 1-I
- Buildings Tab
- Site Control Tab
- Costs and Credit Calc Tab
- Financial Feasibility Tab

19. Scattered Sites
- QAP Section 5.9
- Site Description Tab
- Exhibits Tab
- Appendix K

20. Acknowledgements
- QAP Section 5.10
- Ownership Entity Tab
- Qualified Development Team Tab

21. Targeting Plans
- QAP Section 5.14 & 8.9.2
- Targeting Plan Tab
- Qualified Development Team Tab
- Prior to Placed-in-Service Docs Tab
- Appendix F

22. Residential Buildings
- QAP Section 5.15
- Buildings Tab
- Costs and Credit Calc Tab

23. Market Rate Units/Market Rate Single Family Homes
- QAP Section 5.16
- Project Description Tab
- Buildings Tab

24. Scoring Criteria – QAP Section 6

   a) 6.1 Resident Profile
   *Serves Lowest Income Residents*
   - QAP Section 6.1.1
   - Project Description Tab
   - Buildings Tab
   - Scoring Tab
   - Appendix K


   *Market Rate Incentive*
   - QAP Section 6.1.2
   - Project Description Tab
     - *Buildings Tab*
   - Scoring Tab
   - Appendix K

   *Serves Tenant Population of Individuals with Children*
   - QAP Section 6.1.3
   - Project Description Tab
   - Buildings Tab
   - Scoring Tab
   - Appendix K

   *Provides an Opportunity for Homeownership*
   - QAP Section 6.1.4
   - Project Description Tab
   - Exhibits Tab
   - Scoring Tab
   - Appendix G and Appendix K

   b) 6.2 Location
   *Great Places*
   - QAP Section 6.2.1
   - Project Description Tab
   - Buildings Tab
   - Scoring Tab
   - Appendix K

   *Density*
   - QAP Section 6.2.2
   - Project Description Tab
   - Buildings Tab
   - Scoring Tab
   - Appendix K

*Iowa Opportunity Index Census Tracts*
- QAP Section 6.2.3
- Project Description Tab
- Buildings Tab
- Scoring Tab
- Appendix D
- Appendix K

*Local Contribution*
- QAP Sections 6.2.4 – 6.2.4.2
- Funding Sources Tab
- Exhibits Tab
- Scoring Tab
- Appendix K

c) 6.3 Building Characteristics

*Market Appeal*
- QAP Section 6.3.1
- Project Amenities Tab
- Scoring Tab

*Projects with Historical Significance*
- QAP Section 6.3.2
- Project Description Tab
- Buildings Tab
- Funding Sources Tab
- Scoring Tab
- Exhibits Tab
- Appendix K

*Projects that have Federal Project-Based Rental Assistance, HUD VASH Voucher Assistance, or Local Project-Based PHA Voucher Assistance*
- QAP Section 6.3.3
- Project Description Tab
- Buildings Tab
- Exhibits Tab
- Scoring Tab
- Appendix K

*Construction/Unit Characteristics*
- QAP Section 6.3.4
- Project Amenities Tab
- Scoring Tab
- Appendix K

*Olmstead Goals*
- QAP Section 6.3.5

- Buildings Tab
- Exhibits Tab
- Scoring Tab
- Appendix K

*Impact on the Environment*
- QAP Section 6.3.6
- Project Description Tab
- Scoring Tab
- Appendix K

*Energy Efficiency*
- QAP Section 6.3.7
- Project Description Tab
- Scoring Tab
- Appendix K

d) 6.4 Other

*Iowa Title Guaranty*
- QAP Section 6.4.1
- Ownership Entity Tab
- Scoring Tab
- Appendix K

*Developer or General Partner/Managing Member Experience*
- QAP Section 6.4.2
- Qualified Development Team Tab
- Scoring Tab
- Appendix K

*Waives Right to Qualified Contract*
- QAP Section 6.4.3
- Project Description Tab
- Scoring Tab
- Appendix K

*Construction Costs*
- QAP Section 6.4.4
- Costs and Credit Calc Tab
- Scoring Tab
- Appendix K

*Capital Needs Assessment (Acq/Rehab or Rehab Projects only)*
- QAP Section 6.4.5
- Project Description Tab
- Exhibits Tab

- Scoring Tab
- Appendix K

25. Additional Tax Credits (Acq/Rehab, Preservation, Adaptive Reuse or Historic Preservation Projects only)
- QAP Section 6.6.2
- Project Description Tab
- Costs and Credit Calc. Tab

26. Special Consideration for Projects Located in a Qualified Census Tract (QCT) or Difficult Development Area (DDA)
- QAP Section 7.2.1
- Cost & Credit Calc. Tab
- Buildings Tab
- Exhibits Tab
- Appendix B and Appendix K

27. Special Considerations for Projects Located in a Non-MSA City or County
- QAP Section 7.2.2
- Costs and Credit Calc. Tab
- Buildings Tab
- Appendix B

28. Special Consideration for Projects Serving Lower Income AMI's
- QAP Sections 7.2.3 – 7.2.3.2
- Buildings Tab
- Costs and Credit Calc. Tab
- Project Description Tab

29. Required Annual Audited Financials
- QAP Section 8.10
- Ownership Entity Tab

30. Pre-Closing Review
- QAP Section 7.5.1
- Change Request Tab

31. Initiation of Construction
- QAP Section 7.5.3
- Project Timeline Tab

32. Construction Post Reservation Requirements
- QAP Section 8.1
- Construction Tab

33. Prior to Placed-in-Service Documents
- QAP Sections 8.9.1 and 8.9.2

- Prior to Placed-in-Service Docs Tab

34. Required Annual Audited Financial
- QAP Section 8.10

35. Site Control
- QAP Appendix 1-A
- Site Control Tab
- Buildings Tab
- Exhibits Tab
- Appendix K

36. Submission of Site Characteristics
- QAP Appendix 1-H
- Site Description Tab
- Site Control Tab
- Costs and Credit Calc Tab
- Exhibits Tab
- Appendix K

37. Access to Zoning
- QAP Appendix 1-C
- Zoning Tab
- Exhibits Tab
- Appendix K

38. Access to Paved Roads
- QAP Appendix 1-D
- Site Description Tab
- Costs and Credit Calc Tab
- Exhibits Tab
- Appendix K

39. Access to Utilities
- QAP Appendix 1-E
- Site Description Tab
- Costs and Credit Calc Tab
- Exhibits Tab
- Appendix K

40. Minimum Development Characteristics
- QAP Appendix 1-G
- Construction Characteristics Tab
- Project Amenities Tab
- Buildings Tab
- Exhibits Tab

- Appendix K

41. Capital Needs Assessment (CNA)
    - QAP Section 6.4.5 and Appendix 1-J
    - Exhibits Tab
    - Project Description Tab
    - Scoring Tab, if Applicable
    - Appendix K

42. Glossary of Terms
    - QAP Appendix 2

_____

*This guidance is an overview of the LIHTC Online Application and is not all-inclusive or a re-iteration of all 2017 QAP requirements. Updates to this guide will be available on the IFA website. Should an inconsistency be noted between the QAP and this document, the QAP shall prevail.*