

OVERVIEW OF CHANGES FOR THE 4% QUALIFIED ALLOCATION PLAN

Part A: Requirements for 4% Tax Credits

- 1 Section number updates.
- 1.1 Limits the Private Activity Bond Cap to the greater of 55% of the aggregate basis or \$25,000,000.
- 1.4 Clarifies language.
- 1.4.5 Applicable Percentage language moved from Section 1.4.7.
- 1.4.6 Adds language that on a case by case basis, a Project may exceed the 24 month Placed-in-Service requirement with the IFA Boards approval.
- 1.7 Lowers late submission fee.
- 1.12 Clarifies language.

Section 2 – Underwriting

- 2 Adds section labels.
- 2.1.3 Adds that the DSCR shall be between 1.15 and 1.60 for the first 15 years and not an average.
- 2.1.6.1 State Historic Tax Credit language moved from the introduction of Section 2.
- 2.1.7 Raises the maximum net rent increase from 4% to 6%.
- 2.2.2 Removes the raise of the replacement reserves for Family and Senior Projects.
- 2.4.3 Adds document requirements for TIF, tax abatement and URTE.
- 2.4.4 General Partner Contribution language moved from Section 2.6.
- 2.4.5 Adds that an estimate of the operating income during construction will be used as a funding source.
- 2.4.6 Adds that financing for paved roads shall not be included in the Project costs.
- 2.4.7 Adds requirements for the financing for utilities.
- 2.5.1 Adds that the Developer fees will be limited to the lesser of the calculations using the total development costs or the Developer fee per Unit cap.
- 2.6 Subsidy Layering Review language moved from Section 1.4.4.
- 2.7 Removes the Unit Cost Cap. Clarifies Basis Boost language.
- 2.8.3 Removes certain restrictions and requirements on the Average Income Test Set-Aside.

Section 3 – Threshold Requirements

- 3.2 Removes Qualified Development Team previous LIHTC experience as a requirement to meet threshold.
- 3.2.2 Adds that all New Developers shall meet with the LIHTC Manager prior to Application submittal.
- 3.6.1 Adds that at Application submission IFA will commission an appraisal for Projects that have an identity of interest between the buyer and seller.
- 3.6.2 Adds that at Application submission IFA will commission an appraisal for Acquisition/Rehab Projects.
- 3.10 Clarifies language.
- 3.13 Adds that If layered with an existing Federal Program, the senior occupancy restrictions for the Federal Contract shall apply.
- 3.16 Adds section labels. IFA discretion language moved from Section 3.16.4.6. Ineligibility section moved from Section 5.17 to Appendix G – Ineligibility.
- 3.16.4.1 Clarifies language.
- 3.16.4.6 Section moved from Section 3.17.1.
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Section 4 - Post Reservation Requirements

- 4.1.1 Construction must begin with 18 months from the reservation date moved from Section 4 Introduction.
- 4.1.2 Removes IFA construction sign requirements. IFA may request a construction timeline status report moved from Section 4.1.2.
- 4.3 Clarifies language.

- 4.5 Clarifies language.
- 4.6 Clarifies language.
- 4.11.2 Clarifies language.
- 4.11.3 Removes language that requires an annual tenant file review for Projects electing Income Averaging.

Section 5 – Terms and Conditions

- 5.1.3 Realigns numbers.

Part C – Threshold Requirements for Building, Construction, Site and Rehabilitation

- Introduction – Renames Section from Appendix 1 to Part C. Clarifies language.
- A – Site Control – Clarifies language.
- C – Zoning – Clarifies language.
- F – Building Standards – Moves list of current standards to Appendix E – Building Standards.
- G – 1.2 Laundry – Clarifies language.
- G – 1.6 Closets – Clarifies language.
- G – 1.4 Minimum Net Square Footage. Clarifies how the unit net square footage is calculated.
- G – 3 Energy Requirements – Clarifies language.
- G – 4.1 Exterior Entry Doors to Common Areas – Clarifies language.
- G – 5.2 Cabinetry – Clarifies language.
- G – 5.6 Adds Paints and Primers threshold requirements.
- G – 5.7 Adds Adhesives threshold requirements.
- G – 5.8 Adds Caulks and Sealants threshold requirements.
- G – 6.1 Carpeting – Clarifies language.
- H – 5 – Flood Zones – Adds that Flood hazard minimization for the project must ensure elevating the lowest finished floor elevation to two (2) feet above the base flood elevation (i.e., two feet above the “100-year” floodplain) or at the elevation of the “500-year” floodplain, whichever is higher. Clarifies language.
- J – Capital Needs Assessment – Adds that Acq/Rehab or Rehab Projects will submit a CNA with the threshold application.

Part D – Glossary of Terms

- Renames Section from Appendix 2 to Part D.
- Amends and adds glossary terms.