



**IOWA FINANCE**  
AUTHORITY

**2019**  
**ON-LINE APPLICATION TRAINING**  
**GUIDE**

**September 7, 2018**

Updated 10-8-18

Updated 10-1-18

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## Updates

### October 8, 2018

Appendix A and Appendix L have been updated.

- A. General Requirements – Section 4(c). 2019 Appendix Listing

### October 1, 2018

1. Added statement that pre-applicants/Developers shall email concerns with the pre-application market study report to [housingtaxcredits@iowa.gov](mailto:housingtaxcredits@iowa.gov).
  - A. General Requirements – Section 4(e). Resources
  - C. Pre-Application and Application Submissions – 2. General Information.
2. Added statement indicating Appendix L has been updated as of October 2018.
  - A. General Requirements – Section 4(c). Resources

## A. GENERAL REQUIREMENTS

### 1. On-line Application User Names and Roles

- Request at: [IFA Tax Credit On-line Application link](#).
- Select the Application, request one here, and enter information.
  - ✓ Must indicate the type of access needed – create/edit, review only, upload construction documents only or upload prior to Placed-in-Service docs only.
  - ✓ Each user name shall have an individual role assigned by IFA based upon the request. Roles: Guest, Reviewer, Prior to Placed-in-Service Docs Upload, and Construction
- An approval email shall be sent to the email address provided.
- Each person accessing the On-line 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.
- IFA contact: [Stacy.Cunningham@iowa.gov](mailto:Stacy.Cunningham@iowa.gov)

### 2. Accessing the On-line Application

The On-line Application is located on the IFA website at the link provided in A.1 above.

- Log in to create/edit an Application or view existing Applications
- Select “Create a “New 9% Application” (this includes the Pre-Application); or
- Select “Create a “New Supportive Housing for Families Application” (this includes the Pre-Application); or
- Select “Create a “New 4% Application” (4% Application not covered in training).
- Prior year awarded LIHTC Projects can be viewed by clicking the arrow on the left of View on Search Results.

### 3. Granting and Removing Application Access

- The Application creator is responsible for granting and removing Application access to authorized users under View, MYIFA Account, and Add New Authorized User.
  - ✓ Before granting access to a user name, select the radio buttons next to each authorization level. A description of each is provided.
- Select the radio button next to the appropriate authorization level to be granted to the user name. Select “Continue”.
  - ✓ If an authorization level is selected that doesn't correspond to the assigned role to the user name, an error will be generated with guidance on how to correct.
- Select the Application(s) from the list and select “Add Authorized User”.
  - ✓ IFA recommends that a regular review of users granted access to each Application be conducted by Applicants.

### 4. Resources

- a. Help Tab – Located at the top of the On-line Application.
  - Link to IFA's current round website

b. Error Messages

- **Red x's** are listed next to each tab until all information has been entered correctly and saved.
- ✓ If a **red x** remains after entering all Application information, select "Submit". Error messages will be listed, if applicable. If no error messages are shown, but a **red x** remains on a tab, go back to that tab and save.

c. 2019 LIHTC Appendix Listing

2019 LIHTC Appendix Listing	
Appendix	Title
A	<b>Application Instructions (Updated)</b>
B	Qualified Census Tracts ("QCTs")/Difficult Development Areas ("DDAs") & Metropolitan Statistical Areas ("MSAs") (To be Updated once HUD publication is available)
C	Useful Links (Updated)
D	Iowa Opportunity Index Census Tracts
E	IFA Construction Sign
F	Reserved
G	Requirements of Iowa Rose Program
H	Energy Efficiency (Updated)
I	Authorized Signors
J	Senior Living Revolving Loan Program Information (Updated)
K	Exhibits & Scoring Checklist (Updated)
L	<b>Density (Updated)</b>
M	Supportive Housing for Families Set-Aside Requirements (Updated)

d. IFA LIHTC Website

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Notices</li> <li>• Qualified Allocation Plan             <ul style="list-style-type: none"> <li>✓ QAP</li> <li>✓ Overview of Changes</li> </ul> </li> <li>• Application             <ul style="list-style-type: none"> <li>✓ On-line Application (TAC)</li> <li>✓ On-line Application Training Guide</li> </ul> </li> <li>• Q &amp; A</li> <li>• Applicants             <ul style="list-style-type: none"> <li>✓ Applicant Listing</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Award Information             <ul style="list-style-type: none"> <li>✓ Awards Presentation</li> <li>✓ Award Listing</li> <li>✓ Rankmaster</li> <li>✓ Scoring Breakdown</li> </ul> </li> <li>• Appendices</li> <li>• Exhibits</li> <li>• Prior to Placed-in-Service Documents</li> <li>• Pre-Closing Review Information</li> <li>• Carryover-10% Application Package</li> <li>• IRS Form 8609 Application Package</li> </ul> |
|--|--|

e. IFA Staff & Email

Interim Executive Director

[Carolann.Jensen@iowa.gov](mailto:Carolann.Jensen@iowa.gov)

Prior to the submittal of the Application, submit questions to the IFA 2019 Q & A on the 2019 LIHTC webpage. Refer to *QAP Section 3.2.1 – Prior to Application Submittal*.

After threshold Application submission, an Applicant shall not contact any IFA staff or Board member, 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 Section 3.2.2 - After Application Submittal* and *QAP Section 5.1 - Complete Application*.

<ul style="list-style-type: none"><li>Concerns with Pre-Application market study report (Updated 10-1-18)</li></ul>	<a href="mailto:housingtaxcredits@iowa.gov">housingtaxcredits@iowa.gov</a>
<ul style="list-style-type: none"><li>LIHTC questions</li><li>Proposed changes to the Application</li></ul>	<a href="mailto:Dave.Vaske@iowa.gov">Dave.Vaske@iowa.gov</a>
On-line Application	<a href="mailto:Stacy.Cunningham@iowa.gov">Stacy.Cunningham@iowa.gov</a>
<ul style="list-style-type: none"><li>Affirmative Fair Housing Marketing Plan Package</li><li>Prior to Placed-in-Service Documents</li></ul>	<a href="mailto:Nancy.Peterson@iowa.gov">Nancy.Peterson@iowa.gov</a>
Local Lead Agency	<a href="mailto:Terri.Rosonke@iowa.gov">Terri.Rosonke@iowa.gov</a>
Qualified Service Provider for Supportive Housing for Families Set-Aside	<a href="mailto:Terri.Rosonke@iowa.gov">Terri.Rosonke@iowa.gov</a> <a href="mailto:Amber.Lewis@iowa.gov">Amber.Lewis@iowa.gov</a>
<ul style="list-style-type: none"><li>Construction</li><li>Scheduling Inspections</li></ul>	<a href="mailto:John.Kerss@iowa.gov">John.Kerss@iowa.gov</a>
<ul style="list-style-type: none"><li>Carryover-Ten Percent (10%) Test Application &amp; 8609 Application Package</li><li>Underwriting</li></ul>	<a href="mailto:Karen.Kulisky@iowa.gov">Karen.Kulisky@iowa.gov</a>
<ul style="list-style-type: none"><li>Underwriting</li><li>Construction Loans</li><li>Multifamily Loans</li><li>Senior Living Revolving Loan</li></ul>	<a href="mailto:Tim.Morlan@iowa.gov">Tim.Morlan@iowa.gov</a> <a href="mailto:Derek.Folden@iowa.gov">Derek.Folden@iowa.gov</a>
National Housing Trust Fund	<a href="mailto:Jerry.Floyd@iowa.gov">Jerry.Floyd@iowa.gov</a>
Public Information Requests	<a href="mailto:Katie.Kulisky@iowa.gov">Katie.Kulisky@iowa.gov</a>

## B. ON-LINE APPLICATION DESIGN

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

### 1. Application Tabs

#### a. Overview

- b. Project Name and Location
- c. Project Description
- d. Project Timeline
- e. Site Description
- f. Site Control
- g. Ownership Entity
- h. Nonprofit Set-Aside
- i. Qualified Development Team
- j. Project Amenities
- k. Construction Characteristics
- l. Buildings
- m. Funding Sources
- n. Costs and Credit Calc.
- o. Projected Operating Costs
- p. Projected Cash Flow
- q. Financial Feasibility
- r. Appendix 2HSA – Supplemental Scoring to Supportive Housing for Families Set-Aside
- s. Scoring
- t. Exhibits
  - Required exhibits will be listed based on information entered in the Application. For each IFA required form or template, a link is provided after the exhibit name. **Only use current funding round exhibits.**
  - Review the exhibit checklist carefully. If an exhibit isn't listed that should be, select "Submit" to see if an error is shown. If no error is listed, review Appendix K of the 2019 Application Package and/or this training guide. If an exhibit is listed that should not be, it is likely incorrect information has been entered.
  - Upload exhibits with the correct exhibit name.
  - To view exhibits by upload date, click on the heading "Upload Date".
- u. Fees
  - Only electronic check (ACH) payments are accepted.
  - Payments must be submitted in the On-line Application.
    - ✓ Invoices may be printed from the Fees Tab.

## 2. Grey Tool Bar Tabs

- a. Print
- b. Save
- c. Save & Exit
- d. Cancel
- e. Submit
- f. Apply for Additional Credit (Post Award) – Refer to Section O.
- g. Request a Change and/or Pre-Closing Review (Post Award) – Refer to Section M.
- h. Construction (Post Award) - Upload feature for all required construction documents.
  - Requires special role if not a user with edit rights.



- i. Prior to Placed-in-Service Docs (Post Award) – Upload feature for all required Prior to Placed-in-Service documents. Refer to Section N.
  - All required documents shall receive IFA approval before the IRS Form 8609 Application may be submitted.
  - Requires a specific role for a user other than a user with edit rights. Each Applicant is responsible for granting Application access after IFA’s assigns a user a role.

### 3. Symbols

- Each Application tab has a **red x** initially. Each **red x** will clear after information on a tab is entered correctly and saved. The following tabs (subject to change) have coding tied to other Application tabs:
  - ✓ Project Description
  - ✓ Site Description
  - ✓ Site Control
  - ✓ Ownership Entity
  - ✓ Construction Characteristics
  - ✓ Buildings
  - ✓ Exhibits
  - ✓ Funding Sources
  - ✓ Projected Operating Expenses
  - ✓ Projected Cash Flow
  - ✓ Costs and Credit Calc.
  - ✓ Qualified Development Team Tab
  - ✓ Financial Feasibility
  - ✓ Scoring
- A green check mark ✓ will appear when information has been entered and saved correctly. Remember, some tabs have related information so the green check mark will not clear until all information has been entered on those tabs.
- A **red asterisk (\*)** indicates a required field.
- Shaded fields and boxes are locked and are QAP requirements.

### 4. Scoring

- Scoring exhibits are due at threshold Application submission.
- Each Applicant is responsible for reviewing the Scoring Tab and certifying that the preliminary score for each category is accurate before submitting the threshold Application.
- The preliminary scoring points requested at submission of the threshold Application shall not be a guarantee of the final score.
- Scoring determinations made in prior years are not binding on IFA for the current funding round. Refer to *QAP Section 6 – Scoring Criteria*.
- IFA awards final scoring points in accordance with *QAP Section 6 – Scoring Criteria* to projects that pass threshold.
- Preliminary scores are initially requested in the threshold Application based on the Applicant: (i) answering applicable scoring questions correctly and/or selecting applicable check boxes or radio buttons appropriately; and (ii) uploading applicable scoring exhibits to the Exhibits Tab. The table below lists the Qualified Allocation Plan (“QAP”) scoring criteria, QAP Reference,

Application reference(s), Exhibit (if applicable) and guidance on requesting preliminary scoring points in the On-line Application. Preliminary scoring points shall be shown on the Scoring Tab as scoring information is entered in the Application. Also refer to Appendix K of the 2019 Application Package, the Scoring Tab, and the QAP.

- ✓ Plan and specifications should show all amenities and scoring elections entered in the Application.

<b>QAP Section 6.1 Resident Profile</b>				
<b>QAP</b>	<b>Title</b>	<b>Exhibit</b>	<b>Application</b>	<b>Requesting Preliminary Points</b>
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.
6.1.2	Market Rate Incentive		Project Description & Buildings	Check the box and enter the number of market rate Units in the Buildings Tab.
6.1.3	Serves Tenant Population of Individuals with Children		Project Description & Buildings	Check the box on the Project Description Tab.  On the Buildings Tab, enter at least 20% of the Units as 3 or more bedroom LIHTC Units. Three bedroom Units must be entered with at least one full bathroom and one three-quarters bathroom. Four or more bedroom Units shall be entered with two full bathrooms (a minimum of 5" wide ADA compliant roll in shower may be substituted for one tube in a Four or more bedroom Unit.
6.1.4	Provides an Opportunity for Homeownership	2S	Project Description & Exhibits	Check the box on the Project Description Tab and upload Exhibit 2S, including the Owner's Project's Plan to the Exhibits Tab.  Refer to Appendix G of the 2019 Application Package.
<b>QAP Section 6.2 Location</b>				
<b>QAP</b>	<b>Title</b>	<b>Exhibit</b>	<b>Application</b>	<b>Requesting Preliminary Points</b>
6.2.1	Great Places		Project Description & Buildings	Check the Great Places box on the Project Description Tab. Enter the correct complete building address(es) in the Buildings Tab.
6.2.2	Density		Project Description &	Enter the correct complete building address(es) in the

			Buildings	Buildings Tab. If eligible, the preliminary score for this category shall be listed on the Scoring Tab.  Refer to Appendix L of the 2019 Application Package.
<b>QAP</b>	<b>Title</b>	<b>Exhibit</b>	<b>Application</b>	<b>Requesting Preliminary Points</b>
6.2.3	Iowa Opportunity Index Census Tract		Project Description	Enter the correct complete building address(es) in the Buildings Tab. If eligible, the preliminary score for this category shall be listed on the Scoring Tab.  Refer to Appendix D of the 2019 Application Package.
<b>QAP Section 6.3 Building Characteristics</b>				
<b>QAP</b>	<b>Title</b>	<b>Exhibit</b>	<b>Application</b>	<b>Requesting Preliminary Points</b>
6.3.1	Market Appeal		Project Amenities	For each amenity to be provided for this category, check the applicable box and enter specifications (as applicable).
6.3.2	Projects with Historical Significance	6S	Project Description, Buildings, Funding Sources & Exhibits	Check the box on the Project Description Tab, upload Exhibit 6S to the Exhibits Tab, enter each building as historic on the Buildings Tab, and enter state and federal historic tax credits as funding sources. If no commitment for State Historic Tax Credits, enter a General Partner/managing member 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	7S	Project Description, Buildings & Exhibits	Check the applicable box under "Rental Assistance" on the Project Description Tab, complete the applicable information, and upload Exhibit 7S to the Exhibits Tab.
6.3.4	Construction / Unit Characteristics		Project Amenities	On the Project Amenities Tab, check each box and/or select the radio button for each construction/unit characteristic to be provided and for which points are requested.

<b>QAP</b>	<b>Title</b>	<b>Exhibit</b>	<b>Application</b>	<b>Requesting Preliminary Points</b>
6.3.5	Olmstead Goals		Buildings	<p>Enter the number of Fully Accessible, Units with Communication Features, and Additional Accessible Type A Units for each building in the Buildings Tab. Select the applicable Accessibility type for each Unit.</p> <p>If at least 50% of the Fully Accessible and Additional Accessible Type A LIHTC Units entered are 2, 3, or 4 bedroom Units, the preliminary score will be listed on the Scoring Tab.</p>
6.3.6	Impact on the Environment		Project Description	Check the applicable boxes.
6.3.7	Energy Efficiency		Project Description	<p>Check the applicable box (es).</p> <p>If more than one category applies to the Project, check all applicable boxes; however, no additional points shall be provided by selecting multiple boxes.</p>
<b>QAP Section 6.4 Other</b>				
<b>QAP</b>	<b>Title</b>	<b>Exhibit</b>	<b>Application</b>	<b>Requesting Preliminary Points</b>
6.4.1	Iowa Title Guaranty		Project Description	Check the box.
6.4.2	Developer or General Partner/ Managing Member Experience and Performance		Qualified Development Team – Developer and/or GP/mm & Development Consultant	Answer the questions and provide requested information for the Developer, General Partner/managing member, and Development Consultant, if applicable.
6.4.3	Waives Right to Qualified Contract		Project Description	Check the box.
6.4.4	Construction Costs and On Site Work Costs		Project Description & Costs and Credit Calc.	<p>Select yes on the Project Description Tab. The preliminary score column will show as “requested” when yes is selected.</p> <p>If points are received, the percentage of the Subtotal Construction Costs and On Site Work to Total Development Costs (minus land cost) must be maintained or exceeded</p>

<b>QAP</b>	<b>Title</b>	<b>Exhibit</b>	<b>Application</b>	<b>Requesting Preliminary Points</b>
				throughout the issuance of the IRS Form 8609.
6.4.5	Capital Needs Assessment (Acq/Rehab & Rehab Projects Only)	1S	Project Description & Exhibits	Check the box on the Project Description Tab and upload Exhibit 1S to the Exhibits Tab.
6.4.6	Environmental Site Assessment	4S	Project Description & Exhibits	Check the box and upload Exhibit 4S to the Exhibits Tab.
6.4.7	Leverage - Tax Credit Cap		Project Description, Buildings, Funding Sources, Costs and Credit Calc., and Financial Feasibility	Select yes on the Project Description Tab and enter all Project Units in the Buildings Tab. The preliminary score column will show as "requested" when yes is selected.  If points are received, the percentage of the Project's Tax Credit amount to the Project's Tax Credit Cap must be maintained or decreased throughout the issuance of the IRS Form 8609.

## **C. PRE-APPLICATION AND APPLICATION SUBMISSIONS**

### **1. Submission Due Dates**

- Pre-Application: November 1, 2018 by 4:30 p.m. C.S.T.
- Threshold Application may be submitted between January 14, 2019 and 4:30 p.m. C.S.T. on January 16, 2019.
  - ✓ A threshold Application may be submitted for each proposed Project that submitted a Pre-Application. If a Pre-Application was not submitted on the due date, the Project may not be submitted in the 2019 funding round.
- Nonprofit Set-Aside Requests: November 30, 2018 at 4:30 P.M. C.S.T.
- Supportive Housing for Families Set-Aside: November 30, 2018 at 4:30 P.M. C.S.T.

### **2. General Information**

- [Email concerns with the pre-application market study report to housingtaxcredits@iowa.gov.](mailto:housingtaxcredits@iowa.gov) (Updated 10-1-18)
- Save after entering information in each tab and before exiting the Application.
- 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 amendments or modifications to the Application Package.

- The Application is unavailable to an Applicant after threshold Application submission until the threshold deficiency review period and then until after the April 2019 Board meeting.
- IFA will provide written notification to Applicants of deficiency items in accordance with *QAP Section 3.3.2.1 – Threshold Deficiency Review Period* and *QAP Section 5.1 – Complete Application*.
  - ✓ During the threshold deficiency review period, an Applicant may contact the IFA LIHTC Manager or other Tax Credit staff to request clarification on a deficiency item.
- Each Applicant shall have 14 calendar days to respond and make Application changes requested in the initial written deficiency notice. Changes entered, but not requested in the IFA deficiency report, shall not be allowed.
- Exhibits
  - ✓ Label all photos and combine into one (1) pdf before uploading
  - ✓ Exhibit 8B uploads shall be limited to four (4)
- Project Applications that did not receive an award of Tax Credits will be deleted from the On-line Application after three (3) years.

#### **D. 2019 OVERVIEW OF ON-LINE APPLICATION CHANGES**

The On-line Application has been updated in accordance with the QAP. The following information is a general overview of changes and is not all-inclusive of all changes.

##### **1. Pre-Application for Market Analysis (“Pre-Application”)**

- The market study fee is due at submission;
- The Overview Tab shall contain the market study report; and

##### **2. Application Tabs**

a. Project Name and Location - MSA or Non-MSA will populate.

b. Project Description

- Added Disaster Relief Set-Aside;
- Added Minimum-Set-Aside (Income Averaging) as set forth in *QAP 4.11.3 – Income Average Test (Income Averaging)*;
- Added Location Near Services per QAP Section 5.4.2; and
- Other Elections – updated and add language per QAP:
  - ✓ *6.1.1 – Serves Lowest Income Residents, 6.1.2 – Market Rate Incentive, 6.1.4 – Provides an Opportunity for Home Ownership, and 6.3.3 Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA Voucher Assistance: Added not available for Section 4.11.3 – Income Averaging.*
  - ✓ *6.1.3 – Serves Tenant Population of Individuals with Children: Updated the bathroom requirements and points.*
  - ✓ *6.2.2 - Density and 6.2.3 – Iowa Opportunity Index Census Tracts: Removed the check boxes. The Scoring Tab will list the preliminary score for these categories if eligible based upon the Project location(s) (complete address, including zip-code) entered in the Buildings Tab.*

- ✓ 6.3.2 – *Projects with Historical Significance*: Modified language and added statement regarding the Applicant’s responsibility to complete a due diligence with the State Historic Preservation Office (“SHPO”) on the Owner elected construction related scoring categories prior to submission of the threshold Application.
- ✓ 6.3.6 – *Impact on the Environment*: Removed High Efficiency Central Boilers and added criteria under Central Water Heaters.
- ✓ 6.4.2 – *Developer or General Partner/managing member Experience and Performance*: Title changed. Clarified maximum points for Experience (5) and maximum points for Performance (-3).
- ✓ 6.4.4 – *Construction and On Site Work Costs*: Added On Site Work and radio buttons to indicate whether points are requested. Updated language to indicate TDC (minus land cost).
- ✓ 6.4.6 – *Environmental Site Assessment*: Added language regarding a Phase I Environmental Site Assessment performed within two years of the Application submission.
- ✓ 6.4.7 – *Leverage - Tax Credit Cap*: Changed title and added radio buttons to indicate whether points are requested.

c. Site Description

- Added – “Location and Site Requirements” per QAP Section 5.4;
- Changed “Readiness to Proceed” to “Access to Utilities and Paved Road” and updated the certification on utilities availability and capacity;
- Clarified language under “Relocation” that the occupancy applies to residential tenants; and
- Site Characteristics updated per *QAP Appendix 1-H – Submission of Site Characteristics*.

d. Site Control

- Updated language for existing certification boxes;
- Added certification box on marketable title; and
- Added questions specific to the site control requirements set forth in *QAP Appendix 1-A – Site Control*.

e. Ownership Entity

- Updated and added acknowledgements;
- Updated Significant Parties/Ineligibility-related questions; and
- Pre-Closing Review acknowledgement moved from the Funding Sources Tab.

f. Qualified Development Team

- Updated language for scoring elections under *QAP Section 6.4.2 - Developer or General Partner/Managing Member Experience and Performance*;
- Updated Significant Parties/Ineligibility-related questions;
- Added team member types of member and manager;
- Added “Organizational Structure” and “Authorized Signors” to the Special Limited Partner;

- Added certification for the requirements set forth in *QAP Sections 5.3 – Qualified Development Team* and 5.3.2 regarding open applications; and
  - Added questions and updated language on the management company's experience as set forth in *QAP Section 5.3 – Qualified Development Team*.
- g. Project Amenities
- Moved “Main Entrance” to Buildings Tab;
  - Updated “Market Appeal Characteristics” per QAP Section 6.3.1;
  - Updated “Construction/Unit Characteristics” per QAP Section 6.3.4; and
  - Other Site Amenities:
    - ✓ Added certification box for community and common area space access and usage without a fee.
    - ✓ Added question regarding public usage of any community/common space located on the Property.
- h. Construction Characteristics – Updated per *QAP Appendix 1-G - Minimum Development Characteristics*.
- i. Buildings
- Added certification box for Projects that elect Income Averaging – each Unit and AMI% are fixed as submitted in the threshold Application and shall be maintained throughout the Compliance Period and Extended Use Period;
  - Added certification box regarding all residential rental Units for use by the general public in accordance with *Section 1.42-9 For Use by the General Public*;
  - Summary - If Income Averaging is elected, the table will list the Average AMI% of all Units;
  - Added “Main Entrance” from the Project Amenities Tab;
  - Added questions on sub-metering of utilities under “Utility Allowance”; and
  - Units:
    - ✓ Added 1 ¾ bath option;
    - ✓ Added question on 5” wide ADA compliant roll in shower;
    - ✓ For 4 or more bedroom Units with 2 full bathrooms, entry of each bathroom configuration required; and
    - ✓ Added question regarding Multi-level Accessible Unit.
- j. Funding Sources
- Updated language per QAP;
  - Removed “National Housing Trust Fund”; and
  - Moved the Pre-Closing Review acknowledgement to the Ownership Entity Tab.
- k. Projected Cash Flow
- Added Net Operating Income (“NOI”) to the table listing the 20-year cash flow.



I. Costs and Credit Calc.

- Changed the 30% PV rate (4% credit) to 3.30%;
- Changed the construction monitoring fee to \$2,800;
- Changed the maximum Tax Credit Amount to \$840,000;
- Added line for the Disaster Relief increase in Eligible Basis; and
- If a Project is located in a Qualified Census Tract (“QCT”) and meets the criteria set forth in QAP Section 4.10.1.2 - *Concerted Community Revitalization Plans (“CCRP”)*, an additional 15% increase in Eligible Basis may be permitted pending IFA’s review of the CCRP.

m. Financial Feasibility

- Updated language and calculations;
- Added statement explaining how to view a calculation - Tax Credit Cap per LIHTC Unit, Developer Fees, Builder and General Contractor Fees, and the Construction Contingency are available by hovering over the number; and
- Added the percent of the Project’s Tax Credit request to the Project’s Tax Credit Cap.

n. Scoring

- Updated categories and points per QAP Section 6;
- Added statement on the minimum score;
- Add an acknowledgement box; and
- For QAP Sections 6.4.4 – *Construction and On Site Work Costs* and 6.4.7 – *Leverage - Tax Credit Cap*, if points are requested on the Project Description Tab, “requested” will be shown in the preliminary score column.

o. Fees

- Updated fees in accordance with QAP Section 3.8; and

p. Project Timeline

- Combined the various pre-construction submission documents into one entry.

3. Supportive Housing for Families Set-Aside Application

- The qualified service provider exhibit shall be submitted through the Supportive Housing for Families Set-Aside in the On-line Application no later than November 30, 2018, 4:30 P.M. C.S.T;
- May not elect Income Average as Minimum Set-Aside; and
- Maximum credit award is \$840,000 for one (1) Project.

**E. CREATING A 9% THRESHOLD APPLICATION**

Before creating and entering an Application, review QAP Part B - Terms and Conditions. Section 9.2 – Binding Obligations 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 and Submitting a Pre-Application

- a. Select “Create a New 9% Application” or “Create a New Supportive Housing for Families Set-Aside Application” (if applying for that Set-Aside).
- b. Complete entry in the Application as set forth in the 2019 Appendix A – Application Instructions.
  - Before making an irrevocable election for Income Averaging, it is recommended that *QAP Section 4.11.3 – 4.11.3.1 – Income Average Test (Income Averaging) and QAP Section 6 – Scoring Criteria* be reviewed.
- c. Upload Exhibits (*Refer to 2019 Appendix K*)
  - 11T
  - 12T (optional)
  - 3B
  - 4B
  - 5B
- d. Select “Submit” and enter payment information for the market study fee.

2. Entering and Submitting the Application

- a. Enter all remaining information in each Application tab, along with any updates, as required.
- b. Upload exhibits.
  - ✓ All required market study changes shall be completed prior to submission of the threshold Application. Failure to do so may result in the Project failing to meet market feasibility. Refer to *QAP Sections 3.3.1 - 3.3.1.4 - Pre-Application Market Analysis*.
- c. Submit the threshold Application to IFA between January 14, 2019 and January 16, 2019 at 4:30 p.m. C.S.T.

3. Project Name and Location Tab

- a. 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. (Same for the Supportive Housing for Families Set-Aside)
  - Enter the address, city, zip code, and phone number of the political jurisdiction(s) and CEO’ contact information where the Project shall be located.
  - More than one jurisdiction can be entered for a Scattered Site Project.
    - ✓ [\(REFERENCE\)](#) is a link to a website containing city information to look up names and/or contact information.

- ✓ Ensure the email address is correctly. This information is required in order for IFA to provide notification to the Chief Executive Officer of the local jurisdiction as required by the Code.

#### 4. Project Description Tab

- a. Project Type - Select New Construction, Rehab, Acquisition/Rehab, or Adaptive Reuse or a combination thereof.
- 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 box for each set-aside request.
- d. Credit Percentage - The Application auto-fills the credit percentage based upon the Project type entered.
- e. Minimum Set-Aside Requirements - Select one of the three options. (irrevocable)
  - Upload Exhibit 20T to the Exhibits Tab if Income Averaging is selected.
    - ✓ Election may not be changed from Pre-Application to threshold Application.
- f. Occupancy Type - Select the occupancy type (Older Persons 55, Older Persons 62, or Family) from the drop down.
- g. 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(s).
  - The type selected on the Project Description Tab shall match the type entered on the Buildings Tab.
- h. Other Elections - The Scoring Tab will show the preliminary score for each scoring category based on the Applicant's entry of scoring elections in the Application. *QAP Sections 6.4.4 – Construction and On Site Work Costs* and *6.4.7 - Leverage – Tax Credit Cap* will show "requested" if yes was selected.

**QAP Section 6.1.1 Serves Lowest Income Residents** - 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 4.10.3, request the increase by entering the additional percentage required for 30% and/or 40% or less AMI Units.
  - ✓ The increase will not show until the requirements for the Eligible Basis increase have been entered.
  - ✓ This category is not available to an Applicant that requests points under *Section 6.1.4 – Provides an Opportunity for Homeownership* or

has *Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA Voucher Assistance*.

- ✓ This category is not available for *QAP Section 4.11.3 – Income Average Test*.
- ✓ “Supportive Housing for Families Set-Aside” Applicants may only request scoring points for serving 40% AMI or less.
- ✓ No Project shall receive more than a 30% increase in Eligible Basis.
- ✓ The adjustment in Eligible Basis shall be shown on the Costs and Credit Calc. Tab, if applicable.
- ✓ The maximum Tax Credit award for a Project is \$840,000 per *QAP Section 2.3.2*.
- ✓ IFA shall not allocate more than \$1,260,000 in Tax Credits to Projects being developed by a single Developer or more than three (3) Projects per Developer. Refer to *QAP Section 2.3 – Maximum LIHTC Allocation*.

**QAP Section 6.1.2 Market Rate Incentive** – Request preliminary scoring points by checking the box and entering the number of Market Rate Units on the Buildings Tab.

- ✓ This category is not available to an Applicant electing points under *QAP Section 6.1.4 - Provides an Opportunity for Homeownership* or has *Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA Voucher Assistance*.
- ✓ This category is not available to *QAP Section 4.11.3 – Income Average Test*.
- ✓ When entering buildings with residential rental Units, all residential buildings must have at 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 are not allowed.

**QAP Section 6.1.3 Serves Tenant Population of Individuals with Children**

- Check the box if 20% of the Units will be 3 or more bedroom LIHTC Units where the 3 bedroom Units have one full bathroom and one three quarters bath and the 4 or more bedroom Units have at least two full bathrooms of which a minimum 5” wide ADA compliant roll in shower may be substituted for one tub in the 4 or more bedroom Units.
  - ✓ If the box is checked, but 20% of the Units entered aren’t 3 or more bedroom LIHTC Units that meet the bathroom requirement, an error will be generated and the preliminary score for this category will not be shown until the scoring requirement is met.
  - ✓ This category is not available to Supportive Housing for Families Set-Aside Applicants.

**QAP Section 6.1.4 Provides an Opportunity for Homeownership** – If points are sought and the proposed Project will be an Iowa Rose Program Project, check the box and upload Exhibit 2S, including the Owner’s Plan, to the Exhibits Tab.

- 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.
- Select the 40/60 Minimum Set-Aside.
  - ✓ This category is not available for *QAP Section 4.11.3 – Income Average Test*.
  - ✓ This category is not available to an Applicant that elects points for *Section 6.1.1 - Serves Lowest Income Residents*, *Section 6.1.2 - Market Rate Incentive*, or *Section 6.4.3 - Waives Right to a Qualified Contract*.
  - ✓ Refer to Appendix G of the 2019 Application Package for specific Iowa Rose Program information.

**QAP Section 6.2.1 Great Places** – 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 scoring requirement.

**QAP Section 6.2.2 Density** – Enter all buildings in the Buildings Tab. If the entire Project meets the scoring criteria for this category, the preliminary points will be listed on the Scoring Tab.

- ✓ 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.

**QAP Section 6.2.3 Iowa Opportunity Index Census Tracts** – Enter all buildings in the Buildings tab. If the entire Project meets the scoring criteria for this category, the preliminary points will be listed on the Scoring Tab.

- ✓ 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.

**QAP Section 6.3.1 Market Appeal** - Enter scoring elections on the Project Amenities Tab.

**QAP Section 6.3.2 Historic Project** - 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, upload Exhibit 6S to the Exhibits Tab, and enter state and federal historic tax credits as funding sources on the Funding Sources Tab.

- If a commitment for State Historic Tax Credits hasn’t been received, provide a General Partner/managing member loan commitment for 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.

**QAP Section 6.3.3 Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA Voucher Assistance** - Enter the applicable information under “Rental Assistance” on the Project Description Tab.

- ✓ This category is not available for *QAP Section 4.11.3 – Income Average Test* or for Applicants applying under the *Supportive Housing for Families Set-Aside*.

**QAP Section 6.3.4 Construction/Unit Characteristics** – Enter scoring elections on the Project Amenities Tab.

**QAP Section 6.3.5 Olmstead Goals** – Enter the Accessible Unit Types on the Buildings Tab and for each Unit.

**QAP Section 6.3.6 Impact on the Environment** – Check the applicable boxes to request preliminary points.

**QAP Section 6.3.7 Energy Efficiency** – Check the applicable box(es) to request preliminary points.

**QAP Section 6.4.1 Iowa Title Guaranty** - Check the box to request preliminary points.

**QAP Section 6.4.2 Developer or General Partner/Managing Member Experience and Performance** – Enter the information on the Qualified Development Team tab for the Developer or General Partner/managing member, and Development Consultant (if applicable), to request preliminary scoring points.

- ✓ The “Experience” points (5) are applicable to the Developer or General Partner/managing member of the Project.
- ✓ The three categories under “Performance” may result in negative points (-3 maximum) based upon information entered for the Developer or General Partner/managing member, and Development Consultant (if applicable).

*Example*

Experience (5 points max)	5
Performance (-3 points max)	
<ul style="list-style-type: none"> <li>• 2017 Project had extension for the 2017 Carryover-Ten Percent (10%) Test Application due date</li> </ul>	-1
<ul style="list-style-type: none"> <li>• Missed or Failed Inspection for any 2016 or 2017 IFA LIHTC Projects.</li> </ul>	-1
Total Category Score	3

**QAP Section 6.4.3 Waives Right to Qualified Contract** – Check the box to request preliminary scoring points.

- ✓ An Applicant electing points under *QAP Section 6.1.4 - Provides an Opportunity for Homeownership* is not eligible for this category.

**QAP Section 6.4.4 Construction and On Site Work Costs** – Select yes or no and complete entry of the Costs and Credit Calc. Tab.

- ✓ Costs entered in the Applicant must match Exhibit 9B – Preliminary Costs and Scope of Work.
- ✓ If yes is selected, the preliminary score column will show as “requested” on the Scoring Tab.
- ✓ If points are requested and received, the percentage of the Subtotal Construction Costs and On Site Work to Total Development Costs (minus land cost) shall be maintained or exceeded throughout the issuance of the IRS Form 8609.

**QAP Section 6.4.5 Capital Needs Assessment (“CNA”)** – For Acq/Rehab or Rehab Projects requesting points for this scoring category, select the box and upload Exhibit 1S to the Exhibits Tab.

**QAP Section 6.4.6 Environmental Site Assessment** – If a Phase I Environmental Site Assessment (ESA) has been performed and was conducted consistent with this category’s scoring requirements, check the box and upload Environment Site Assessment Phase I as Exhibit 4S to the Exhibits Tab.

**QAP Section 6.4.7 - Leverage - Tax Credit Cap** – Select yes or no, enter all Units in the Buildings Tab, enter all funding sources on the Funding Sources tab, and complete the Costs and Credit Calc. Tab.

- ✓ If yes is selected, the preliminary score column will show as “requested” on the Scoring Tab.
- ✓ If points are requested and received for this category, the percentage of the Project’s Tax Credit amount to the Project’s Tax Credit Cap shall be maintained or decreased throughout the issuance of the IRS Form 8609.

- i. Location Near Services - Check the box for each service that meets the applicable QAP service definition and distance requirements as set forth in QAP Section 5.4.2 and upload Exhibit 17T to the Exhibits Tab.
  - ✓ A Project located in an MSA shall be within the distance stated of two services listed in the QAP and a Project located in a Non-MSA shall be within the distance of one service listed in the QAP.
  - ✓ Service definitions are provided in *QAP Appendix 2 – Glossary of Terms*.
- j. Rental Assistance Federal Assistance - Select yes if the Project will receive or has federal assistance.

HUD-VASH Voucher - If the Project has HUD-VASH Voucher Assistance, select yes and upload Exhibit 7T to the Exhibits Tab. Upload Exhibit 7S to the Exhibits Tab if 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.
  - ✓ Preliminary scoring points shall be listed in the Scoring Tab if all information has been entered correctly and the Project is eligible for this scoring category.

Federal Project-Based Rental Assistance - If the Project has federal project-based rental assistance, select yes and upload Exhibit 7T to the Exhibits Tab. Upload Exhibit 7S to the Exhibits Tab if requesting 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.
- 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 applicable.
  - ✓ The four percent (4%) limit on net rent increases stated in QAP Section 4.1.7 does not apply to a Project that has an executed federal project-based rental assistance contract.
  - ✓ Preliminary scoring points shall be listed in the Scoring Tab if all information has been entered correctly and the Project is eligible for this scoring category.

Local Project-Based PHA Voucher Assistance - If the Project has local project-based PHA voucher assistance, select yes from the drop down and upload Exhibit 7T to the Exhibits Tab. Upload Exhibit 7S to the Exhibits Tab if requesting 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.
  - ✓ Preliminary scoring points shall be listed in the Scoring Tab if all information has been entered correctly and the Project is eligible for this scoring category.

k. **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.

5. **Nonprofit Set-Aside Tab**

- a. Enter the Nonprofit entity name, tax id number, address, and select yes or no from the drop down field for type of Nonprofit exemption.
- b. Enter explanation for the type of tax exemption the Nonprofit is organized and operated exclusively for.
- c. Select either 501(c)(3) or 501(c)(4).



- d. Answer remaining questions in Section A and provide requested explanations.
- e. In Sections B-C, answer all of the questions and provide explanations.
- f. In Section D, enter the person's name and contact information and answer the remaining questions.
- g. Upload Exhibits 1SA-5SA on the Exhibits Tab.
  - ✓ Ensure the Nonprofit entity name is also listed in the Qualified Development Team Tab as a General Partner/managing member.
  - ✓ Ensure the Project Name and Location Tab is completed prior to submitting the request.
- h. Submit the request to IFA for review no later than November 30, 2018, 4:30 P.M. C.S.T.
  - ✓ At threshold Application submission, if the Nonprofit was approved, the Nonprofit Set-Aside may be checked; otherwise, an error will be generated.
  - ✓ The structure of the GP/mm in the Qualified Development Team Tab in the submitted threshold Application shall not be different than initially submitted in the Nonprofit Set-Aside Tab if IFA approved the Nonprofit.

6. Site Description Tab

- a. Current Property Use Description - 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. Refer to *QAP Appendix 1-H – Submission of Site Characteristics*.
- b. Location and Site Requirements - Answer the question on whether the entire Project is located in an incorporated city as of the date of Application submission. (If no, threshold is not met). Refer to QAP Section 5.4.
- c. Site Acreage - Enter total site acreage.
  - ✓ Site acreage shall match the lease or purchase agreement(option(s) to purchase (Exhibit 1B) and any related exhibit.
  - ✓ Do not include excess land or acreage not required for the proposed Project. Refer to *QAP Appendix 1-H – Submission of Site Characteristics*.
- d. Scattered Site Project (QAP Section 5.6) - Check the box, upload Exhibit 19T to the Exhibits Tab, and enter the number of additional primary market areas, if applicable.
  - A higher market study fee shall be charged for additional primary market areas. Refer to *QAP Section 3.8 – Fees*.
- e. Access to Utilities and Paved Roads (QAP Appendix 1-D and Appendix 1-E) – Check the boxes identifying the utilities and infrastructure. Project site(s)

shall have direct contiguous access from the Project site(s) to existing paved publicly dedicated rights of ways.

- Enter explanation, if needed.
- Check the applicable certification box regarding the availability and capacity of utilities.

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

g. Relocation

- Answer the question, "Are existing buildings on the site currently occupied by residential tenants?"
- If yes, enter relocation information and save.
  - ✓ The relocation budget amount entered should match the amount entered on the Costs and Credit Calc. Tab.

h. Site Characteristics (QAP Appendix 1-H) - Answer all the questions, enter an explanation for any question answered yes, and upload Exhibits 6b(a), 6b(b), and 6b(c) to the Exhibits Tab.

- If any part of the Project site(s) is located within a 100-year flood zone, as determined by the Iowa Department of Natural Resources, FEMA map, or a FIRM map, enter the additional information requested.
  - ✓ The following applies to a Project located within a 100-year flood zone:
    - i. Shall be an Acq/Rehabilitation for an existing LIHTC Property eligible to apply (exceeded the 15-year Compliance Period); or
    - ii. Site(s) must be included in flood control projects approved and funded by the Iowa Flood Mitigation Board with the following additional requirements:
      - Residential Units and mechanical equipment shall be at least one foot above the 100-year flood zone as determined by the Iowa Department of Natural Resources, FEMA map, or FIRM map;
      - Applicant shall acquire flood insurance on the property;
      - Applicant shall obtain and provide personal property insurance for each residential tenant with the premium cost to be paid by the Applicant or if paid by the tenant, the insurance premium shall be part of gross rent; or a tenant reimbursement plan acceptable to IFA;
      - Prior to placing the Units in service, the Owner shall have a plan in place to provide assistance to tenants in the event the Units become uninhabitable due to a flooding event. The plan shall address, at a minimum, moving costs and similar expenses and must be acceptable to IFA.
- If the site(s) are located within 300 feet of an electrical power substation, natural gas, or similar substation, enter description for the mitigation of the visual effects.

- i. Legal Description - Enter the complete legal description.
  - ✓ The legal description shall match the legal description in all exhibits.
- j. Zoning - Enter the present zoning classification of the site(s) and provide the required information.
  - ✓ Information entered shall match zoning information completed by the city in Exhibit 7B, as well as, any other exhibit submitted.
  - ✓ If not zoned appropriately at threshold Application submission, documentation that appropriate zoning has been received, must be provided in the Carryover-Ten Percent (10%) Application. Refer to *QAP Appendix 1-C – Zoning*.

7. Site Control Tab

- a. Acknowledgement boxes for IFA’s right to acquire an appraisal, site control, and marketable title – check the boxes.
- b. Entity Name - Enter the entity name that has site control for the Project.
  - ✓ The Ownership Entity of the proposed Project shall have site control.
- c. Identity of Interest – Answer the question as to whether there is an Identity of Interest.
  - If yes, enter a relationship explanation.
  - If yes, provide an appraisal (Exhibit 2B) by an MAI certified appraiser who is not a related party and is currently in good standing.
    - ✓ The appraisal shall not be more than 180 days old on the date the Application is submitted to IFA. The appraisal shall provide separate values for land and building(s).
    - ✓ Refer to *QAP Section 5.9 – Land/Acquisition with an Identity of Interest*.
- d. Site seller - Answer seller and site control documents (“evidence”) questions.
- e. Sole Fee Simple Title - Answer the questions.
  - If sole fee simple title, enter purchase date.
  - If option to purchase, answer yes and enter the related information.
    - ✓ The expiration date of the exclusive executed option/contract shall be valid for nine (9) months following the date of the Application due date.
  - If sole fee simple title or option/contract only, answer yes to the question: If yes to sole fee simple title or option to purchase, are existing buildings or land for which the Project’s residential buildings will be built included in the Ownership Entity’s option to purchase and/or sole fee simple title?; otherwise, if both sole fee simple title and leasehold interest, answer no.
- f. Leasehold Interest
  - Answer yes and enter the number of years if Ownership Entity has an executed lease for the Property in which the Project will be located.
  - If Option to lease, answer yes and enter the related information.
  - If only a leasehold interest or option to lease, answer yes to the question: Does the Ownership Entity’s executed lease and/or option to lease include

residential buildings or land for which the Project's residential buildings will be built?; otherwise answer no.

- g. Cash from Project reserve accounts transferred to the Ownership Entity with the acquisition of the Project – answer the questions and check the certification box.
  - h. Easements – Answer the questions for site access easements and site-vacation of a public right to use. For each yes answer, enter an explanation.
    - Check the boxes stating understanding of the site access and site control requirements.
    - ✓ Ensure easements are addressed in Exhibit 1B and shown on the site plans.
  - i. 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.
  - j. Ten-Year Rule (Applicable to Acquisition/Rehabilitation and Adaptive Reuse requesting Acquisition Credits)
    - The Application will generate this section based on the information entered for the prior to Placed-in-Service Dates and the estimated Placed-in-Service Dates entered on the Buildings tab if acquisition credits are requested.
    - Upload Exhibit 8T to the Exhibits Tab.
8. Ownership Entity Tab
- a. Ownership Entity - 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.
    - ✓ Entity type and status selected must match the applicable Ownership Entity's 3T Exhibits.
    - ✓ Tax identification number entered must be for the Ownership Entity and match Exhibit 3Ta and Ownership Entity Components.
    - ✓ Answer the question on whether the Ownership Entity is a single-asset entity.
  - b. Acknowledgements - Review the Acknowledgements and check any unchecked box that applies to the Project.
  - c. Identity of Interest - 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 and the general

contractor information must be entered on the Qualified Development Team tab.

- d. Ownership Entity Components - Select, "Add Ownership Entity Component" and enter information on the General Partner/managing member, Limited Partner, Special Limited Partner, and any other member of the Ownership Entity.
  - ✓ Ensure the entity names and the ownership percentages match the Ownership Entity's 3T exhibits and the General Partner(s)/managing member's 4T exhibits.
  - ✓ The Tax Identification Number ("TIN") for the General Partner(s)/managing member(s) must match the TIN entered on the General Partner/managing member tab.
  - ✓ If awarded Tax Credits, update to match the final Limited Partnership Agreement or Operating Agreement prior to submission of the Pre-Closing Review.
- e. Ineligibility/Significant Parties (QAP Sections 5.20.1 – 5.20.1.2) – Answer all questions. If yes is answered to any question, threshold will not be met.
- f. Ineligibility/Significant Parties (QAP Sections 5.20.2 – 5.20.4.5) - Answer all questions. If yes is answered to any question, enter explanation.
- g. Authorized Signor(s) - Answer the question about the number of authorized signor(s) and enter information.
  - ✓ Organizational documents must support information entered in the threshold Application.

9. Qualified Development Team ("QDT") Tab

Enter all team members by selecting, "Add New Team Member" and enter information into each team member tab.

- 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 GP/mm of. Information should be consistent with Exhibit 3F.
  - If applying for the Supportive Housing for Families Set-Aside, complete the qualified service provider information in the QDT Tab, upload the exhibit to the Exhibits Tab, and select "Submit Qualified Service Provider Request" on or before 4:30 P.M. C.S.T. on November 30, 2018.
    - ✓ All team members shall be disclosed and listed in the Application, along with any Identity of Interest and fees.
    - ✓ A Project with a Tax Credit investor who has an Identity of Interest with an Owner Representative of the Project shall have a third party asset manager that is pre-approved by the IFA LIHTC Manager. A direct investor shall have a LIHTC asset management department with at least three years of experience.
- a. Experience Narrative (QAP Section 5.3) - Enter detailed explanation regarding the experience of each team member.

- b. Identity of Interest - If yes, select “Add New Identity of Interest” and enter Identity of Interest information, along with fees.
- 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.
    - ✓ To prevent an inadvertent omission on Identity of Interest, it’s recommended that all QDT members be entered, then go back and answer the Identity of Interest questions and fees for each QDT member entered.
    - ✓ Fees should match the Costs and Credit Calc. Tab amounts. Double check before submitting as cost in the Costs and Credit Calc. Tab may have changed since amount was entered in the Identity of Interest Fees in the QDT Tab.
- c. Organizational Structure - Select “Add” and enter information.
- Enter the entity or individuals with ownership and the percent of ownership.
  - After saving the entity information, enter the officers/directors/members, stockholders or partners of the entity.
  - If more than one entity has ownership of the GP/mm, repeat.
- d. Maximum LIHTC Allocation - Answer the questions and select the certification box.
- ✓ Developer, General Partner/managing member’s that have four or more open 9% LIHTC Projects in Iowa may only apply for one Application in the 2019 funding round. Refer to QAP Section 5.3.2.
  - ✓ A Development consultant who is the sole qualifying development team member in four or more open 9% LIHTC Projects in Iowa shall be limited to one Application submission in the 2019 round. Refer to QAP Section 5.3.2.
  - ✓ A Developer or a General Partner/managing member shall only be listed as a QDT member on a maximum of four (4) Applications. Refer to QAP Section 5.3.3.
- e. Mandatory Developer Training (Developer tab)
- ✓ If the Developer hasn’t submitted an Application to IFA in the 3 previous 9% LIHTC rounds and did not attend the mandatory training session, the Application will not meet threshold.
  - ✓ Only one Developer per Application is required to meet the requirements of *QAP Section 3.2.1.1 – Mandatory Developer Training*.
- f. Qualified Development Team - Answer the questions and enter explanations, as applicable.
- If no is answered that the team member has not submitted an Application to IFA in the previous three (3) 9% LIHTC rounds, the Developer shall have attended the mandatory training session. Enter the date and names of the individuals who attended.

- ✓ A Developer that has never been allocated Tax Credits (“New Developer”) is only eligible to receive an award of Tax Credits for one Project. Refer to *QAP Section 5.3.1 – New Developer*.
  - ✓ A new developer shall complete at least one LIHTC Project in which all LIHTC Units have been leased at least once and has received an IRS Form 8609, in Iowa or any other state, before being allowed to submit a subsequent Application. Refer to *QAP Section 5.3.1 – New Developer*.
  - If the Developer has had at least 1 LIHTC Project with all LIHTC Units 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.
  - Enter all states each team member has prior LIHTC experience, 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 Developer, General Partner/managing member tabs, answer the questions under “Materially Participating Qualified Nonprofit” and select the approved qualified Nonprofit from the IFA-approved list in the drop-down (NonProfit Set Aside only).
    - ✓ Review the Nonprofit Set-Aside Tab, to ensure the organizational structure represented in the initial request to IFA of the Nonprofit entity matches the Ownership Entity and GP/mm tabs.
  - If the Developer, General Partner/managing member or Development Consultant has participated as a Developer, managing member, General Partner, or Development Consultant in the development of a LIHTC Project 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.
- g. Developer or General Partner/Managing Member Experience and Performance -
- Experience - Enter the percentage of the Developer Fee and Consultant Fee the Developer shall receive on the Developer tab and/or the percentage of interest in the GP/mm on the and GP/mm tabs. Answer the question and enter the two LIHTC Project’s information in the chart. If the 8609 issuance date isn’t within the permitted timeframe, an error will be generated.
  - Performance - Answer the questions for the Developer, General Partner/managing member and Development Consultant (if applicable) of this Project.
- h. Ineligibility/Significant Parties (QAP Sections 5.20.1 – 5.20.1.2) - Answer all questions. If yes is answered to any question, threshold will not be met. Applicant shall be unable to submit the Application.

- i. Ineligibility/Significant Parties (QAP Sections 5.20.2 – 50.20.4.5) - Answer all questions. If yes is answered to any question, enter explanation.
- j. Authorized Signors
  - Enter the number of persons the organizational documents require to execute legal documents.
  - Select, “Add New Authorized Signor”, enter name, title, and entity name.

10. Project Amenities Tab

- a. Market Appeal Characteristics - Check applicable boxes to request preliminary scoring points.
  - Enter expenses for Free Internet Connectivity and Video Security System in the Projected Operating Costs Tab.
  - If an item has a specification box, enter the requested specification (Storage Units).
    - ✓ The QAP requirement will populate in the description box for each checked category.
- b. Construction/Unit Characteristics - Check applicable boxes or radio buttons to request preliminary scoring points.
- c. Other Site Amenities (check all that apply)
  - Select certification box and answer questions.
  - Check box if the Project will have a Community Building.
  - Check box if the Project will have a Community Room – Enter the square footage, if applicable.
  - If the Application is for a senior project electing points for a Community Room, enter the Community Room’s square footage under Market Appeal.
- d. On-site and Off-site Parking (surface, underground, and garages) – Enter the number of each type of parking, whether rent shall be charged, and the amount charged, if applicable
  - ✓ Parking income shall be reflected in the Cash Flow Tab.
  - ✓ If no charge, costs may be included in Eligible Basis.
  - ✓ Parking numbers entered shall match the site plans.
- e. Check each site amenities for the Project.
  - Other - Enter an amenity being provided that’s 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, leave blank.
    - ✓ Mandatory site amenities are checked and greyed out to prevent editing.
    - ✓ Site Lighting (\*mandatory)
    - ✓ High Speed Internet Access per Unit (\*mandatory)
- f. 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 checked and greyed:
  - ✓ Range (\*mandatory)
  - ✓ Refrigerator (\*mandatory)
  - ✓ Microwave (\*mandatory)
  - ✓ 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)

#### 11. Construction Characteristics Tab

- a. Read and check the boxes under “Minimum Development Construction Characteristics Acknowledgements”.
- b. Review instructions.
  - Enter the information for each category by selecting the applicable check boxes and/or entering material or model information as requested.
    - ✓ If a scoring election is made on another tab that relates to a specific minimum construction characteristic, it will be shown on this tab.
    - ✓ Plans and specifications should be consistent with the information entered in the Application.

#### 12. 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 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 the “Primary Address” box for the applicable building.
  - Exhibit 16T shall be uploaded to the Exhibits Tab if a Project is located in a QCT or Difficult to Develop Area (“DDA”).
  - 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 HUD website. (Link provided in Appendix C of the 2019 Application Package).
    - ✓ 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 On-line Application based upon the address entered for each building.

- c. Prior LIHTC Project
- If the Project has buildings that have been part of a prior or existing LIHTC Project, select yes and enter the Building Identification Number (BIN) previously assigned to each building.
  - Answer the question about the initial 15-year Compliance Period.
  - Answer the question as to whether the Project is subject to an existing 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.
  - Enter the Minimum Set-Aside election for this previous LIHTC building.
  - If a prior LIHTC Project with existing LURA is awarded, the maximum restriction between the existing LURA and the new LURA shall be enforced.
  - Check the box acknowledging the understanding of existing LIHTC BIN(s) and Land Use Restrictive Agreements (LURA).
- 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.
    - ✓ PIS date is required to be updated in the IRS Form 8609 Application.
  - Enter the Number of Fully Accessible Units in the building.
  - If electing points under the Olmstead Goals scoring category, enter the number of Additional Accessible Type A Units.
  - At the 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.
    - ✓ Must be in addition to the 10% Fully Accessible Units.
  - Units having own A/C, heating, and water heating – answer the question.
    - ✓ Answer is tied to eligibility for specific scoring categories under *QAP Section 6.3.7 Energy Efficiency*.
- e. Type of Control
- Answer the questions regarding the type of control and provide the applicable dates. Information should match Site Control tab.
    - ✓ If not sole fee simple title at threshold Application submission, if awarded, the type of control must be ownership for the Carryover-Ten Percent (10%) Application or recorded long-term lease.

f. Historic

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

g. Misc.

- Check certification box for all residential rental Units being available to the general public in accordance with the Code.
- 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?"
- Common Space Building - If building is common space only, check the box.
- 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 will be generated.

h. Qualified Basis

- Enter acquisition costs and new/rehab costs, as applicable.

i. Utilities Included in Rents

- Answer the sub-metering question.
- 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 shall carry over into the Units.
- Upload Exhibit 11T to the Exhibits Tab, if applicable. Refer to Appendix K of the 2019 Application Package for requirements.

j. 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, all utilities must be 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. Provide a copy of the HUD Rent Schedule.

- ✓ 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.
  - Upload Exhibit 11T to the Exhibits Tab, if applicable. Refer to Appendix K of the 2019 Application Package for requirements.
  
- k. 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.
  
- l. Building Includes – Check the boxes to indicate whether the building includes elevators and enter the number of elevators if applicable. Check if the building an accessory building or includes a commercial facility, community service facility, or other facilities.
  
- m. 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.
  
- n. 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 type, 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 - G1.5 shall be met.
    - ✓ If points requested under *QAP Section 6.1.3 Serves Tenant Population of Individuals with Children*, the bathroom requirements shall be met.
  - Enter the net unit 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.
  - If Income Averaging is selected, unit numbers must be entered.
  - Select the AMI % of the Unit.
    - ✓ If the Project is an Iowa Rose Program Project, the AMI% shall be 60% for all Units.
  - 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.
- If applying for the Supportive Housing for Families Set-Aside, select yes for each Unit designated as a set-aside Unit.
- Select yes or no regarding Fully Accessible, Accessible Type A, and Accessible Communication Features.
  - ✓ The Accessibility type will populate to the Unit Summary on the Buildings tab.
- Answer question on multi-level Accessible Unit.
  - ✓ 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.
- If the Unit shall have two (2) full bathrooms, enter the bath configuration of each bathroom.
- 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.
- Select “edit” to modify Unit information after entered and saved.

### 13. Funding Sources Tab

- a. Certification box – check the box.
- b. Estimated Pricing on Sale of Federal Tax Credits - enter price.
  - ✓ Pricing entered shall match Exhibit 10T.
  - ✓ The equity price can't be changed during the deficiency period unless requested by IFA.
  - ✓ Do not change equity pricing for any reason in the IRS Form 8609 Application (for example: adjusters or percent of ownership).
- c. Current State HOME debt - Answer question regarding current State HOME debt and if yes, enter the amount.
- d. Existing Debt to be assumed by the Ownership Entity
  - Enter all debt to be assumed by the Ownership Entity.
    - ✓ Commitment letter shall be provided for existing debt to be assumed.
  - Enter any comments.
- e. Federal Financing – Answer yes or no and then select each applicable type of federal financing in the Project.
- f. Funding Sources - Select “Add New Funding Source” and enter the information for each funding source.
  - Check the mandatory box for the GP/mm’s commitment to provide the \$100 minimum GP/mm contribution to the Project.
  - Enter the General Partner/managing member minimum \$100 contribution.

- If a Senior Living Revolving Loan is listed, Applicant may list an alternative source for the construction and/or permanent loan(s). Refer to QAP Section 4.5.4.

#### 14. Costs and Credit Calc. Tab

- a. Cost - enter the estimated total cost in the first column.
  
- b. Eligible Basis – Enter amounts in the applicable column - 30% PV (4%) or 70% PV (9%).
  - ✓ If there is an existing field, don't enter the cost under "Other".
  - ✓ "Other" amounts entered require a cost break-down and explanation.
  - ✓ Projects shall be underwritten using a 9% rate and a 4% rate of 3.30%.
  - ✓ Amounts entered in the Eligible Basis column can't exceed the total cost entered for any line item.
  - ✓ The cost of construction of a paved road shall not be included in the Project Costs. Refer to *QAP Appendix 1-D – Access to Paved Roads*.
  - ✓ 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 – Access to Utilities*.
  - ✓ 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).
  - ✓ If Accessory Building was selected on the Buildings tab, enter the cost on Accessory Building line item.
  - ✓ If the entire Project is located in a Qualified Census Tract and has selected Community Service Facility, enter amount for such facility.
  - ✓ 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. 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.
  - ✓ Temporary Relocation Expenses is not included in Eligible Basis.
  - ✓ If a Project is eligible, the increase in Eligible Basis will calculate automatically based on information entered in the Application.
  - ✓ Project's Applicable Fraction is based on information entered in the Application and is the lesser of the Unit fraction or the floor space fraction as defined in IRC Section 42(c)(1).
  - ✓ Tax Credits are awarded based on the lower of the Eligible Basis and the Equity Gap calculations up to the Project's Tax Credit Cap or \$840,000.
  - ✓ Total Project Costs and all funding sources plus expected syndication equity must be within \$3.
  - ✓ Equity Gap Calculation can't exceed the Eligible Basis Calculation or there is a funding gap.

15. Projected Operating Costs Tab

- a. Sections I-IV – enter amounts.
- b. In Section II, enter taxes and insurance. Property taxes must be entered separately for years 2-15 and must include escalation.
  - ✓ If providing Video Security System or Free Internet Connectivity, enter expense.
- c. Remarks – enter as applicable.

16. Projected Cash Flow Tab

- a. Income & Expense Escalators - enter the income and expense inflation rates.
  - ✓ 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 vacancy 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
  - 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. Supportive Housing for Families Set-Aside line item is called PBRA. This shall be included in the Cash Flow, without escalation based on information entered.
  - 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.
- d. Total Operating Expenses, Net Operating Income, Net Cash Flow, Debt Coverage Ratio and the 15-Year Average Debt Coverage Ratio populates.
- e. 15 or 20-Year Cash Flow
  - ✓ Populates based on information from entries on the Funding Sources, Projected Operating Expenses, and Projected Cash Flow tabs.

- ✓ Net Cash Flow/Unit/Year and NOI are provided in the 20-Year Cash Flow Table.
- ✓ DSCR requirements are listed on the Financial Feasibility tab.

#### 17. Financial Feasibility Tab

- a. Underwriting requirements - The calculations for the following categories will display by “hovering” on the calculated amount:
  - ✓ Unit Cost Cap
  - ✓ Tax Credit Cap per LI Unit
  - ✓ Developer Fees
  - ✓ Builder and General Contractor Fees
  - ✓ Construction Contingency
  
- b. Operating Expenses
  - ✓ The QAP’s minimum operating expense requirement is listed. Refer to QAP Section 4.2.1 – 4.2.3.
  - ✓ The Project’s actual operating expenses amount (not including taxes and reserves) and Operating Expenses per Unit per year is shown based upon entries made on the Projected Operating Costs Tab.
  
- c. Debt Coverage Ratio
  - ✓ The QAP’s DSCR requirement is listed. Refer to QAP Section 4.1.3 – 4.1.3.1.
  - ✓ The Project’s 15-year average DSCR and the DSCR by year are listed.
  
- d. Operating Reserve
  - Answer question on Line of Credit. If yes, enter the amount and provide an explanation on how the operating reserve will be established. If the minimum requirement amount is not met, Application may not be submitted.
    - ✓ The QAP’s operating reserve requirement is listed. Refer to QAP Sections 4.3.1 – 4.3.1.3.
  
- e. Annual Per-Unit Replacement Reserves
  - Enter explanation on how the replacement reserves will be escrowed and used only for the replacement of capital components of the Project.
    - ✓ The QAP’s replacement reserve requirements set forth in QAP Sections 4.3.2-4.3.2.2 are listed.
  
- f. Unit Cost Cap
  - ✓ The Unit Cost Cap calculation is shown. Refer to QAP Section 4.9.
  - ✓ 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-Fees outlined in QAP Section 3.8) are listed.
  - ✓ Unit cost caps are maximum amounts.
  
- g. Tax Credit Cap per LIHTC Unit
  - ✓ The QAP’s Tax Credit Cap per LIHTC Unit is calculated and listed. Refer to QAP Section 4.9.1 or QAP Section 2.2.2



- ✓ Projects eligible for an increase in Eligible Basis are allowed to exceed the Tax Credit Cap per LIHTC Unit by the same percentage of the Basis Boost as set forth in QAP Sections 4.9.1, 2.2.2, and 4.10 – 4.10.3.2.
  - ✓ Supportive Housing for Families Set-Aside Applicants shall receive a 30% increase in Eligible Basis per QAP Section 2.2.2.
  - ✓ Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance, or Local PHA Project-Based Rental Assistance are not eligible for QAP Section 4.10.3 – 4.10.3.2.
  - ✓ An increase in Eligible Basis under 4.10.3 Special Considerations for Projects Serving Lower AMI's is not available for *QAP Section 4.11.3 – Income Average Test*.
  - ✓ If the Tax Credit amount determined from Eligible Basis exceeds \$840,000, the Project's Tax Credits shall be restricted to \$840,000 in accordance with QAP Section 2.3.2.
- h. Developer Fee
- ✓ Developer Fee requirements set forth in QAP Section 4.6.1 are listed.
  - ✓ The total Developer Fees amount from the Costs and Credit Calc. Tab is listed.
- i. Builder and General Contractor Fees
- ✓ The QAP's builder and general contractor fee requirements are listed and calculated in accordance with QAP Section 4.6.2.
  - ✓ The calculated amounts for Hard Construction Costs, 12% of Hard Construction Costs, and 10% of Hard Construction Costs (for Identity of Interest) are listed.
  - ✓ The Builder and General Contractor Fees total from the Costs and Credit Calc. Tab are listed.
- j. Construction Contingency
- ✓ The QAP's construction contingency requirements set forth in QAP Section 4.7.2 are listed.
  - ✓ Lists the Construction Contingency amount from 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.
- k. Rehabilitation Standards
- ✓ Lists the QAP rehabilitation expenditures requirement set forth in QAP Section 5.13 and Appendix 1-I.
  - ✓ Lists the Project's rehabilitation expenditures.

## 18. Scoring Tab

Preliminary scoring points are shown based on the Applicant's entries in the Application, except the two (2) categories that IFA will rank and assign points for during the Application review.

- ✓ 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 7.8.3.
- Review the certification statements.
- Check the boxes to accept the Application's preliminary score and to understanding the QAP requirements.
  - ✓ Review all preliminary scoring points prior to checking the box. Make sure score is correct prior to submission.
  - ✓ Contact IFA prior to threshold Application submission with any questions on the preliminary score.

#### 19. Exhibits Tab

IFA Exhibits are considered part of the Application.

- ✓ The exhibit checklist lists required exhibits based upon information entered in the Application.
- ✓ Each exhibit that is an IFA required form or template shall have a link to the 2019 website. Do not use a prior year exhibit.
- ✓ Exhibit 7B must be generated from the Exhibit checklist after entering information in the Project Name and Location Tab, Site Description Tab, and Buildings Tab.

#### 20. Overview Tab

- ✓ Basic Project information is listed.
- ✓ Provides a link to the market study report.
- ✓ Carryover Agreement and LURA available.

#### 21. Project Timeline Tab

Enter dates for each item that represents the proposed Project development schedule. IFA has pre-filled the QAP required submission dates. Update any pre-filled information that is incorrect (can't change a QAP required submission date).

- ✓ Required to be updated or a completion date entered in the Carryover-Ten Percent (10%) Test Application and IRS Form 8609 Application.

### **F. QUESTIONS & ANSWERS**

Questions shall be submitted on IFA's 2019 LIHTC webpage at: [2019 LIHTC webpage](#). Questions and Answers (Q & A) shall be posted on the IFA website weekly until a week prior to threshold Application submission due date

### **G. AWARD OF CREDITS**

The Iowa Finance Authority Board of Directors shall make awards for the current funding round at the April 2019 Board meeting. A rankmaster shall be available at that time.

- ✓ The rankmaster is a ranking of all Applicants based upon the final score determined by IFA in accordance with the QAP.

- ✓ The rankmaster shall account for tiebreakers as set forth in QAP Section 7.2 Selection Criteria.

## **H. 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 April 2019 IFA Board Meeting.

1. Award Letter includes:
  - whether the Project received an Eligible Basis boost;
  - the reservation fee amount and the payment due date;
  - the submission due date for the Ownership Entity and the General Partner/managing member(s)' authorized signor(s) documentation (Exhibits 14Ta and 14Tb);
  - the submission due date for the signed award letter acknowledgement;
  - the approximate Carryover Allocation Agreement issuance date and the Carryover-Ten Percent (10%) Application submission due date;
  - the date by which the developer meeting shall be completed; and
  - miscellaneous QAP information and due dates to be complied with
2. Non-Awarded – Met Threshold No Offer Letter includes:
  - the reason(s) for the non-award – no offer; and
  - appeal rights
3. Non-Awarded – Didn't Meet Threshold Letter includes:
  - the reason(s) for the non-award – didn't meet threshold; and
  - appeal rights

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

Email Katie Kulisky at [Katie.Kulisky@iowa.gov](mailto:Katie.Kulisky@iowa.gov) or call 515-725-4895.

- ✓ All Applications are available for review in the On-line Application after the award of Tax Credits. Refer to *QAP Section 3.6 – Public Information*.

## **J. CARRYOVER ALLOCATION AGREEMENT & CARRYOVER-TEN PERCENT (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 On-line Application by the due date listed in the QAP – 10 months following the date of the Carryover Agreement.

  - Request an extension request through the On-line Application by selecting

Request Extension. The late submission fee invoice is created and payable in the Fees Tab at the submission of the extension request. Refer to *QAP Section 3.8 – Fees*.

- ✓ The Application package and exhibit checklist shall be posted on IFA's website.
- ✓ The \$2,800 Construction Monitoring Fee payment is due at submission.
- ✓ IFA shall send a deficiency report through the On-line Application requiring correction(s) or clarifications/responses.
- ✓ Applicant shall make the requested changes and submit the deficiency response through the On-line 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.

#### **K. 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 met 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. IFA will bill the Applicant for reimbursement of the LURA recording and e-filing fees charged by the county recorder's office. Electronic payment shall be made through the Fees Tab.

The LURA shall be recorded no later than December 31st of the calendar year in which the first year which Tax Credits will be claimed.

#### **L. IRS FORM 8609 APPLICATION**

Awarded Applicants shall submit the IRS Form 8609 Application Package through the On-line Application no later than October 15th of the calendar year in which first year credits shall be requested. An earlier submission is acceptable and encouraged if an Applicant has a complete IRS Form 8609 Application Package

- Request an extension request through the On-line Application by selecting Request Extension. The late submission fee invoice is created and payable in the Fees Tab at the submission of the extension request. Refer to *QAP Section 3.8 – Fees*.
  - ✓ The Application package and checklist shall be posted on IFA's website.
  - ✓ The compliance monitoring invoice is generated upon submission and payable through the Fees Tab.
  - ✓ IFA shall send a deficiency notification through the On-line Application requiring correction(s) or clarifications/responses.
  - ✓ Applicant shall make requested changes and submit the deficiency response through the On-line Application.
  - ✓ IFA will send a written notification showing the final Tax Credit determination based upon the final 8609 underwritten Application.
  - ✓ The Ownership Entity shall sign and return the notice of the final underwritten Tax Credit amount.
  - ✓ IFA will generate an invoice for the IRS Form 8609 Application Fee based on IFA's final underwritten Tax Credit amount. Invoice shall be payable in the Fees Tab.

- ✓ Electronic payment of any fees referenced in QAP Section 3.8 is due before IFA shall issue an IRS Form 8609.

## **M. 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 On-line Application. Instructions shall also be posted on the 2019 IFA LIHTC webpage.

### **1. Change in Application**

- Select “Request a Change”.
- Enter type of change and reason for the change.
- Enter payment information for the \$1,000 change in Application fee.
- Select begin change request process.
  - ✓ The payment is submitted.
- Enter changes in the Application, save, and submit. This will be a pre-submission.
  - ✓ The most recent IFA-approved Application will be the Application available for the change.
- Upon receipt of the pre-submission, IFA will review the changes, enter the required exhibits, and send an email notification to the Owner.
- Owner shall upload the exhibits and submit the Application back to IFA.
- Upon receipt of the complete submission, IFA will review and provide a deficiency report, if applicable.
- IFA shall send an approval or denial letter.

### **2. Pre-Closing Review**

A Pre-Closing Review should not include changes other than those for the Pre-Closing Review. Should a Project submit changes, beyond the scope of the Pre-Closing Review, IFA shall require payment of a change in Application fee in addition to the Pre-Closing Review fee.

- Select “Request a Change.”
- Select the reason as “Pre-Closing Review.”
- Enter all Application changes that will be made.
- Enter payment information for the \$500 fee.
- Select “Begin Change Request Process” at the bottom of the page.
  - ✓ The payment is submitted.
- Enter changes in the Application, save, and submit.
  - ✓ Upload the most current Limited Partnership Agreement or Operating Agreement.

## **N. PRIOR TO PLACED-IN-SERVICE REQUIREMENTS**

At least 120 days prior to the first Unit Placed-in Service, a copy of each document listed in *QAP Section 8.9 – Prior to Placed-in-Service Documents* shall be uploaded to the Application’s Prior to Placed-in-Service (“PIS”) Tab.

- ✓ The latest date for which a prior to Placed-in Service document shall be uploaded for IFA’s approval is September 1<sup>st</sup> of the year in which a project shall be submitting the IRS Form 8609 Application Package.

- ✓ All prior to Placed-in-Service required documents must be approved by IFA before the IRS Form 8609 Application can be submitted.
- ✓ Submission of the required documents at least 120 days prior the first Unit Placed-in-Service is the Owner's responsibility. Failure to meet the QAP requirements and not having approved prior to Placed-in-Service documents could result in an Owner having to request an extension and paying the late submission fee or delaying the IRS Form 8609 Application submission to the following year.
- ✓ Checklist shall be posted on the 2019 LIHTC webpage.

#### **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 On-line Application to apply for the additional Tax Credits.

- Select "Apply for Additional Credits".
- Enter all information regarding payment and select "Complete Application Submission for Additional Credits".
- Enter updates to the Application and select "Submit".

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*This guidance is an overview of the LIHTC On-line Application and is not all-inclusive or a re-iteration of all 2019 QAP requirements. Updates to this guide will be available on IFA's 2019 LIHTC webpage. Should an inconsistency be noted between the QAP and this document, the QAP shall prevail.*