



## 2022-2023 9% QAP OVERVIEW OF CHANGES

Changes made between the approved draft 2022-2023 9% QAP and the proposed final 2022-2023 QAP are in red.

### **Part A: Requirements for 9% Tax Credits**

#### **Section 1 – Introduction**

- 1.1 Updates the Tax Credit Reservation Schedule with the 2022 and 2023 Funding Round Schedules

#### **Section 2 – Tax Credit Reservation and Allocation Process**

- 2.1 Updates the Per Capita Tax Credit amount.
- 2.2 Raises the Supportive Housing for Families maximum allocation from \$840,000 to \$880,000. Clarifies language. **Raises maximum allocation from \$880,000 to \$1,012,000. Clarifies language.**
- 2.2.2 Updates the Supportive Housing for Families set-aside allocation from one project maximum to a maximum allocation of \$880,000. Removes languages that prohibits Projects that apply in the set-aside from applying in another set-aside or in the General Pool. **Raises maximum allocation from \$880,000 to \$1,012,000.**
- 2.2.3 Updates the Disaster Recovery set-aside allocation from one project maximum to a maximum allocation of \$880,000. Clarifies language. **Raises maximum allocation from \$880,000 to \$1,012,000.**
- 2.2.4 Updates the Rural set-aside allocation from one project maximum to a maximum allocation of \$880,000. Clarifies language. **Raises maximum allocation from \$880,000 to \$1,012,000.**
- 2.2.5 Adds the Preservation set-aside with an allocation from one project maximum to a maximum allocation of \$880,000. **Raises maximum allocation from \$880,000 to \$1,012,000.**
- 2.2.6 Adds the Derecho Disaster set-aside - 2022 Round only if funds are available.
- 2.3.1 Raises the Developer Cap from \$1,680,000 to \$1,760,000. Removes that co-developers are allocated tax credits based on percentage of interest in the Project.
- 2.3.2 Raises the Project Cap from \$840,000 to \$880,000. **Adds exception for Projects that qualify for up to a maximum of \$1,012,000 as set forth in Section 4.10 – Basis Boost**
- 2.5 Realigns the Priority list. Clarifies language.

#### **Section 3 – Threshold Requirements – Application Process**

- 3.3.1.3 Adds that an existing LIHTC Project must meet existing LURA requirements.
- 3.4 **At IFA's discretion, Projects in other set-asides or the General Pool may be eligible to apply for HOME funds.**
- 3.8 Removes the IRS Form 8609 extension fee, Pre-closing fee. Adds the LURA amendment fee.

#### **Section 4 – Threshold Requirements – Underwriting**

- 4.3.2 Lowers the replacement reserves for Family Projects from \$400 to \$350.
- 4.7 **Increases the range of the hard costs Construction Contingency limits for Acquisition/Rehab or Rehab Projects from between 7% and 12% to between 8% and 15% and for adaptive reuse and historic preservation Projects from between 11% and 14% to 12% to 16%.**
- 4.9 Increases the Tax Credit Cap per LIHTC Unit by 5% per bedroom size.
- 4.10 Clarifies language. **Adds that the Project Cap may be increased up to 50% of the basis boost amount requested and that the maximum Tax Credit award to any one Project shall be \$1,012,000 as a result of this increase in Eligible Basis. Clarifies language.**
- 4.10.1 Reduces the eligible basis increase available for Projects in QCT's and DDA's from 15% to 10%.
- 4.10.1.2 Reduces the eligible basis increase available for Projects in a QCT with a Concerted Community Revitalization Plan from 15% to 10%.
- 4.10.2 Clarifies language. Reduces the eligible basis increase available for Projects in a Rural County from 15% to 10%.
- 4.10.3 Removes the eligible basis increase available for Projects Serving Lower AMI's (Area Median Income). Adds up to a 10% increase in eligible basis for Projects that Provide Units with a Rent Reduction up to 10%. **Clarifies language.**



- 4.10.4 Adds up to a 10% increase in eligible basis for Projects that Provide Units with Four Bedrooms. Clarifies language. Adds that the election of Units in this section can overlap and is not an addition to scoring Section 6.1.4
- 4.10.5 Adds a 10% eligible basis increase available for Projects with Supportive Services.
- 4.10.6 Adds up to a 10% increase in eligible basis for Projects with Additional Accessible Units. Removes section for an increase in eligible basis for additional accessible units.
- 4.10.6 Adds up to a 10% increase in eligible basis for Projects with Universal Design Features and Additional Project Amenities. Clarifies language. Removes Free Internet Connectivity as a menu option. Renumbered.
- 4.10.7 Adds up to a 10% increase in eligible basis for Projects that are Single Family, Duplex, and Rowhouse. Clarifies language. Adds that the election of Units in this section can overlap and is not an addition to scoring Section 6.3.8. Renumbered.
- 4.11.3 Clarifies that the average income test is not available for Scattered Sites Projects.

### **Section 5 – Threshold Requirements – All Developers/Ownership Entities**

- 5 Adds that to meet threshold requirements the Ownership Entity shall waive the right to a Qualified Contract and the right to ask IFA to find a buyer after year 14. Clarifies language.
- 5.3 Clarifies language.
- 5.3.1 Clarifies language.
- 5.3.1.1 Removes the requirement that New or Returning Developers shall attend mandatory developer training.
- 5.4.1.1 Clarifies that Scattered Site Projects cannot elect the average income test.
- 5.4.2 Adds a police or fire station as a service. Removes public transportation as a service.
- 5.5 Clarifies language.
- 5.6 Clarifies that Preliminary Costs and Scope or Work are required for Acq Rehab/Rehab Projects and not all Projects. Clarifies language.
- 5.7 Removes duplicative language that a CNA is required for Acq Rehab/Rehab Projects
- 5.14 Lowers the minimum score from 115 to 100. Removes the exemption of the minimum score for Projects applying under the Supportive Services for Families. Increases minimum score to 110.

### **Section 6 – Scoring Criteria**

- 6.1.1 Serves Lowest Income Residents – Reduces points from up to 30 to up to 10. Clarifies point requirements.
- 6.1.1.1 Rent Burdened Households – Adds up to 4 points for households experiencing rent-burden.
- 6.1.2 Rent Reduction – Adds up to 10 points for Projects with LIHTC rents for 60% or 50% AMI Units at the 40% AMI rent levels.
- 6.1.3 Market Rate Incentive – Change of section number. Clarifies that Scattered Site Projects are not eligible for this section.
- 6.1.4 Serves Tenant Populations of Households with Children – Change of section number. Clarifies point requirements.
- 6.1.4 Provides an Opportunity for Homeownership – Removes this point category.
- 6.1.5 Supportive Services for Families – Adds 10 points for Projects that reserve at least 10% or the total Project Units to persons experiencing homelessness. Clarifies language.
- 6.2.2 Iowa Opportunity Index Census Tracts – Decreases very high points from 5 to 3 and high points from 3 to 2.
- 6.2.3 Rural Disaster Recovery – Removes points for rural cities that are eligible for Section 2.2.3 – Disaster Recovery set-aside
- 6.2.3 Scattered Site Projects – Adds 5 points for Scattered Site Projects. Increased points from 5 to 10.
- 6.2.4 Acq Rehab/Rehab Projects in Underserved Cities – Adds up to 2 points to Acq Rehab/Rehab Projects in cities that have been underserved.
- 6.2.5 Density – Adds 4 points to Projects that are located in a census tract that has a low percentage of LIHTC Units Placed-in-Service compared to the total number of households.
- 6.2.6 Rent Burdened Households – Adds 3 points for Projects located in census tract where households are experience rent burden. Rent burden is defined as households spending more than 40% of their income on housing costs.
- 6.2.7 Public Transportation – Adds up to 3 points for Projects that are near public transportation that meets certain requirements.



- 6.3.1 Market Appeal – Reduces total points from 29 to 27. Adds amenities menu. Clarifies point requirements. Clarifies language.
- 6.3.4 Construction Characteristics – Reduces total points from 16 to 14 points. Clarifies point requirements. Reduces the amount of brick necessary to receive points from 50% to 40% of the gross exterior. Clarifies language.
- 6.3.5 Olmstead Goals – Reduces required Fully Accessible needed to exceed to receive points. Clarifies language. Decreases points for Senior Projects with 20% Additional Accessible Type A Units from 12 to 11 and 25% Additional Accessible Type A Units from 14 to 13. Decreases total section points from 14 to 13. Adds a new section specifically for Acquisition Rehab and Rehab Projects.
- 6.3.7 Energy Efficiency – Increases the percentage need to exceed ASHRAE90.1-10 from 20% to 25%. Clarifies language.
- 6.3.8 Single Family, Duplex, or Rowhouse – Adds up to 5 points for percent of the total units that are single family, duplex, or Rowhouse. Clarifies language.
- 6.4.2.1 LIHTC Experience – Updates dates. Removes points for closing a LIHTC Project within 8 months of award issuance. Decreases points from 5 to 3.
- 6.4.2.2 Multifamily Rental Experience – Updates dates. Clarifies language.
- 6.4.2.3 Nonprofit Organization Experience – Adds up to 2 points for CHDOs who apply under the nonprofit set-aside and applies for State HOME funds and sole developers that are the sole GP/MM or the sole shareholder/owner of the GP/MM. Clarifies that an Applicant must apply under the nonprofit set-aside to be eligible for points.
- 6.4.2.4 Developer, General Partner or Managing Member Performance – Increases negative points from 2 to 4. Adds a negative point for a Developer or GP/MM who have requested and received a qualified contract after July 1, 2021. Adds a negative point for a Developer or GP/MM with an Iowa Project that has shown a lack of progress on the issuance of IRS Form 8609, 36 months after Carryover issuance, starting with Projects awarded after July 1, 2020.
- 6.4.3 Construction and On-Site Work Costs – Change of section number.

### **Section 7 – Selection Criteria and Notice of the Tax Credit Award.**

- 7.2 Adds that if a third tiebreaker is needed, preference will go to ROSE (Iowa Renter to Ownership Savings Equity) Projects. Clarifies language.
- 7.3 Updates dates.
- 7.5.4 Updates dates.
- 7.5.5 Updates dates.
- 7.5.6 Clarifies language.

### **Section 8 – Post Reservation Requirements**

- 8.6.2.1 Adds that a commitment to notify the Local Lead Agency of all vacancies is due with the Carryover-10% Test.
- 8.7 Removes that the commitment to notify the Local Lead Agency of all agencies is due with the Prior to Placed-in-Service documents submission.
- 8.8 Removes the requirement that Project owners and management companies shall attend 8 hours of compliance training. Clarifies that a current certificate of Mental Health First Aid training is required at the time the IRS Form 8609 application is due not a certificate issued within 12 months of this application submission. Clarifies language.
- 8.10 Changes the due date of the submission of the annual audited financials from within 90 days from the close of the Projects fiscal year to 120 days.
- 8.12 Clarifies language.

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

**Introduction** – Reduces the percentage of accessible units required to meet threshold from 10% to 5%. Clarifies accessible unit language. Moved accessible language to G 2.1.

- A** Site Control – Clarifies parking site control language.
- G 1.8** Trash Enclosures – adds that trash removal areas must be enclosed as a threshold requirement.
- G 2.1** Accessible Units – Reduces the percentage of accessible units required to meet threshold from 10% to 5%. Clarifies accessible unit language. Added accessible language from Part C – Introduction and clarifies language.



- G 3.1 Heating and Cooling – Adds that AC sleeves shall be provided for thru wall units. Clarifies language.
- G 3.2.1 Energy Efficiency-New Construction – Adds additional options for energy efficiency requirements. Adds that a third-party certification at the end of construction is required. Clarifies language.
- G 4.4 Exterior Construction – Units Doors – Clarifies requirements.
- G 4.5 Overhead Doors – Removes threshold requirements.
- G 5.1 Interior Construction – Units Doors – Clarifies requirements.
- G 5.10 Smoke Detectors – Adds smoke detectors threshold requirements.
- G 5.11 Minimum Bathroom Accessories – Adds a list of minimum bathroom accessories.
- G 6.2 Resilient Flooring – Clarifies language.
- G 6.3 Resilient Flooring – Bathroom – Clarifies language.
- J Capital Needs Assessment – Clarifies language.

#### **Part D – Glossary of Terms**

Amends and adds glossary terms. Amends, adds, and removes glossary terms.