

2025 LIHTC 9% ROUND QUESTIONS AND ANSWERS

New Q&A in red

QAP Section	Question	IFA Answer
<b>1.3 Project Limitations</b>		
<b>B – Project Cap</b>	Do acquisition credits on a 9% project count toward the credit ceiling and the Project Cap of \$1.3 million?	The Project Cap is \$1.3 million so that is the maximum credit a project can be awarded. Any acquisition credits awarded on a 9% project count toward the credit ceiling and the Project Cap.
<b>C – Developer, General Partner/Managing Member Cap</b>	Would any co-development projects be allocated based on the developer fee percentage within Section 1.3(C)?	The Developer Cap does not take into consideration % of developer fee as in prior QAP’s. If the entities or affiliates thereof are listed in multiple applications, the cap is applied - 2 projects or \$1,600,000 with a project cap of \$1,300,000. The exception is that IFA reserves the right to waive this cap in order to meet the Nonprofit Set-Aside.
<b>D – Open Projects Limitation</b>	Are the number of open projects assessed at time of award or at time of application?	The number of open projects is assessed at the time of application submission.
<b>E - Community Cap</b>	Is the Innovation Set-Aside included in the Community Cap (1.3.E)?	No. As per Appendix P - Innovation Set-Aside Section 1.3, the project awarded to the Innovation Set-Aside does not count toward the community cap.

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<b>E - Community Cap</b>	Are all cities limited to two 9% Tax Credit Awards?	No. As per the QAP 1.3.E, a city in a rural county is limited to one 9% Tax Credit award and a city in other counties is limited to two 9% Tax Credit awards. IFA reserves the right to waive this cap in order to meet the Nonprofit Set-Aside. Refer to Appendix A - QCTs, DDAs, and Rural Counties to determine what type of county your city is in.
<b>3.2 Qualified Development Team</b>		
<b>A – Qualifying Entity</b>	Does a project that has both a New Developer and a New General Partner require that a “Qualifying Entity” (either Developer or General Partner) be part of the Qualified Development Team?	All projects must have a Qualifying Entity as that term is defined in 3.2(A) of the QAP. Projects may also include a new Developer of General Partner/Managing Member in addition to the Qualifying Entity. When a project includes a new Developer of General Partner/Managing Member in addition to the Qualifying Entity the limitations of 3.2(C) of the QAP apply.
<b>A – Qualifying Entity</b>	If an individual who has previously been a member of single purpose GPs that have received 8609s in Iowa and is now a 50% member of a GP/MM for a new project with a New Developer who has not received an 8609 in Iowa, would the experience of the individual count for the GP/MM to be considered a Qualifying Entity so the Developer would not need a Co-Developer on the project?	Pursuant to 3.2A of the 2025 9% QAP, this individual would be a Qualifying Entity as a General Partner/Managing Member.
<b>C - New Developer and General Partner/Managing Member</b>	Is there an IFA requirement for the Developer or MM to attend any LIHTC courses to be qualified to submit a 2025 application?	There is no requirement for a Developer or MM to attend a LIHTC course to be qualified to submit a 2025 application. QAP Section 3.2(A) does discuss the “Qualifying Entity” requirements for at least one Developer or General

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		Partner/Managing Member or affiliates thereof of the Ownership Entity.
<b>C - New Developer and General Partner/Managing Member</b>	Can you clarify who qualifies as a Principal in QAP Section 3.2.C?	A Principal of a developer, general partner, or managing member means someone with at least 50% ownership in said entity. Therefore, someone who only has experience as an employee of a developer, general partner, or managing member is considered a new developer, general partner, or managing member.
<b>3.4 – Site Requirements</b>		
<b>A – Zoning</b>	Are we required to have the site control document indicate that the City parking requirements are met for a vacant site?	Per QAP 3.4.A, the applicant shall provide confirmation from the city of the current zoning. This includes that the applicant has provided site plans to the city showing that the project will have appropriate parking for the zoned site. The Site Control document would need to show that the Owner has an option, ownership, or lease for the parking required per zoning.
<b>A – Zoning</b>	Is the development agreement approving TIF and a forgivable loan sufficient for site control?	No. The city council must approve the sale of the land and the city to enter into a purchase agreement for the sale of the land or option to sale the land as stated in Section 3.4.E of the QAP.
<b>3.5 Project Requirements</b>		
<b>C – Minimum Set-Aside Elections</b>	For the Average Income Test, is it required that a project have at least 40% of the units at 80% AMI?	Please refer to IRC 42(g)(1)(C ) for further clarification of the requirements.

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<b>G – Acquisition/Rehab</b>	Who would qualify to complete a CNA?	IFA does not keep a list of entities who perform CNAs, but we recommend that you reach out to your architect for recommendations.
<b>4.1 Project Development Costs</b>	How does a project get the LIHTC equity to appear on the Cost and Credit Calc tab?	In order to have the LIHTC equity show correctly on the Costs and Credit Calc tab, you must put in the limited partnership percentage in the ownership entity components on the Ownership Entity tab.
<b>G – Appraisals</b>	For a new construction project, if an appraisal has been obtained by a party who owns only a portion of the land to be developed, can that same appraisal be used for the remaining land?	No. A new appraisal is required for the remaining land because of an identity of interest.
<b>G – Appraisals</b>	For an appraisal, do projects need current building and land value and can any certified appraiser complete this?	Please refer to QAP Section 4.1(G) Appraisals. Appraisals must be completed by a third party who is not a related party and is an MAI certified appraiser.
<b>4.2 Project Funding Sources</b>		
	Do the syndicator letters for the applications still need to reference the approved market study providers and minimum operating expenses?	No, that requirement was removed from the QAP.
<b>F – HOME Funds</b>	On PSH units can we layer both HOME and NHTF?	A unit cannot have both HOME and NHTF.
<b>F – HOME Funds</b>	What are the terms on the HOME loan?	Contact Rita Eble with the HOME Team at <a href="mailto:rita.eble@iowafinance.com">rita.eble@iowafinance.com</a>

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<b>F – HOME Funds</b>	Is there a requirement to submit a Phase I Environmental Report with the 9% application?	A Phase I Environmental Report is not required at 9% application time.
<b>4.3 – Project Operating Costs and Cash Flow</b>	Is there a rent increase limit that IFA has for LIHTC units between the Threshold Application and 8609?	No.
	How should a project show tax abatement in the application on the projected operating costs tab under property taxes? Does a project have to have a tax abatement loan?	You will want to show your taxes on the projected operating costs based on what is expected to be paid with abatement. Normally, abatement only occurs on the improvements, so you are still paying taxes on the land and the building being acquired (if applicable) and we recommend seeing taxes increase each year. As far as an abatement loan, that will normally be based on what your lender and syndicator require. IFA doesn't require a range in DSCR, but if the project can support a short-term loan to coincide with the tax abatement, it is recommended to have one in place.
<b>5 – Basis Boost</b>	Can a project qualify for the basis boost in 5.1 solely by being in a QCT?	To qualify for a 10% increase in Eligible Basis per Section 5.1, the QAP states all buildings must be located in the QCT or DDA. Keep in mind that projects located in a rural county and in a QCT cannot get both the 20% rural boost and the 10% QCT boost for a total of 30%, as Section 5.2 states 5.1 and 5.2 cannot be combined.
<b>5.1 – Projects Located in a Qualified Census Tract (QCT) and Difficult Development Area (DDA)</b>	Does 5.1 - Projects Located in Qualified Census Tract and Difficult Development Area mean that all buildings in a project must be located within both a Qualified Census Tract (QCT) and a Difficult Development Area (DDA) to qualify for the 10% basis boost?	To receive the 10% Boost from Section 5.1 of the QAP, a project does not need to also be in a DDA.

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<b>6.2 - Location</b>		
<b>A – Underserved Cities</b>	Appendix L is identified in the QAP within 6.2.A but is not on the Appendix List. Can you clarify?	Appendix E - Underserved Cities has the correct information for all Underserved Cities for all project types. The QAP incorrectly references an Appendix L and incorrectly identifies Acq Rehab/Rehab projects as having different requirements regarding this category.
<b>D - Disaster Recovery</b>	How are disaster relief counties determined?	The LIHTC Appendices Package has been posted on the IFA website. See Appendix K - Disaster Recovery for information.
<b>D - Disaster Recovery</b>	The maximum score for Disaster Recovery is listed at 5 points in the QAP but Appendix K gives a maximum of 2 points to disaster communities. Please clarify which is correct?	6.2.D allows for a range of 0 to 5 points to be allocated for Disaster Recovery scoring consideration. IFA has the discretion to establish Disaster Recovery scoring criteria in Appendix K based upon the specific location, nature, and impact of state or federal major disaster declarations experienced in Iowa in any given year meeting the requirements set forth in the QAP. Based upon the currently available FEMA data for the 2024 Presidentially declared disaster declarations and IFA's assessment of the LIHTC 9% round's ability to address the specific housing recovery needs of Iowa's most severely impacted communities, scoring consideration will be awarded as outlined in the Appendix K, with either 2 points or 1 point awarded to applications proposing projects in eligible communities, as applicable.
<b>G - Iowa Thriving Communities</b>	If a developer has a project in the City of Des Moines or the City of West Des Moines, how do they request Thriving Communities points in the application?	Des Moines and West Des Moines have defined targeted areas for Thriving Communities. The Scoring Tab has a check box for an Applicant to check to request Thriving Communities points if a project is located wholly within the

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		boundaries as identified in Appendix Q for Des Moines or West Des Moines.
<b>H - Site Appeal</b>	For site appeal points, can projects only get points based on the point totals that have a description beneath? For example, the scoring criteria listed are 5, 3, 1, and 0, is it possible to claim a 4?	Projects can only get the indicated points.
<b>H - Site Appeal</b>	The QAP states that the scoring value for Site Appeal will be averaged over the 13 categories and rounded to the nearest whole number (0-5). If an average comes out to end in a .5, does IFA round down or up?	IFA rounds up in this section if the average ends in a .5.
<b>H - Site Appeal</b>	For the location to daycare, public school or senior center, does the school need to serve students in all grades (K-12) or is just an elementary school or just a high school acceptable?	For this category, a public school must serve grades K-12 but does not need to serve all grades K-12. It could be elementary, middle school, or high school – any grades K-12.
<b>H - Site Appeal</b>	Google Maps shows a distance, however when driven directly to the specific location, the odometer shows a different distance. Will IFA use Google Maps or consider the actual driven odometer reading?	IFA uses Google Maps to measure distance.
<b>H - Site Appeal</b>	Does IFA consider the distance to a location as entering the location parking lot or to the location's front door?	IFA will permit the distance to the driveway entrance to a grocery store.

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<b>H – Site Appeal</b>	Does IFA consider 1 mile as anything under 1.1 miles per the odometer?	IFA uses Google Maps to measure distance; to be considered within 1 mile, the distance would be anything 1.0 miles and under.
<b>H – Site Appeal</b>	Regarding the definition of "at least one side is a residential neighborhood," would multiple apartment buildings adjacent to the site be considered "residential neighborhood"?	Existing, occupied apartment buildings are considered residential for the purposes of 6.2.H, Category 7.
<b>H – Site Appeal</b>	In a project that will have both New Construction and existing units, which metric for Category 12 would apply?	The application will give you 12a – Ease of Site Development or 12b - Condition of Buildings. You will have to choose which category, 12a or 12b, that you want to elect points under as projects cannot be awarded points under both.
<b>H – Site Appeal</b>	In a project that is not 100% historic as it also has New Construction units, would that project qualify to be scored under Category 13?	<b>Correction to previous answer:</b> At the beginning of Section 6.2, the QAP states that all building addresses in a Project, including Scattered Site Projects, shall meet the Location scoring requirements to be eligible for points. As such, to be eligible for points under Category 13, all buildings in a project must meet the criteria as laid out.
<b>H – Site Appeal</b>	In the calculation of the Site Appeal, do all projects get scored in category 13, including projects that do not include any historical component and are not located in a QCT where affordable housing is part of a CCRP updated no longer than 5 years ago?	No. Projects that do not meet either of the criteria listed in Category 13 would receive a zero score for this category.
<b>H – Site Appeal</b>	In the determination of “appropriate zoning,” for a site, as described in category 1 of the Site Appeal section, does this mean the zoning of a site currently allowing a	Per QAP 3.4.A, "the Applicant shall provide confirmation from the city of the current zoning, including special or conditional use permits and any other discretionary land use for each site on which the Project will be located. The city

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	residential use, the site allowing a residential use either by right or through a conditional use or special use permit, or another designation? Are sites that may require major site plan reviews, or that require new plats of subdivision considered as having “zoning in place” if the existing zoning permits residential development?	zoning department shall verify whether the official plat is properly zoned." To receive a full score of 5 in Category I of the Site Appeal section, an Applicant needs to show that the proper zoning is already in place for the proposed project by the time of application due date.
<b>H – Site Appeal</b>	Is the Site Appeal scoring averaged between 13 categories listed in the QAP?	Yes, the Site Appeal section is scored by averaging points from all 13 categories.
<b>H – Site Appeal</b>	Is the rounding for Site Appeal scoring only for the final average score?	Yes.
<b>6.3 Market Appeal</b>		
<b>G – Storage Units</b>	Can dedicated garages, one for each unit, be counted as in-unit storage for points?	Garages do not qualify as storage space. Storage space must be separate and meet the design specifications as described in the QAP.
<b>H – Laundry</b>	Does 6.3.H. Laundry apply to new construction properties for points as well as Acq/Rehab properties?	No. In Unit laundry is a mandatory requirement for New Construction Projects. Refer to QAP Part C, 14.6(B).
<b>7.2 Selection Criteria</b>		
<b>B - National Housing Trust Fund with Tax Credits</b>	As NHTF is listed along with the LIHTC 9% round, will this be the only time to apply for NHTF in 2025?	IFA is not sure if there will be a stand-alone NHTF round for 2025, as it depends on the amount that IFA receives from HUD and the need of NHTF funds as a gap financier in the 9% round.

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<b>B - National Housing Trust Fund with Tax Credits</b>	Are applicants able to apply for NHTF separately from LIHTC 9%/HOME funding?	If an applicant applies for the 9% round and is awarded, the same project would not be eligible to apply for any potential stand-alone NHTF round in 2025. The 9% round requires that all funding sources be committed at the time of application. IFA is not sure if there will be a stand-alone NHTF round in 2025.
<b>7.4 Tiebreakers</b>		
	Are the tiebreakers ordered in the level of importance from A. to F., or are they combined with one another to determine the outcome of the tie?	Tiebreakers are applied in the order listed in the QAP.
<b>7.4.C</b>	In a situation where two projects are tied with one project belonging to a new developer to Iowa and the other developer receiving an award recently with neither project fitting 7.4.A or 7.4.B, how would 7.4.C be applied?	Since new developers are excluded from 7.4.C, an existing developer would win that tiebreaker even if they were awarded in the previous year.
<b>7.4.C</b>	If a developer was awarded tax credits in a given year but returned the credits, how would the 7.4.C tiebreaker be applied?	A returned award would not be considered an award in this circumstance because the intent is to spread the projects around and a developer returning credits would not have a project for that year.
<b>12.4 Extended Use Period</b>		
	Does a property continue to be a Section 42 property if the requirements of IRC §42 were voluntarily met after the contractual 30-year Extended Use Period expires?	No, the property does not continue to be considered a Section 42 property after the expiration of the LURA or the Extended Use Period, whichever is later.

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<b>14.6 Minimum Development Characteristics – New Construction and Adaptive Reuse</b>		
	Was the minimum square footage per unit requirement removed from the 2025 QAP?	Yes, the 2025 QAP does not have a minimum SF per unit requirement to provide some flexibility for projects that are able to achieve a smaller unit size but still maintain all of the QAP amenities, such as closets, storage minimums, kitchens, bathroom storage, and in-unit laundry.
<b>H - Accessibility</b>	Where UFAS standards are more stringent than ANSI regarding lavatories, kitchen sinks, and kitchen work surfaces in public spaces and accessible units, will IFA require kitchens, kitchenettes, and bathrooms to be designed with smaller, non-standard sinks and/or shallower countertops to allow access to controls?	IFA requires fully accessible units to comply with UFAS. When there is HUD funding involved in a project, UFAS always applies.
<b>14.7 Minimum Development Characteristics – Acquisition/Rehab</b>		
<b>E - Accessibility</b>	Where UFAS standards are more stringent than ANSI regarding lavatories, kitchen sinks, and kitchen work surfaces in public spaces and accessible units, will IFA require kitchens, kitchenettes, and bathrooms to be designed with smaller, non-standard sinks and/or shallower countertops to allow access to controls?	IFA requires fully accessible units to comply with UFAS. When there is HUD funding involved in a project, UFAS always applies.

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Appendices/Exhibits	Question	IFA Answer
<b>General</b>	On the new appendices list, there are a handful of “RESERVED” items. Are these waiting on data to come in before being updated or is the thought that they will be excluded?	The LIHTC Appendices Package is complete as posted. The Appendix List has been updated with clarification for Appendices B and C.
<b>General</b>	Are Adobe/PDF signatures acceptable? Or are they required to be scans of signatures?	Wet signatures or DocuSign are acceptable except for Exhibit 1Ta, where wet signatures are required.
<b>Appendix A – HOME and NHTF Funds</b>	Is there a maximum for CHDOs requesting HOME funds? The QAP says at least \$500,000 but not an exact max.	A CHDO can ask for more than \$500,000.
<b>Appendix B – HOME and NHTF Funds</b>	Is NHTF available to be used only for operating costs for PSH and not as a funding source for construction of the project?	No, NHTF cannot be used for operating costs.
<b>Appendix M – ROSE Program</b>	Regarding the ROSE Program and its allocation requirements outlined in Appendix M, is there a minimum number of units or minimum percentage of units in the development that are required to part of the ROSE Program? I don't see any restrictions outlined in the requirements that specify a minimum number of units in a development that must be a part of the ROSE program.	All units must be included in the ROSE Program if a project decides to proceed with ROSE.
<b>Appendix N – Exhibit Checklist</b>	Would you please clarify whether an unsigned, draft LPA is sufficient for the application (3Tc)?	No, a draft LPA is not sufficient. A fully executed LPA is required. We understand that it is not the final LPA and expect the initial limited partner or withdraw and be replaced by the investor.

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