



APPENDIX LIST

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APPENDIX A

4% TAX-EXEMPT BOND FINANCED LIHTC APPLICATION INSTRUCTIONS

Applicants for Low-Income Housing Tax Credits (LIHTC) under the 4% Housing Tax Credit Program shall be required to submit an electronic Project Summary through the online Application to initiate discussion with IFA regarding the Tax-Exempt Bond process to determine whether IFA will be the conduit tax-exempt bond issuer or the bond issuer and mortgagee through the Multifamily Loan Program. During this time, an Applicant may work on the 4% LIHTC online Application; however, the Application cannot be submitted until an Applicant knows whether IFA will be the conduit tax-exempt bond issuer or the bond issuer and mortgagee of the Project through the Multifamily Loan Program. IFA will send an email notification to the Applicant if the bond application submission is required through the online Application.

1. To initiate the 4% online Application, a summary of the proposed Project shall be submitted to IFA and Applicant shall contact the IFA Multifamily Loan Program staff for review of the information and to assist the Applicant with the process.
2. If IFA is the conduit issuer of the tax-exempt bonds, the Applicant shall submit the Economic Development Bond Application and fees through the online Application.
3. The Private Activity Bond Cap (CAP) requirements set forth in the 4% Qualified Allocation Plan (QAP) shall apply.
4. Applications may be submitted at any time using the online Application; however, Applications submitted during the 9% LIHTC Application round may not be reviewed during the 9% LIHTC Application review process.
5. Only complete Applications shall be submitted. A Project shall satisfy all the underwriting and threshold requirements of the 4% QAP.
6. Once submitted to IFA, the Application will be unavailable to the Applicant until such time that the Applicant needs to make a change per IFA's request. The Application will then be available to the Applicant for such changes.
7. If the Owner will be electing the Placed-in-Service date for the Gross Rent floor rather than IFA's determination letter for the Gross Rent Floor, make election on the Project Description Tab and submit the IFA-Required Form, Exhibit 21T. The form shall be submitted prior to any building's Placed-in-Service Date.
8. Generally, bonds need to stay in place at least through submission of the IRS Form 8609 Application package.



**APPENDIX B
EXHIBIT CHECKLIST**

IFA-required forms are available on the Exhibits Tab of the Application and must not be modified.

| Exhibit | Title and Narrative Description | Application Reference | Required |
|---------|---|---|--------------|
| 1T | <p>APPLICATION CERTIFICATION & ACKNOWLEDGEMENTS</p> <p><u>IFA Required Form</u></p> <ul style="list-style-type: none"> The Application pre-fills the entity names entered on the Qualified Development Team Tab into Exhibit 1T. Generate Exhibit 1T by selecting IFA Form Required after all team members have been entered on the Qualified Development Team Tab. | Qualified Development Team, Ownership Entity & Buildings | All Projects |
| 2T | <p>CURRENT REAL ESTATE TAX ASSESSMENT DOCUMENTATION</p> <ul style="list-style-type: none"> Provide a current print-out from the county assessor for the real estate on which the Project is or will be located that shows the current owner of the real estate. | Project Name and Location, Buildings, Site Description & Site Control | All Projects |
| 3T's | <p>OWNERSHIP ENTITY (OE)</p> <p>3Ta: IRS F.E.I.N. letter in the Ownership Entity's name. 3Tb & 3Tc: A Limited Partnership ("LP"), Limited Liability Partnership ("LLP") or Limited Liability Partnership ("LLLLP") file- stamped certificate of Limited Partnership and a current Limited Partnership Agreement. 3Td & 3Te: A Limited Company ("LC"), Limited liability Company ("LLC") Ownership Entity's- file-stamped Article of Organization and a current Operating Agreement. 3Tf: Ownership Entity organizational chart. Please do not list tax identification numbers or social security numbers.</p> | Ownership Entity | All Projects |
| 4T's | <p>OWNER REPRESENTATIVE(S) (GENERAL PARTNERS/MANAGING MEMBER) ORGANIZATIONAL DOCUMENTS</p> <p>4Ta: Each General Partner's (listed in the Application and Organizational Chart) file-stamped Certificate of Limited Partnership; and 4Tb: Current Limited Partnership Agreement for each.</p> <p>4Tc: Each Managing Member's (listed in the Application and Organizational Chart) file-stamped Articles of Organization; and 4Td: Current Operating Agreement for each.</p> | Ownership Entity – Components & Qualified Development Team | All Projects |



| | | | |
|----------------|--|--|---------------------------|
| | <p>4Te: Corporation's File-Stamped Articles of Incorporation 4Tf: By-laws 4Tg: Board Resolution approving actions of the corporation concerning the proposed Project, including minutes of election of officers and minutes for authorization of individual(s) to sign, along with title.</p> <ul style="list-style-type: none"> Required for each. | | |
| Exhibit | Title and Narrative Description | Application Reference | Required |
| 5T | <p>CONSTRUCTION AND PERMANENT FINANCING LETTER OF INTENT</p> <p>Provide letter of intent on lending institution's letterhead that includes loan amount, interest rate, term, amortization period (min. of 30 years required for first mortgage debt), fees, pre-payment penalties, anticipated security interest in the Property and lien position.</p> | Funding Sources | All Projects |
| 6T | <p>LETTERS OF INTENT FROM OTHER FUNDING SOURCES</p> <p>Provide letters for all other funding sources that includes existing debt to be assumed, that states the value of the funding, the purpose of the funds may be used for, and any time limitations.</p> | Funding Sources, Site Appeal – Scoring & Exhibits | All Projects |
| 6Ta | <p>FEDERAL AND STATE HISTORIC TAX CREDIT DOCUMENTATION</p> <ul style="list-style-type: none"> Provide documentation from the State Historical Preservation Officer demonstrating that all buildings within the Project are listed on the National Register of Historic Places or determined to be eligible for the National Register by the State Historic Preservation Officer. Provide letter of intent for the equity for both the federal and state historic tax credits. | Buildings, Funding Sources, Costs and Credit Calc. & Scoring - Site Appeal | If applicable |
| 7T | <p>HUD OR RURAL DEVELOPMENT (“RD”) AUTHORIZATION TO RELEASE OF INFORMATION</p> <ul style="list-style-type: none"> Provide the signed applicable HUD or RD Required Form. | Project Description, Site Control & Buildings | If applicable |
| 7Ta | CURRENT RENT ROLL | Project Description & Buildings | Acq/Rehab, Rehab Projects |
| 7Tb | <p>COMFORT LETTER FROM REGIONAL HUD OR RURAL DEVELOPMENT OFFICE</p> <ul style="list-style-type: none"> Letter must acknowledge the Project will be the subject of a Tax Credit Application in 2024. | Project Description & Buildings | If applicable |



| Exhibit | Title and Narrative Description | Application Reference | Required |
|---------|---|--|---|
| 8T | <p>ATTORNEY OPINION AS TO ELIGIBILITY FOR ACQUISITION CREDITS</p> <p><u>IFA Required Template</u></p> <ul style="list-style-type: none"> Do not modify the form. An attachment providing clarification is acceptable. A certification may not be relied as sole source/basis for the attorney opinion. | Project Description, Buildings, Site Control, Costs and Credit Calc. | If Acquisition Credits requested |
| 9T | <p>EXECUTED COPY OF THE DEVELOPMENT CONSULTANT AGREEMENT(S)</p> <ul style="list-style-type: none"> Provide an executed copy of the Agreement(s). | Qualified Development Team & Costs and Credit Calc. | Projects with a Development Consultant |
| 10T | <p>SYNDICATION OR OTHER SALE OR EXCHANGE OF TAX CREDIT INTEREST TO INVESTORS DOCUMENTATION</p> <ul style="list-style-type: none"> Provide a copy of the Syndicator/Direct Investor letter of interest that includes equity price and approximate equity amount. | Qualified Development Team & Funding Sources | All Projects |
| 11T | <p>TENANT PAID UTILITY ALLOWANCE DOCUMENTATION</p> <p>Submit one of the following:</p> <ol style="list-style-type: none"> Public Housing Authority (“PHA”) utility allowance schedule. <ul style="list-style-type: none"> ✓ Circle the amounts on the PHA utility allowance schedule. ✓ If more than 13 months old, provide a letter from the PHA stating the utility allowance schedule is still current. Utility allowance prepared using the HUD Utility Schedule Model (HUSM) and <u>supporting documentation</u>. If the Project has federal project-based rental assistance with HUD or Rural Development (“RD”), provide a copy of the current HUD Rent Schedule or utility allowance documentation from RD instead of the PHA utility allowance schedule. | Project Description, Buildings & Project Amenities | When utilities are not included in rent or if a Project has federal project- based rental assistance. |
| 12T | <p>MARKET STUDY REPORT</p> <ul style="list-style-type: none"> Submit a comprehensive market analysis with a full narrative report following IFA’s current market study guidelines that is prepared by an independent third-party National Council of Housing Market Analysts member unaffiliated with the developer. Refer to Appendix O – Market Study Guidelines. | Exhibits | All Projects |



| Exhibit | Title and Narrative Description | Application Reference | Required |
|---------------------------|---|--|---|
| 13T | TRANSITIONAL HOUSING <ul style="list-style-type: none"> Provide information detailing how a non-profit or governmental entity will work to transition tenants out to permanent housing within 24 months and detail the supportive service programs. | Project Description | Transitional Housing Projects |
| 14T RESERVED | | | |
| 15T | CONFIDENTIALITY REQUEST <u>IFA Required Form</u> Review QAP Part A, Section 2.3(Q)(1-4). | Exhibits | Applicant requesting confidentiality treatment of any document in the Application |
| 16T | QUALIFIED CENSUS TRACT (“QCT”) / DIFFICULT TO DEVELOPMENT AREA (“DDA”) MAP Provide a current map generated from the HUD GIS Website showing the entire Project is currently located in a QCT or DDA. | Project Name and Location, Buildings & Costs and Credit Calc. | If applicable |
| 17T | PUBLIC HOUSING AUTHORITY (PHA) PROJECT BASED VOUDHER DOCUMENTATION <ul style="list-style-type: none"> Provide letter from PHA confirming the number of project-based vouchers committed to the Project. | Project Description | If applicable |
| 18T | COMMUNITY SERVICE FACILITY <u>IFA Required Form</u> | Project Description, Buildings & Costs and Credit Calc. | If applicable |
| 19T - 20T RESERVED | | | |
| 21T | GROSS RENT FLOOR ELECTION FOR THE DATE OTHER THAN DATE OF IFA’S SECTION 42m LETTER <u>IFA Required Form</u> <ul style="list-style-type: none"> Enter election on the Project Description Tab if the Owner is electing the Placed-in-Service date to establish the Gross Rent Floor and upload the Exhibit. Exhibit 21T shall be uploaded to the Exhibits Tab before first building is placed in service. | Project Description | If applicable |
| 1B | SITE CONTROL DOCUMENTATION <ul style="list-style-type: none"> Provide executed documents showing the site control requirements set forth in the QAP have been met. Site control document must include only the acreage necessary for the proposed Project. | Site Control, Ownership Entity, Qualified Development Team, Buildings & Costs and Credit Calc. | All Projects |



| Exhibit | Title and Narrative Description | Application Reference | Required |
|---------|--|--|---------------|
| 2B | <p>APPRAISAL OR IFA APPROVAL OF WAIVER</p> <ul style="list-style-type: none"> For land and buildings acquired from a party with an Identity of Interest. Acquisition/Rehabilitation Projects requesting acquisition credits. | Project Description, Site Control, Qualified Development Team & Costs and Credit Calc. | If applicable |
| 3B | <p>COLOR PHOTOS OF PROJECT & ADJACENT PROPERTY</p> <p><u>New Construction Projects</u> Eight photos for each site location.</p> <ul style="list-style-type: none"> Looking toward the center of each site from the North, South, East & West. Looking out from the center of each site toward the North, South, East & West. <p><u>Adaptive Reuse, Acq/Rehab, Rehab Projects</u></p> <ul style="list-style-type: none"> Photos looking at each building from the North, South, East, and West. Four of the overall site looking in from each cardinal direction. | Project Name and Location, Buildings & Site Description | All Projects |
| 4B | <p>MAPS – CITY MAP AND PLAT MAP (BOTH ARE REQUIRED)</p> <ol style="list-style-type: none"> Legible recent official city map pinpointing the site location(s) that shows the legal address of the property, the names of surrounding streets, and any other information important for the site inspection; <u>or recent aerial map, if available.</u> An assessor plat map or civil engineer’s proposed re-platting map for each site location | Project Name and Location, Buildings & Site Description | All Projects |
| 5B | <p>SITE PLANS</p> <p>Shall clearly show the following:</p> <ul style="list-style-type: none"> Location and extent of all work proposed in the Application. Site dimensions Site zoning Accessible site routes Accessible Unit types Easements and setbacks List total number of parking and type of parking (surface, garages, underground) Show it on the plan. List city requirements. Planting, utility & general notes Show all buildings (including manager’s Units & accessory buildings) Provide gross square footage of buildings. | Site Description, Project Amenities, Site Control & Costs and Credit Calc., Buildings | All Projects |



| Exhibit | Title and Narrative Description | Application Reference | Required |
|---------|---|--|---------------|
| 6B's | <p>DETRIMENTAL SITE CHARACTERISTICS REMEDIATION DOCUMENTS</p> <p>If the site or adjoining sites contain any detrimental site characteristics, provide the following: 6B a: Remediation Plan 6B b: Budget to make site suitable 6b c: Map showing detrimental characteristics on site plan</p> | Site Description & Costs and Credit Calc. | If applicable |
| 7B | <p>POLITICAL JURISDICTION CERTIFICATION</p> <p><u>IFA Required Form</u></p> <ul style="list-style-type: none"> • Generate on the Exhibits Tab after the Project Name & Location, Ownership Entity, Site Description, Site Control, Qualified Development Team, and Buildings Tabs have been completed. • Form and site plan shall be sent to the city to be completed and signed by an authorized city official. Applicant shall not complete any part of Part B of this form. | Project Name and Location, Buildings, Site Control, Site Description, Site Appeal & Qualified Development Team | All Projects |
| 8B | <p>PLANS</p> <p>Shall show all proposed work at a minimum schematic design level of completion. Refer to QAP for definition of net and gross square footages.</p> <ul style="list-style-type: none"> • Show elevations. • Label the use of all rooms in the building (i.e., computer learning center, manager's Unit, manager's office, library, media center room, craft room, maintenance room, dining room, fitness center, laundry room, beauty salon/barber room, etc.) • Label the net square footage of each unit and all other rooms in the building. • Show Accessible routes through the building on in the Accessible unit plans. • Provide a unit plan of each unit type. • Tabulate on the plans all units by type and provide the total number of Units. • Label all rooms in the Units (i.e. bedroom, bathroom, kitchen, living room, closets, etc.) • Label the net square footage of each Unit and each room in the unit and common areas, and any commercial space. • Show gross square footage of each building. | Project Description, Buildings, Site Description, Project Amenities & Costs and Credit Calc. | All Projects |

Capital Needs Assessment (“CNA”): Acquisition/Rehabilitation or Rehab Projects shall submit a complete CNA with the design documents that are submitted for review and approval prior to the start of construction.



**APPENDIX C
QUALIFIED CENSUS TRACTS (QCTS) AND DIFFICULT DEVELOPMENT AREAS (DDAS)
EFFECTIVE 1-1-2024**

SECTION 1 – QCTS AND DDAS

A. METROPOLITAN QUALIFIED CENSUS TRACTS

Ames MSA

Story County
5.00, 7.00, 10.00, 11.01,
13.04

**Des Moines-West Des
Moines MSA**

Dallas County
504.00

Iowa City MSA

Johnson County
2.00, 3.07, 4.01, 6.00, 11.00,
16.01, 16.02, 21.00, 23.00

Cedar Rapids MSA

Linn County
10.05, 19.00, 27.00

Polk County

1.01, 4.00, 5.00, 11.00, 12.00,
17.00, 21.00, 26.00, 29.00,
39.01, 44.00, 46.02, 47.02,
48.00, 49.00, 50.00, 52.00,
111.11

Sioux City MSA

Woodbury County
8.00, 13.00,
15.00, 36.00

Council Bluffs MSA

Pottawattamie County
306.02, 309.00, 313.00

Warren County
209.00

Waterloo-Cedar Falls MSA

Black Hawk County
1.00, 3.00, 5.00, 7.00, 8.00,
9.00, 16.00, 17.01, 17.02,
18.00, 23.03, 23.04

Davenport MSA

Scott County
106.00, 107.00, 108.00,
109.00, 110.00, 113.00, 125.01,
126.02

Dubuque MSA

Dubuque County
1.00, 5.00, 7.01, 12.02

Bremer County

40.00

B. NON-METROPOLITAN QUALIFIED CENSUS TRACTS

Appanoose County

9503

Jackson County

9506.00

Muscatine County

510.00

Clinton County

1.00

Jefferson County

903.02

Page County

4902.00

Des Moines County

3.00, 4.00

Lee County

4908.00, 4909.00, 4910.00

Wapello County

9602.00, 9605.00,
9606.00, 9610.00

Floyd County

4804.00

Mahaska County

9507.00

Webster County

3.00, 7.00

C. DIFFICULT DEVELOPMENT AREAS (DDAs)

None



APPENDIX O

IOWA FINANCE AUTHORITY'S MARKET STUDY REQUIREMENTS

Applicants must commission their own Project market studies and the Applicant is responsible for confirming the market study requirements are met. The deadline to submit the market study is the same as the tax credit application deadline.

General

The market study shall:

- Be in conformance with IFA requirements.
- Be prepared by a third-party Market Study Firm in good standing with National Council of Housing Market Analysts (NCHMA).
- Provide a full-narrative Market Study Report effective within 6 months of submission.
- Acknowledge the study is being completed for IFA's use and benefit.
- Demonstrate that there is adequate sustained demand for the proposed Project, and that the construction or rehabilitation of the additional affordable units will not have an adverse impact on the existing affordable units in the market area.
- Contain a Cover Sheet with Iowa Specific Requirements (see sample at the end of this appendix)

The market study provider:

- Understands they may contact IFA if any change to these requirements is required based on specific market conditions. Any changes must be approved by the Tax Credit Director prior to the study being submitted to IFA. Please submit market study questions to housingtaxcredits@iowafinance.com.
- Understands IFA has the right to contact them when reviewing the market study but is not obligated to do so.
- Shall provide the Market Study Report in a searchable PDF format.
- Shall travel to and physically inspect a proposed site and market area.
- Shall only use photographs taken by the analyst during the site inspection.

Primary Market Area (PMA)

The PMA shall be the *smallest geographic area* from which the subject development will compete with similar properties to draw most of its residents. PMA boundaries shall be created by census tracts, school districts, jurisdictions, street names, or other geography forming the boundaries. A map of the primary market area and description shall be included. IFA will not accept radii primary market areas.

For proposed PMA's larger than 25,000 households, the market analyst is required to receive IFA approval prior to submission. The market study provider should not automatically expand to 25,000 households without justification.



Age Restricted Units

All age restricted projects shall use the 55+ or 62+ exemption. If the age restriction in the application conflicts with a Federally subsidized program, the more restrictive age requirement shall be used to evaluate the market.

No units in the age restricted units shall have more than 2 bedrooms.

Substandard Housing Conditions

NCHMA Market Study Terminology Definition for “substandard housing conditions” is required to be used in the market study. Housing conditions that are conventionally considered unacceptable may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Income

Market studies shall use the HUD 2023 MTSP Rent & Income Limits. Section 8 poverty guidelines calculations will not be accepted.

Comparable and Rent Analysis

All comparable projects used for the rent determination must be located in the PMA.

All LIHTC projects located in the PMA must be identified and considered in the market study analysis. If a market study provider wants to not use a LIHTC property in the PMA as a comparable property the analyst shall explain to IFA’s satisfaction why the project was not surveyed or considered in the analysis. When a survey is done, if LIHTC properties have not been responsive, the market analyst may notify IFA via email at housingtaxcredits@iowafinance.com.

Market rent shall be determined for each bedroom type using HUD Form 92273-S8 Rent Comparability Grid.

Rent Advantage

IFA requires a rent advantage for proposed rents of at least 10 percent discount from the estimated market rents.

The request for a rent advantage must:

- Quantify and discuss the market advantage of the proposed rents per bedroom size.
- Include a table that presents proposed rents by bedroom size.
- Estimate achievable market rent.
- Use the ratio of proposed rent to estimated market rent.
- Discuss the feasibility of the proposed rent levels per bedroom size and whether the proposed rent level is achievable.
- If LIHTC rents are not achievable based on the existing market conditions, recommend alternate rents or justify why future market conditions will make the proposed rent favorable.

Rent Burden

The market analyst shall use a rent burden of 35 percent of a household’s monthly income for demand and capture rate calculations.



Capture Rate – AMI and Bedroom Size

Calculate the capture rate for each income level (market rate, 80%, 60%, 40%, 30%, etc.) proposed as well as an overall capture rate.

The capture rate is the total number of project units divided by the total income and size qualified renter households in the PMA.

If the overall capture rate exceeds 10% for new construction and adaptive reuse projects, the market analyst shall provide an explanation and justification to be reviewed and accepted by IFA. If an individual bedroom capture rate exceeds 25%, the analyst shall provide a narrative in the report that justifies why the unit mix is feasible, and/or provide project recommendations to lower the capture rates. The capture rate shall consider only qualified households in the PMA.

Penetration Rate

Provide a statement of penetration rate that considers all income qualified households and all income restricted units (not just LIHTC units) in the PMA only.

Absorption Rate

Determine the amount of time that is expected to achieve stabilized occupancy of 93% at the proposed development. If the projected absorption rate is greater than 12 months, the analyst should provide recommendations for adjustments necessary to attain stabilized occupancy with 12 months (number of units, unit mix, AMI levels, rents, etc.).

Special Housing Need

If the proposed project specifies a special housing need, including but not limited to transitional housing, permanent supportive housing, or a specific population (artist, veteran, literary activities) then the specified rental population shall be analyzed to determine if it can be sustained and is suitable for the proposed project.

Community Service Facility

If a community service facility is proposed, the market study must:

- Describe the proposed community service facility and how it can serve individuals whose income is 60% or less of the area median income located in a qualified census tract determined by HUD.
- Analyze how the community service facility will improve the quality of life for the residents and improve quality of life for individuals in the community.
- Demonstrate the facility is located within the proposed tax credit property and contains appropriate access for residents and individuals from the community.
- Determine there would be a demand for services and the services would be affordable to people with income at 60% or below.



Sample Cover Sheet for Iowa Specific Requirements

The cover sheet must contain the following information:

Number of Households in the PMA

Absorption Period to reach an overall stabilization of 93% occupancy:

Overall Capture Rate in the PMA

Rent Advantage

| Bedroom Size | AMI% | LIHTC Rent Proposed | Market Rent | Rent Advantage |
|---------------------|-------------|----------------------------|--------------------|-----------------------|
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