



2022 LIHTC ROUND QUESTIONS AND ANSWERS POSTED FRIDAY MAY 13, 2022

New Questions in RED

IFA Answers to New Questions in BLUE

*If there are any updates or clarifications to any IFA answers, they will be highlighted.

Note the change on Exhibit H-13 HOME Utility Allowance.

General

For single family new home construction, how soon can I start construction after my application has been submitted?

After the 10% test is completed and drawings have been submitted to IFA for review and approved to proceed with construction.

From the time of application approval, what is the timeline to have all single-family construction completed?

All single-family units would need to Place in Service by 12/31/2024.

The General Partner/Managing Member is a new entity and will be duly organized under the laws of and qualified to transact business under the applicable Secretary of State office. However, we do not want to request the Tax Identification Number through the IRS unless awarded to avoid triggering a tax return. Can we list this as TBD?

Yes, it was determined that the Tax Identification Number (TIN) if not obtained prior to applying can be requested after an award is made. The application has been changed to remove the requirement. If the GP/MM has a TIN please include it in the threshold application.

Is there any plan to make ARPA funds available to 2022 9% applications?

ARPA Funding is only available to 2019 9% LIHTC awardees not placed in service and 2021 9% LIHTC awardees at this time.

Will HOME ARP funds be available to 2022 LIHTC projects?

IFA is in process of finalizing the HOME ARP rules and are not expected to be available until this fall. It is not anticipated that HOME ARP funds will be available for 2022 LIHTC projects.

At the 2021 HousingIowa conference, it was announced that additional funds would be available for more LIHTC projects. Are there adequate funds to go back to 2020 applications, where a previous application that met threshold underwriting but was not awarded?

We are still working with Treasury along with the governor and NCSHA to get clarification on how we can use the ARP funds on LIHTC projects. At this point, we cannot give you a timetable on when we might have a clear picture and can move forward and if 2020 apps might be able to use the funds.

Is it allowed if a non-profit organization/school would like to have affordable housing on their campus/land but would want to limit the tenants to qualified students, faculty or staff affiliated with their school or programs?

Under Treas. Reg. §1.42-9(b), if a residential unit is provided only for a member of a social organization or provided by an employer for its employees, the unit is not for use by the general public and is not eligible for credit under IRC §42. Limiting the tenant population to students or those employed by a school is not for use by the general public.

1.1 Tax Reservation Schedule

Where do I find the timeline for the 2022 LIHTC Round?

See 2022-2023 QAP Section 1.1.1 for the 2022 Round schedule and 1.1.2 for the 2023 schedule. The 2022 Application package will be available December 2022. The 2023 Application package will be available November 2023.

2.2.6 Derecho Disaster Set-Aside

Do you know when IFA will know if there will be credits available in the Derecho Disaster set aside for 2022?

At this point, IFA does not have any Derecho Disaster credits available. IFA will plan to allocate any Derecho Disaster credits during the 2022 round if any are returned from a previously awarded project in the coming months.



2.3 – Developer Cap/4.10 Basis Boost

Reaching out to you with an inquiry as it relates to the developer cap on the upcoming 9% LIHTC round. In reviewing the language depicted below it states the current max per single developer is \$1,760,000. If we were to submit a project being the co-developer, is this credit request applicable to this total amount?

The QAP Glossary definition of Developer includes Co-Developer so the Developer Cap of \$1,760,000 would apply. Note the 2nd paragraph of 2.3.1 discusses parties with an Identity of Interest being treated as a single Applicant for purposes of the cap as well.

Could you please comment on how the per developer tax credit cap changes if a boost is being taken on a project?
The Developer Cap will remain at the \$1,760,000.

2.3.2 - Project Cap/4.10 Basis Boost

Can you clarify what you mean in QAP Section 4.10 where the QAP refers to the "project cap". What is the project cap? How can the project cap increase by 50% if the project can only obtain a boost of 30%?

Project Cap information is listed in QAP Section 2.3.2. If a Project qualifies for a 30% increase in Eligible Basis (Basis Boost), the Tax Credit Cap would increase by 30% (same percent as the qualifying % of Basis Boost). The Project Cap (\$880,000) would increase by 15% to \$1,012,000.

3.4 HOME Funds for Rural or Supportive Housing for Families Projects

The current limit for HOME funds is \$500,000 in an application. Construction costs have increased drastically, and the state has received significantly more HOME funds than in years past. Is there a plan to increase the amount available for 2022 9% applications?

Not at this time.

What will the repayment and interest terms be for HOME funds if they are available?

The HOME limit is \$500,000, 0% for 20 years, 1% loan repayment yearly for HOME, if the full \$500,000 then payment required would be \$5,000.

4.10.1.2 Concerted Community Revitalization Plan (CCRP)

What are the requirements for a Community Revitalization Report for a qualified census tract?

The requirements for a Community Revitalization Plan are listed in the 2022-2023 QAP Section 4.10.1.2.

4.1.9 Gap Financing

Could you please clarify Section 4.1.9? It says that no other funding source shall be used to fill a gap in financing. Does that mean if we have a deferred developer fee, that we can't replace it with another source later if one is identified? Also, it seems to disqualify any other source of financing such as historic tax credits, HOME, abatement loan, etc. Is this accurate?

If a funding gap occurs during the threshold Application deficiency review, the funding gap will be filled by either deferred developer fee or general partner loan. After the project is awarded, the funding gap may be filled with other financing sources, if available.

4.5.3 Other Commitments

What is the Iowa Finance Authority expecting of a City/County to meet the TIF district requirement in the QAP for 2022 9% LIHTC round? No municipality can guarantee the creation of a TIF district, without the actual designation of the district, public input and an allowed timeframe for a petition for a second public hearing, the commitment to create the district wouldn't be following Iowa Code Chapter 404 for URTE or Chapter 403 for Renewal TIF. How is IFA allowing cities/counties to make this commitment without the parcel being in an existing district?

In this instance, IFA is asking for a resolution which shows the City's intentions for financial support under the potential TIF district, all conditioned upon the items listed to create said district.

4.6.4 Professional and Other Fees

Could you please clarify and provide IFA's interpretation of what Professional and Other fees would be considered reduction in developer fees?

This section is referring to attorney, architect, or other professional fees where there is an identity of interest with the developer or general partner.



4.10.1 Special Considerations for Projects Located in QCTs and DDAs.

In a scattered site project, over half the properties are in a QCT. Are the properties in the QCT eligible for the higher boost?

All sites within the Project need to be in the QCT to be eligible for the higher boost.

5.3.1 New Applicant

Is there mandatory annual developer training for the 2022 round?

Developer training is not required for the 2022-2023 Rounds. It is recommended that new Applicants attend an in-person meeting with the LIHTC manager to review the QAP and the Application process prior to submitting an application.

6.1.4 Serves Tenant Population of Households with Children

We are proposing a building of 35-units, if we have a total of (10) units with (4) bedrooms; would we get the full 5 points for the section?

The project would need 20% of the 35 units or 7 units to receive 5 points. Points are based on 1 point for each full 4% with a max of 5 points, so 20% is required to get maximum points.

6.1.5 Supportive Housing for Families

In the event a project is not selected in the Supportive Housing Set Aside, will the maximum credit level for that project decrease from \$1,012,000 to \$880,000?

The QAP states the maximum amount for the Supportive Housing Set-Aside is \$1,012,000; however, 2.3.2 lists the Project cap which is \$880,000. To receive the \$1,012,000, whether in a set-aside or in general pool, the Project would need to receive the full 30% Basis Boost which would provide for a 15% increase in the \$880,000 which is the \$1,012,000. Refer to 4.10 of the QAP.

To be clear, projects not applying under the Supportive Housing for Families set aside cannot go for the Supportive Housing points. But if a project applying under the Supportive Housing set-aside does not get funded in that set-aside and goes on to apply in the general set-aside, they would be eligible for the points?

Correct. Supportive service points are only available to projects that apply for and qualify under the Supportive Service Set-Aside. This is further explained in the 2022 Appendix A.

6.2.2 Iowa Opportunity Index Census Tracts

Some of the listed Opportunity Index Census Tracts do not appear on the 2020 Census Tract Map but do appear on the 2010 Census Tract Map. Which Census Tract Map (2010 or 2020) should we be using to obtain points in this category?

IFA will continue to use the 2010 Census Tract information for the 2022 Round.

6.2.3 Scattered Sites Projects

As a follow up clarification question to the answer regarding the playground scoring points for a scattered site that "all building addresses/sites shall meet scoring amenity requirements to be eligible for points," if there are multiple duplexes in a general area, does a playground that is within walking distance of multiple duplexes, but not physically at the duplex address or same parcel, meet the requirement or does the playground have to be on the legal parcel of each address?

A scattered site project for scoring points items like a playground must be found on each parcel and accessible to all buildings located on that parcel. All unit amenities selected for points must be provided to all units. IFA encourages site plans for scattered site projects with specific questions be submitted for review well before the application due date as scattered site projects are unique and may require more information than this Q&A format provides.

Can individual sites in a scattered site project have a differing number of bedrooms, number of stories or include duplexes and rowhouses, or does all individual sites all have to be the same?

Yes, individual sites in a scattered site project may have differing numbers of bedrooms or types of buildings. To receive points for single family, duplex or rowhouse design, or 4-bedroom units the project as a whole will need to meet the scoring requirements but not each scattered site.



In the scattered site definition will "similar Units" be considered similar if both sites have 2-, 3-, and 4-bedroom units, but one site has units in a rowhouse 2 story layout, and the second site has the unit designed to be all on one floor in a more traditional type of apartment?

IFA would consider this example having similar Units.

If a project is a family project that is a scattered site (say 15-mile radius), to receive the points for playground, is a playground required at each site or just 1 site?

If a Scattered Site Project, all building addresses/sites shall meet scoring amenity requirements to be eligible for points.

6.2.4 Acq/Rehab Projects in Underserved Cities

Can an acq./rehab project in an underserved city receive these points if the project will also contain 2 new buildings on different sites (scattered site project)?

All buildings of the Project must be acq/rehab to be eligible for points.

6.2.7 Public Transportation

How do I determine what is public transportation in Iowa?

Iowa Department of Transportation (DOT) has the following link to all Iowa Public Transportation Systems: [Maps and listings for Iowa's 35 public transit systems | Iowa DOT](#)

If dial-a-ride services are available, in addition to fix-route services can they count for points?

No, dial-a-ride services only count for scoring in areas that do not provide fixed route services.

6.3.5 Olmstead Goals

What are the minimum standards for Olmstead qualifications?

[Refer to QAP Section 6.3.5 - Olmstead Goals.](#)

6.3.7 Energy Efficiency

Can an Acq/Rehab project WITH Historic Tax Credits get the 8 points for this selection?

A project that will be utilizing historic tax credits, whether acq/rehab or adaptive reuse, is NOT eligible for the 8 points under energy efficiency.

Can an Acq/Rehab project attempt to get HERS index of 62 or less to get the 8 points?

No. The categories for the energy efficiency points are specific to New Construction (HERS or ASHRAE 90.1-10) and for Acq/Rehab or Adaptive Reuse (existing structures), the available points are for exceeding the 2015 IECC by 8%. If a project is both New and Acq/Rehab or New and Adaptive Reuse, both the applicable NC and existing structure requirements would be required to be met to receive the 8 points.

6.3.8 Single Family, Duplex, or Rowhouse

Could you please advise to if attached single-family cottage style ranches would qualify for the Single-Family home points identified in the QAP?

An attached single-family cottage style ranch would qualify for points under Section 6.3.8 but not as a single-family home. This example would be considered a duplex or rowhouse. See Glossary - Rowhouse.

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

G Minimum Development Characteristics

1.3 Sidewalks

This section states "ADA/UFAS/ANSI A117.1 slope and curb cut ramp requirements shall apply." While we understand that all designated "Accessible" units will need to ensure an ADA pathway to that unit, we are assuming that this standard would not require a ramp to every duplex unit in a scattered-site project and that stairs to those units are allowed. Is that assumption, correct?

This section applies to the Accessible and Type A units and access to any community facilities, Clubhouse, fitness room, etc.



1.6 Closets

For Acq/Rehab Projects, exemptions to the closet sizes may be provided by IFA on a case-by-case basis.” The project we are applying for is a rehab project with existing units. What documentation do you need to review the existing closet configurations and who should we be in contact with for that process?

If you have a question on how to configure any construction requirements; provide drawings to John Kerss the IFA construction analyst at least 7 days prior to the application due date, showing how you are proposing to address the situation. IFA will review and respond.

2.1 Accessible Units

When building a 2-story single family home, what are the ADA requirements?

Refer to QAP Part C, G-2 Accessibility.

There is a statement in the first paragraph that reads “All Units on the accessible routes shall be adaptable (Type B Units per ANSI 117.1, Section 1004).” The existing building which we intend to rehab is fortunate to have an elevator which serves all 4 floors and the basement. We are fortunate that all of our common hallways are accessible paths, but does this statement require that all existing units must be modified to meet Type B requirements? We understand the Type A and Type C percentage requirements, but we are looking for clarification on the Type B Units specifically.

If you have a question on how to configure any construction requirements; provide drawings to John Kerss the IFA construction analyst at least 7 days prior to the application due date, showing how you are proposing to address the situation. IFA will review and respond.

Part C, G-3.2 - Energy Efficiency

QAP, under Part C, paragraph I.5, requires Energy Star for appliances for Rehab projects. It does not appear to specifically require the same for new construction. Can you confirm that Energy Star appliances are required for new construction and adaptive re-use projects?

Energy Star appliances are required for new construction and adaptive re-use projects. Refer to QAP Section Part C, G-3.2.

2022 Appendices Package

Appendix E HOME Rental with LIHTC Requirements

Appendix E appears to reference the 2020-21 QAP and states the program is for Rural Housing Projects. Section 3.4 HOME Funds for Rural or Supportive Housing for Families Projects would indicate that HOME funds are available for both rural and supportive housing projects. Is Exhibit E Accurate?

Appendix E and HOME Appendix A have been updated on the IFA website.

Appendix F Tax Credit Cap per LIHTC Unit

Per the recent guidance, the Tax Credit Cap per LIHTC Unit limits were increased, but the rules around Project Caps remain the same. Because the Project Cap (with the 50% of boost) is usually lower than the Tax Credit Cap per Unit resulting in no increase in the credits we can request, will the project cap be increased?

The Project cap is remaining the same. IFA understands that applicants may have smaller projects to stay under the Project cap, even with a potential 15% increase to \$1,012,000 per 4.10 of the QAP.

With the revised appendix F for cost caps per unit, do all the basis boosts remain the same from the current 2022 2023 QAP?

Yes

Appendix H - Rose Requirements

With regards to the Rose Program, where do I locate Exhibit A in the QAP.

Refer to Appendix H – ROSE Requirements – Exhibit A of the Application Package found on the IFA website.

For the Rose Program, what if a tenant does not want to purchase the property at the time of they want to move in? Is the developer only allowed to rent to a tenant who intends to purchase the property?

Applicants should understand the property has been developed to be a future homeownership savings program. A desire for homeownership and a demonstrated willingness to address obstacles in obtaining and owning a home will be the focus of tenant selection and the services offered. All renters are required to contribute a minimum of \$50 dollars a month or higher defined by the Owner as a part of monthly rent due. This contribution is considered



in the gross rent calculation. Any accumulated savings shall be returned to the renter if they vacate the property for any reason. The renter living in a unit at the end of the initial 15 year must be given the first right of refusal. Please refer to Appendix H for more details.

Exhibits

Exhibit 6T – Commitment Letters from all other funding sources

Will the standard letter of support, with the inclusion of the underwriting, that will be provided with 515 RD project transfer documentation, be sufficient to meet the requirements of Exhibit 6T for verifying the loan transfer and rental income of the property for the application process?

The standard letter of support that is to be provided with RD transfer documentation would be acceptable as long as it verifies the proposed loan transfer and rents to be included in the 2022 LIHTC application.

Exhibit 2HSA - Continuum of Care

Is the 2HSA due with the supportive service provider info or is it due with the application deadline of the 18th.

Refer to Appendix O of the Application Package.

Exhibit H-13 HOME Utility Allowance

If a Project has already received an IFA utility allowance, H-13, from IFA, may we still use that rather than the PHA's in the threshold LIHTC application?

Yes, you may use the IFA utility allowance and upload it as Exhibit 11T.

Has there been a change on how the utility allowance for LIHTC projects requesting HOME is calculated?

LIHTC Applicants requesting HOME may use a current local Public Housing Authority (PHA) utility allowance schedule, form HUD 52667, at THRESHOLD only. If awarded, an approved method must be used for the utility allowance for all units and be approved prior to the issuance of the HOME contract. The LIHTC Application shall be updated upon receipt of the HOME approved utility allowance. If a project has federal project based rental assistance, the utility allowance for the federal project-based rental assistance must be used.

If we need IFA to determine the HOME utility allowance to request HOME in the 2022 Round, where can I find the H-13 Exhibit and is there a due date to have this calculated?

Exhibit H-13 can be found on the Exhibit Tab in the on-line application. Complete the information listed on the form and submit it to Fabian.Awanyai@iowafinance.com. This Exhibit is due no later than March 1, 2022.

Is it required to use the HOME utility allowance for all units, or can we use the Housing Authority's estimate for the non-HOME assisted units?

If a Project has HOME units, the approved IFA HOME utility allowance has to be used for all units.