

APPENDIX M SUPPORTIVE HOUSING FOR FAMILIES SET-ASIDE

PART 1 – REQUIREMENTS

Section 1 – General Information

1.1 Purpose

This set-aside is for a Project that shall provide permanent supportive housing for families experiencing homelessness. An Applicant applying for this set-aside shall not apply for the same Project in another set-aside or in the General Pool. If this set-aside is filled and the Project remains unfunded, the Project may not compete in any other set-aside or in the General Pool.

1.2 Project Requirements

Only one Application may be approved for the set-aside. The Project must meet all 2019 QAP threshold items, as well as the additional requirements of this set-aside, which will be determined by IFA in its sole discretion based on an individualized in-depth analysis of each Project.

This set-aside shall receive \$840,000 of all available Tax Credits. This \$840,000 shall be outside of the limitations stated in the 2019 QAP Section 2.3 – Maximum LIHTC Allocation.

The Project shall reserve the required minimum number of Units to provide permanent supportive housing to families experiencing homelessness. “Families experiencing homelessness” is defined for this set-aside to mean an individual or family who lacks fixed, regular, and adequate nighttime residence; meaning:

- Has a primary nighttime residence that is a public or private place not meant for human habitation;
- Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or
- Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.”

A Project shall:

- Be located within a city with a population of 25,000 or more based on 2010 U.S. Census data (see Table 1 on p. 3);
- Be new construction or adaptive reuse;
- Reserve ten percent (10%) of the total Project Units (rounded up to the next full Unit) or four Units, whichever is greater, to persons experiencing homelessness. These Units shall be leased only to qualified families experiencing homelessness and therefore IFA’s Held for Occupancy policy, as defined in the 2019 QAP Appendix 2 - Glossary, shall not apply;
- Units set aside for this set-aside shall be dispersed throughout the Property and in different bedroom sizes rather than segregated;
- Provide adequate community space to allow for the delivery of any supportive services to be made available to tenants on-site, as applicable;
- The Units reserved for families experiencing homelessness shall remain reserved for this purpose through the entirety of the LURA. The exception to this rule would be if Iowa no longer has a homeless population as defined by a ninety percent (90%) reduction in total persons experiencing homelessness according to the annual Point-in-Time Count, with the 2018 Point-in-Time Count serving as the baseline number against which to compare future results. Point-in-Time Count information is available here: <https://www.hudexchange.info/resource/3031/pit-and-hic-data-since-2007/>.
- Be a Family Project without age restrictions; and
- Partner with an IFA approved qualified service provider that provides supportive services to families experiencing homelessness in the proposed Project’s market area; and

A Project shall demonstrate a strong relationship with a qualified service provider that will provide supportive services to families experiencing homelessness that will reside in the Project. IFA shall review the written agreement between the entities to ensure that there is a commitment to an extensive and long-term working relationship. IFA will review the capacity of the Developer and qualified service provider to provide permanent supportive housing including their past experience with such a Project.

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Section 2 - Qualified Service Provider Information and Reporting Requirements

2.1 Qualified Service Provider

The Applicant shall enter into a written agreement with the qualified service provider to provide supportive services to families experiencing homelessness who will reside in the Project. The Developer, property manager and qualified service provider shall enter into a written agreement to forge an extensive and long-term partnership to provide permanent supportive housing to eligible tenants.

2.2 Qualified Service Provider Capacity Determination

The qualified service provider must be approved by IFA prior to application submission in order for the Project to be eligible for an award of Tax Credits. IFA reserves the right to deny approval to any proposed qualified service provider that has failed to comply with program requirements in the administration of any previous project funded by IFA through any of its programs.

The Applicant shall submit a completed Exhibit 1HSA - Qualified Service Provider Capacity Determination form and a complete copy of the qualified service provider's most recent independent audit (fiscal year 2016 or later) through the online Application no later than November 30, 2018. IFA staff shall make a determination of the qualified service provider's capacity to carry out responsibilities related to the Supportive Housing for Families set-aside Project. The qualified service provider must have: (1) received a funding award since October 1, 2015, under one or more federal programs providing housing related services to families experiencing homelessness (2) direct experience providing services to families experiencing homelessness within the qualifying city which the proposed Project will be located; (3) the necessary experience, staffing and operational capability to deliver case management and services to families experiencing homelessness residing in the supportive housing Project; and (4) demonstrated the capacity to provide an adequate number of eligible tenants to occupy the permanent supportive housing units set aside for families experiencing homelessness in the Project throughout the Compliance Period. Collaborations or partnerships among agencies may be proposed to address the needs of supportive housing tenants as part of the capacity determination, although the lead qualified service provider must meet all threshold requirements for capacity determination. IFA shall notify the Applicant of its capacity determination for the proposed qualified service provider on or about December 7, 2018. Staff may request additional clarifying information to confirm the information submitted in the Exhibit. IFA reserves the right to verify information contained in the Exhibit and to discuss the Applicant's and Project qualifications. IFA also reserves the right to obtain and consider information from other sources concerning a qualified service provider and Project.

2.3 Reporting Requirements

The Project shall submit participant information for those tenants living in the Units designated for families experiencing homelessness, utilizing the Iowa Homeless Management Information System ("HMIS"), according to HUD's HMIS Data and Technical Standards. This includes minimum participant demographic information according to HUD's standards for "Other Permanent Housing (OPH)," which means permanent housing projects that are designated for homeless people that provide housing and services, but for which disability is not required for entry. If the qualified service provider qualifies primarily as a domestic violence service provider, the information shall be submitted in a database that meets HUD's standards as a comparable database.

Section 3 – Underwriting

3.1 Tax Credit Cap

The maximum amount of Tax Credits per LIHTC Unit for a Project under this set-aside is as follows:

New Construction – Adaptive/Reuse	Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
	\$10,570	\$13,185	\$15,550	\$18,660	\$20,525

The selected Project shall be eligible for a thirty percent (30%) basis boost and will be allowed to exceed the Tax Credit Cap per LIHTC Unit listed above. The maximum Tax Credit amount that will be awarded to the one Project is \$840,000. The Project may be eligible for funds under the National Housing Trust Fund created pursuant to the Housing and Economic Recovery Act of 2008, if IFA receives an allocation of such funds.

This set-aside is not eligible for Section 4.11.3 – Income Average Test.

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3.2 DSCR

Projects applying for this set-aside will not be required to have hard debt. All Projects WITH DEBT shall reflect an average Debt Service Coverage Ratio (DSCR) between 1.00 DSCR and 2.00 DSCR. Any one year cannot go below 1.00 DSCR or above 2.00 DSCR for the first 15 years. Projects without debt shall maintain a net cash flow equal to or greater than \$0 each year for the first 15 years.

3.3 Vacancy Rate

Projects will be underwritten at a seven percent (7%) vacancy rate in addition to the set-aside Units, which will be underwritten assuming zero income. Projects with twenty-five (25) Units or less will be underwritten at a ten percent (10%) vacancy rate in addition to the Units designated for families experiencing homelessness.

Table 1. Cities with a population of 25,000 or more based on 2010 U.S. Census data

<u>City</u>	
Ames	Fort Dodge
Ankeny	Iowa City
Bettendorf	Marion
Burlington	Marshalltown
Cedar Falls	Mason City
Cedar Rapids	Ottumwa
Clinton	Sioux City
Council Bluffs	Urbandale
Davenport	Waterloo
Des Moines	West Des Moines
Dubuque	

PART 2 – SCORING (maximum 100 points)

IFA will award scoring points based on information provided in the on-line Application. IFA shall make the final determination of the Applicant’s score. In addition to the points awarded in the on-line Application, a threshold requirement of 50 points must be met under the criteria set forth below in Part 2 – Scoring – Sections 1-5.

Section 1 – Tenant Characteristics and Selection Process (17 points)

Describe the target population (families with children or adults) for the set-aside Units in the proposed Project. (5 points for families with children)

Describe the tenant eligibility screening criteria, including any disqualifiers, or prioritization criteria. (3 points)

Describe the outreach plan to bring potential tenants into the Project. If participating in a community’s Coordinated Entry system, as defined by HUD, describe this. (A HUD Coordinated Entry Policy Brief is available here: <https://www.hudexchange.info/resource/4427/coordinated-entry-policy-brief/>). (3 points)

Describe proposed eviction mitigation practices for the supportive housing tenants. (3 points)

Describe the proposed plan to ensure effective communication among the developer, property manager, service provider, and all tenants. (3 points)

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Section 2 – Supportive Housing Services Plan (20 points)

Describe how and where services will be provided to participants by completing Table A.

Table A:

Accessibility and Availability of Services – 2 points each – maximum of 6 points				
Services	Service Provider	Location of Service (On-site or Off-site – if Off-site describe proximity to the Project and any transportation information in *Off-site Services)		Service Availability (days/hours/appointment)
Required				
		On-site	Off-site	
Case Management				
*Off-site Services				
Assistance in obtaining: a) mainstream benefits; b) increased income; and/or c) employment assistance and training.				
*Off-site Services				
Financial Management/Budgeting				
*Off-site Services				
*Any Additional Services				

Additional Services – 2 points per additional service – maximum of 14 points				
Services	Service Provider	Location of Service (On-site or Off-site – if Off-site describe proximity to the Project and any transportation information in *Other)		Service Availability (days/hours/appointment)
SOAR Services				
*Off-site Services				
Life Skills				
Describe Life Skills Services:				
*Off-site Services				
Community Involvement/Social Support/Recreation				
*Off-site Services				
Primary Health Services				
*Off-site Services				

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Education			
Describe Education Services:			
*Off-site Services			
Chemical Dependency Services			
*Off-site Services			
Mental Health Services			
*Off-site Services			
Co-occurring Disorder Services			
*Off-site Services			
Traumatic Brain Injury Services			
*Off-site Services			
Physical Disability Services			
*Off-site Services			
Child care and other child services			
*Off-site Services			
Legal Services			
*Off-site Services			
Transportation other than Public Transportation			
*Off-site Services			

Section 3 – Participant Outcomes (8 points)

Describe planned participant outcomes and how they will be measured. (4 points Housing Stability Outcome Goals; 4 points Other Outcome Goals)

Housing Stability Outcome Goals	Indicators/Measures	Data sources and measurement tools
<i>Example: Long term homeless households will maintain stable housing.</i>	<i>80% of homeless households will maintain housing for six months or more.</i>	<i>HMIS length of stay data.</i>
<i>Example: Exits to permanent housing.</i>	<i>80% of homeless households who exit, exit to permanent housing</i>	<i>HMIS exit data.</i>

Other Outcome Goals	Indicators/Measures	Data sources and measurement tools
<i>Example: Maximize income and benefits for all households.</i>	<i>90% of households will apply for all benefits for which they are eligible within six months of program entry.</i>	<i>Case records, HMIS income data.</i>
<i>Example: Maximize income from employment for all households.</i>	<i>30% of households have increased income from employment within six months of program entry.</i>	<i>HMIS employment income data.</i>

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Section 4 – Other Scoring (55 points)

The Developer has completed a LIHTC project that includes Units reserved for the families experiencing homelessness, in such role, since July 1, 2012: 1 project – 5 points, 2 points for each additional completed project – up to 10 points. (Maximum of 15 total points)

The Developer, managing member and General Partner do not have an Identity of Interest with the qualified service provider. (10 points)

The property is appropriately zoned for the proposed Project. (4 points)

Describe the partnership between the Developer, property management company and qualified service provider, and any previous experience these entities have working together. (5 points)

Location Near Services – Public Transportation (shall indicate bus stop location) – the Project must be located within one tenth (1/10) of one mile (4 points).

Project-based rental assistance from a source other than the Owner, Developer, property manager, qualified service provider or affiliated entities. The project-based rental assistance contract must be in place for a minimum of 5 years and must be a one hundred percent (100%) rent subsidy providing assistance equal to the established rent for the unit minus the tenant household's financial contribution.

- One Set-Aside Unit is covered by a project-based rental assistance contract (3 points)
- Two Set-Aside Units are covered by a project-based rental assistance contract (6 points)
- Three Set-Aside Units are covered by a project-based rental assistance contract (9 points)
- Four Set-Aside Units are covered by a project-based rental assistance contract (12 points)

Describe efforts taken to date to inform residents and solicit neighborhood feedback/input on the proposed project. (5 points)

Section 5 – 2019 QAP Section 6 - Scoring NOT Available in the Supportive Housing for Families Set-Aside
(All other 2019 QAP threshold and scoring items apply)

6.1.1 Serves Lowest Income Residents - Projects that provide Units that are set-aside and occupied by tenants with incomes at thirty percent (30%) AMI or less and are rent restricted.

6.1.3 Serves Tenant Population of Individuals with Children - At least twenty percent (20%) of the Units shall be three or more bedroom LIHTC Units and have at least two full bathrooms.

6.1.4 Provides an Opportunity for Homeownership - Iowa Renter to Ownership Savings Equity (ROSE) Program: The Iowa ROSE Program provides a savings plan, for the benefit of each tenant, to purchase a home.

6.3.3 Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA (Public Housing Authority) Voucher Assistance.

6.4.5 Capital Needs Assessment - Acq/Rehab or Rehab Projects shall submit a complete Capital Needs Assessment with the Application.